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FILE**



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Boise, ID 83706 - P.O. Box 83720, Boise, ID 83720-0098
Phone: (208) 327-7900 Fax: (208) 327-7866 Web Site: www.idwr.state.id.us

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

August 3, 2004

PA BERGH
BERGH FARMS
180 KINGS COURT
MOUNTAIN HOME ID 83647

RE: APPLICATION TO LEASE PART OF WATER RIGHT NOS. 2-2159, 2-2354, 2-7184, 2-7229, and 2-7284 TO THE WATER SUPPLY BANK

Dear Mr. Bergh:

The department has conducted an initial review of Agreement No. 1425-04-WL-10-0004 (Agreement) between you and the United States Bureau of Reclamation (Reclamation) submitted to this office as an Application to Sell or Lease a Water Right to the Water Supply Bank (bank). The application was submitted in connection with the 2004 Snake River Pilot Leasing Program initiated by Reclamation.

Please consider that the offered part(s) of the water rights (rights) are accepted into the bank under the following terms:

1. Payment for rental of the right(s) from the bank is contingent upon the determination that the acres associated with the rental application have a valid Snake River water right(s), and that they qualify for payment as provided in Contract no. 1425-04-WL-10-0023 between the United States Bureau of Reclamation and the Idaho Department of Water Resources to Implement the Rental of Water Rights Under the Pilot Program for Leasing of Snake River Natural Flow Water Rights for 2004, said agreement dated June 30, 2004 (Contract).
2. While part(s) of a right is in the bank, the owner of the right may not use that part of the right.
3. While a right is in the bank, forfeiture provisions are stayed.
4. Acceptance of a right into the bank does not confirm the validity of the right or any elements of the water right.
5. The right will be considered released from the bank on December 31, 2004.

SUPPORT DATA

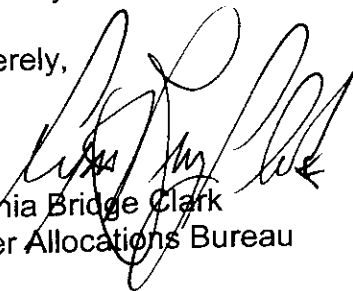
IN FILE # 2-2159

PA BERGH
BERGH FARMS
August 3, 2004
Page 2

The Agreement and Contract specify that one half of the estimated payment will be paid on or around July 30, 2004, and the second half shall be issued after the irrigation season has ended and verification of compliance with the Agreement is complete. Payment to the individual lessors will be issued at a pay rate per acre identified in the individual Agreement between Reclamation and the lessors minus ten percent (10%) to be credited to the Water Administration Account as provided in the Water Supply Bank rules. The department has invoiced Reclamation for the funds associated with the first payment as required in the Contract. A state warrant will be issued in the amount of \$29,981.34 for the first payment for rental of water from the bank in accordance with the above referenced Agreement. The Controller's office will issue the warrant directly to the address identified on the Internal Revenue Service W-9 form submitted with the application to lease water rights to the bank.

If you have questions, please feel free to contact me.

Sincerely,



Cynthia Bridge Clark
Water Allocations Bureau

c: IDWR Regional Office

E. Gail McGarry
Program Manager, Water Rights & Acquisition
Bureau of Reclamation
1150 N Curtis, Suite 100
PN 3100
Boise ID 83706-1234

Before the Idaho Water Resource Board

WATER SUPPLY BANK RENTAL AGREEMENT

The Idaho Water Resource Board ("Board") being authorized to operate a Water Supply Bank ("bank") and to contract by and through the Director of the Idaho Department of Water Resources ("Director") for rental of water from the bank agrees to rent water as follows:

1. Renter: Idaho Power Company
2. Address: PO Box 70, Boise, ID 83707
3. Source of water: Snake River
4. Volume of water rented: Estimated volume of 78,759.9 af (based on total of 26,253.3 dried acres times 3.0 afa/yr).

Max rate: Estimated diversion rate of 62 cfs to 284 cfs

5. Diversion period: 2004 irrigation season
6. Use of water: Hydropower at Hells Canyon Complex
7. a) Renter's point of diversion:

Legal description: Brownlee, Oxbow, and Hells Canyon Projects

- b) Renter's place of use:

Legal description: NA

8. The right from which water will be rented is: See Attachment: Summary of Rentals

The U.S. Bureau of Reclamation (Reclamation) and Bonneville Power Administration agree to pay the Lessors identified on the attached list, a price per acre as specified in individual agreements between Reclamation and the Lessors (agreements). The agreements provide that one half of the estimated payment will be made on or about July 30, 2004, and one half will be after the irrigation season has ended and verification of compliance with the agreements is complete. The Idaho Department of Water Resources (IDWR) shall comply with the payment scheme specified in the individual agreements between Reclamation and the Lessors. Prior to making payment to the Lessors, IDWR will invoice Reclamation for the payment plus the associated ten percent (10%) for the Water Administration Account.

Reclamation and Bonneville Power Administration agree to use the water in compliance with the Water Supply Bank rules and in compliance with the conditions of water use shown below:

Conditions of water use under this agreement

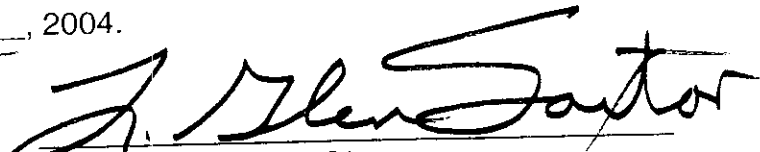
1. The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.
2. Rental of the right(s) from the bank is contingent upon a determination that the acres associated with the rental application have a valid Snake River water right(s), and that they qualify for payment as provided in Contract number 1425-04-WL-10-0023 (Contract) between Reclamation and IDWR to Implement the Rental of Water Rights Under the Pilot Program for Leasing of Snake River Natural Flow Water Rights for 2004 (Program).
3. Acceptance of a right into the bank does not confirm the validity of the right or any elements of the water right.
4. Rental of the right(s) from the bank shall be from May 1, 2004 to November 15, 2004, and the right(s) will be considered released from the bank on December 31, 2004.
5. Use of water under this agreement does not constitute a dedication of the water to renter's use and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to its original points of diversion and place of use and/or again be available to rent from the bank.
6. Renter agrees to comply with Water Supply Bank Rules while using water under this agreement.
7. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.

8. Renter acknowledges and agrees that the Director may terminate diversion of water if the Director determines there is not a sufficient water supply for the priority of the right or portion thereof being rented.
9. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.

Dated this 21st day of July, 2004.

by 
for Idaho Power Company

Having determined that this agreement satisfies the provisions of Section 42-1763, Idaho Code, and, IDAPA 37.02.03030 (Water Supply Bank Rule 30), for the rental and use of water under the terms and conditions herein provided, and none other, I hereby execute this Rental Agreement on behalf of the Idaho Water Resource Board this 23rd day of July, 2004.


for KARL J. DREHER, Director
Department of Water Resources

**2004 PILOT LEASING PROGRAM FOR LEASING OF SNAKE RIVER
NATURAL FLOW WATER RIGHTS
RENTAL OF WATER FROM THE WATER SUPPLY BANK
SUMMARY OF RENTALS FROM THE WATER SUPPLY BANK**

LESSOR	AGREEMENT BETWEEN LESSORS AND USBOF ¹			Estimated Total Payment by Reclamation	RENTED WATER RIGHT(S)
	Agreement No.	Contracted Idled Acres (ac)	Payment Rate (price/ac)		
Bell Rapids Mutual Irrigation Co.	1425-04-WL-10-00012	2405.9	\$150.00	\$360,885.00	2-10205
Bergh Farms	1425-04-WL-10-0004	477.6	\$139.50	\$66,625.20	2-2159, 2-2354, 2-7184, 2-7229, 2-7284
Clover Hollow, LLC.	1425-04-WL-10-0002	3122.4	\$139.00	\$434,013.60	2-2386, 2-2387, 2-2388, 2-7148
Dirks, Robert	1425-04-WL-10-0007	185.7	\$149.00	\$27,669.30	2-2279, 2-7012
Falcon Butte Farms, Inc.	1425-04-WL-10-0004	4072.2 197.0	\$111.50 \$134.50	\$480,546.80	2-2249, 2-2250, 2-2251, 2-2252, 2-2253, 2-2254, 2-2255, 2-2256, 2-2361, 2-7001
Farm Development Corp.	1425-04-WL-10-00013	123.6	\$150.00	\$18,540.00	2-2371, 2-2372
Grindstone Butte Mutual Canal CO	1425-04-WL-10-00011	5856.3	\$150.00	\$878,445.00	2-2262
Huey Farms, Inc.	1425-04-WL-10-0006	589.9	\$149.00	\$87,895.10	2-2361, 2-7001
Kitsos, Constantine	1425-04-WL-10-00018	52.3	\$150.00	\$7,845.00	2-2145, 2-7144
Little Valley Mutual Irrigation Company	1425-04-WL-10-00016	814.6	\$150.00	\$122,190.00	2-2443, 2-7030, 2-7068
Mills, James	1425-04-WL-10-00017	258.3	\$150.00	\$38,745.00	2-7076, 2-7132
Montierth, Herbert, Edward Ray & Susan	1425-04-WL-10-00018	729.7	\$149.00	\$108,725.30	2-2198, 2-2191
Murphy Flats Water Company, Inc.	1425-04-WL-10-00018	537.9	\$150.00	\$80,685.00	2-2361, 2-2370, 2-7001
Rosti, Martha	1425-04-WL-10-00010	111.4	\$150.00	\$16,710.00	2-2194A, 2-2194B
Sailor Creek Water Company	1425-04-WL-10-0009	870.8	\$150.00	\$130,620.00	2-2186, 2-2204, 2-2206, 2-2214, 2-2215, 2-2217, 2-2218
South Elmore Irrigation Company	1425-04-WL-10-0005	4883.9	\$140.00	\$683,746.00	2-2210, 2-2269, 2-2367
TLK Farms, Inc.	1425-04-WL-10-0003	573.4	\$140.00	\$80,276.00	2-2379
Young, Roger	1425-04-WL-10-00014	390.4	\$150.00	\$58,560.00	2-2298, 2-2376, 2-7182
TOTALS:		26253.3		\$3,682,722.30	

¹ The "Agreement" represents the Water Rental and Forbearance Agreement entered into between the United States Bureau of Reclamation (Reclamation) and the individual Lessors. The **Contracted Acres Idled** and the **Payment Rate** represent the number of acres to be idled and the payment per acre agreed upon between the Lessors and Reclamation. The **Estimated Total Payment by Reclamation** is based on the Contracted Idled acres times the Payment Rate.

Before the Idaho Water Resource Board

WATER SUPPLY BANK RENTAL AGREEMENT

The Idaho Water Resource Board ("Board") being authorized to operate a Water Supply Bank ("bank") and to contract by and through the Director of the Idaho Department of Water Resources ("Director") for rental of water from the bank agrees to rent water as follows:

1. Renter: Idaho Power Company
2. Address: PO Box 70, Boise, ID 83707
3. Source of water: Snake River
4. Volume of water rented: Water diversions associated with 14,394 acres fallowed, currently estimated to be 43,182 af based on 3.0 afa/yr).

Max rate: To be determined

5. Diversion period: 2003 irrigation season
6. Use of water: Hydropower at Hells Canyon Complex
7. a) Renter's point of diversion:

Legal description: Brownlee, Oxbow, and Hells Canyon Projects

- b) Renter's place of use:

Legal description: NA

8. The right from which water will be rented is: See Attachment to Water Supply Bank Rental Agreement.

The U.S. Bureau of Reclamation ("Reclamation") and Bonneville Power Administration agree to pay the Lessors identified on the attached list, a price per acre as specified in individual agreements between Reclamation and the Lessors ("agreements").

The agreements provide that one half of the estimated payment will be made on or about July 1, 2003, and one half will be after the irrigation season has ended. The Idaho Department of Water Resources ("IDWR") shall comply with the payment scheme specified in the individual agreements between Reclamation and the Lessors. Prior to making payment to the Lessors, IDWR will invoice Reclamation for the payment plus the associated ten percent (10%) for the Water Administration Account.

Reclamation and Bonneville Power Administration agree to use the water in compliance with the Water Supply Bank rules and in compliance with the conditions of water use shown below:

Conditions of water use under this agreement:

1. The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.
2. Rental of the right(s) from the bank is contingent upon a determination that the acres associated with the rental application have a valid Snake River water right(s), and that they qualify for payment as provided in the Agreement between the U.S. Bureau of Reclamation and the Idaho Department of Water Resources for Water Leasing Program of Natural Flow Snake River Water Rights for 2003.
3. Acceptance of a right into the bank does not confirm the validity of the right or any elements of the water right.
4. Rental of the right(s) from the bank shall be from May 1, 2003 to November 15, 2003, and the right(s) will be considered released from the bank on December 31, 2003.
5. Use of water under this agreement does not constitute a dedication of the water to renter's use and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to its original points of diversion and place of use and/or again be available to rent from the bank.
6. Renter agrees to comply with Water Supply Bank Rules while using water under this agreement.
7. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.
8. Renter acknowledges and agrees that the Director may terminate diversion of

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water if the Director determines there is not a sufficient water supply for the priority of the right or portion thereof being rented.

9. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.

Dated this 18th day of June, 2003.

by Jonathon C. Bowling

Having determined that this agreement satisfies the provisions of Section 42-1763, Idaho Code, and, IDAPA 37.02.03030 (Water Supply Bank Rule 30), for the rental and use of water under the terms and conditions herein provided, and none other, I hereby execute this Rental Agreement on behalf of the Idaho Water Resource Board this 23rd day of June, 2003.

K. Glen Saylor
for KARL J. DREHER, Director
Department of Water Resources

Before the Idaho Water Resource Board

APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK

Applicant Idaho Power Company Phone 388-2905
 Address P.O. Box 70
 City Boise State ID Zip Code 83707

A. DESCRIPTION OF WATER SOUGHT TO RENT

1. Source of water Snake River tributary to _____.
2. Maximum volume of water Volume associated with beneficial use of irrigation on 14,394 dried acres, which is currently estimated to be 3 acre-ft per acre per year.).
3. Maximum rate of diversion 7 gallons per minute per acre.

B. DESCRIPTION OF USE PROPOSED

1. Nature of intended use Hydropower, Hells Canyon Complex
2. Location of point of diversion Brownlee, Oxbow and Hells Canyon Dam.
 Township _____, Range _____, B.M. _____ County.
3. Season of use: From May 1, 2003 to November 15, 2003.
4. Description of diverting works: N/A
 Pump HP _____ Lift _____ Pump type _____
 Canal name, if appropriate _____
5. Place of use:
 - a. If water is for irrigation, describe the number of acres to be irrigated by 40-acre tract, section, township and range.

N/A

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- b. If water is not for irrigation, describe the nature of the intended use and the place of use.

Power Generation Purposes at the Hells Canyon Complex

6. Describe any other water rights used for the same purposes as rental water sought under this application.

N/A

7. Who owns the property at the point of diversion?

N/A

Who owns the property at the place of use?

N/A

8. Are you seeking a rental for more than one (1) year? NO (yes or no)

If yes, for how many years? _____

9. Remarks: See Attached.

6/18/03
Date

Jonathon C. Bowling
Signature of Applicant

FOR DEPARTMENT USE ONLY

Received by WZ Date 6-19-03 Time _____

Published in _____ Pub. dates _____

Protests filed by _____

Hearing held by _____

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Action recommended _____

JUL 15 2003

Attachment

Table 1

	Latest number (in acres)	Agreement No.
Bergh Farms	620.4	1425-03-MA-10-3870
Clover Hollow LLC	2406.2	1425-03-MA-10-3880
Falcon Butte Farms, Inc.	3,756.8	1425-03-MA-10-3960
Farm Development Corp	159.5	1425-03-MA-10-3900
Good, Jeff & Vivienne	482.0	1425-03-MA-10-3890
Grindstone Butte	3605.1	1425-03-MA-10-3980
Hartley, Don	245.4	1425-03-MA-10-3860
Hulet, Blaine & Yvonne	357.9	1425-03-MA-10-3950
Rosti, Martha	62.0	1425-03-MA-10-3840
Sailor Creek	331.4	1425-03-MA-10-3910
South Elmore	1791.7	1425-03-MA-10-3920
TLK Farms, Inc.	575.6	1425-03-MA-10-3930
TOTALS	14,394.0	

Conditions of application

1. Idaho Power will not be responsible for any payment for these water rights. Payment is covered by the Agreements cited above.
2. Water rented from the Water Supply Bank ("bank") under this application is based on the above-cited agreements. It shall only include water leased to the bank by the entities listed above.
2. The acreages and volumes listed above were compiled from the Applications submitted by the corresponding entities to lease water to the Water Supply Bank.
3. The volume of water available for lease is contingent upon the determination that the acres associated with the rental applications have a valid Snake River water right(s).

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JUL 15 2003

United State Department of the Interior
Bureau of Reclamation

Water Rental and Forbearance Agreement

With Bergh Farms LLC by David Bergh
(Lessor's name)

Reclamation agreement number # 1425-03-MA-10-3870

This Agreement is entered into pursuant to the Reclamation Act of 1902, as amended and supplemented, for the purpose of meeting commitments of the Bureau of Reclamation (Reclamation) under the Biological Opinions on the Operation of the Federal Columbia River Power System and the operation and maintenance of Reclamation Projects in the Snake River Basin above Brownlee Dam. This Agreement is by and between the United States of America, acting by and through the Department of the Interior, Bureau of Reclamation, represented by the officer executing this instrument on its behalf and the Lessor.

RECITALS

- A. WHEREAS, Reclamation has commitments under Biological Opinions on the operation of the Federal Columbia River Power System and the operation and maintenance of Reclamation Projects in the Snake River Basin above Brownlee Dam to provide flow augmentation for delivery at Lower Granite Dam.
- B. WHEREAS, The Idaho Legislature authorized Reclamation to annually rent up to 427,000 acre-feet of storage water per year during the years 2002-2004 under the provisions of Idaho Code § 42-1763B.
- C. WHEREAS, In 2002, there was insufficient storage water available for rental by Reclamation to meet the 427,000 acre-feet rental target. Therefore, Reclamation worked with the Idaho Department of Water Resources (IDWR) under Memorandum of Agreement No. 1425-02-MA-10-3460 to have certain water right holders idle land and place their water rights in the State Water Supply Bank, thereby increasing water flow downstream to Lower Granite Dam. Rules governing the Idaho State Water Supply Bank, IDAPA 37.02.03, provide that rentals shall be approved only for use in Idaho unless there is compliance with the provisions of Idaho Code § 42-401(3). In order to avoid the complexities of Reclamation seeking approval for out-of-state use, the water was rented by the Idaho Power Company and used for hydropower generation in Idaho with the result that additional water flowed to Lower Granite Dam for flow augmentation.

- D. WHEREAS, Similar to 2002, it is expected that insufficient storage water will be available this year for rental by Reclamation. Therefore, Reclamation has initiated a similar pilot Snake River Leasing Program (Program), although this year it was advertised to the public and a request for proposals was sent to eligible water right holders. Under this Program, water right holders will forego irrigation of land and place their water right into the Idaho State Water Supply Bank. As a practical way of ensuring that Reclamation receives additional water, over and above the water flows that would otherwise be available, a qualification was added requiring that the land to which the water right is appurtenant was either irrigated last year or was in Reclamation's 2002 program explained in Recital C above. Again, it is intended for Idaho Power to renting the water from the State Water Supply Bank.
- E. The Lessor submitted a proposal for participation in the Program. The proposal shows that the Lessor has a right to use water for irrigation purposes and absent this Program was intending to irrigate with the water proposed for the Program. Therefore, placing the Lessor's water in the Water Bank during 2003 will result in additional water in the Snake River at Lower Granite Dam, Oregon. This additional water will be counted towards Reclamation's obligation to provide 427,000 acre-feet of water at Lower Granite Dam.

AGREEMENT

NOW THEREFORE, in consideration of the mutual and dependent covenants herein contained, the parties agree as follows:

I. **Land Accepted into the Program**

- A. The total number of acres accepted into the Program is 620.4 acres. The land, hereinafter referred to as the Land, accepted into the Program is identified as "LL" on the map(s) included in Attachment A. This is the maximum number of acres eligible for payment under this Agreement. Reclamation recognizes the following conditions may exist: 1) additional acres may have been proposed in the Lessor's application, 2) the Lessor may have a right to irrigate additional acres, 3) the Lessor may intend to irrigate additional acres in 2003 and is willing to idle those acres, and 4) the Lessor may submit an application to the State Water Supply Bank to lease water rights appurtenant to acres other than the acres identified in this Agreement. Notwithstanding any of the conditions stated above or any other conditions, under this "willing seller, willing buyer" Agreement, the number of acres covered by the Agreement is limited to the number and location stated in this section I.A. of the Agreement.
- B. If it is determined after the execution of this Agreement that certain acres are not eligible for the Program because of a mistake, error, or misrepresentation in the Lessor's application, the land covered under this Program will be reduced accordingly.

- C. The Land may not be irrigated from any source, regardless of whether there is another valid water right appurtenant to the Land. Water authorized to be diverted under water rights, or portions of water rights, leased to the Water Supply Bank may not be applied to lands that are not identified in this Agreement. The Lessor may not water the Land for any reason; for example, testing equipment, irrigating a cover crop, or dust abatement.
- D. IDWR intends to monitor the Lessor's idled lands. The monitoring will include field visits, and the collection and analysis of satellite data and related pump and flow measurements collected at IDWR's discretion. The Lessor agrees to allow the collection of data and access for field visits.

II. Water Rights Appurtenant to the Leased Land

- A. The Lessor agrees that this Agreement shall be submitted to the Idaho State Water Supply Bank as an application to lease water to the bank, and that the Lessor is offering the water rights described in Attachment A to the bank by signing this Agreement. The Lessor agrees that any additional information or requirement IDWR may require to process or accept the application shall be furnished promptly to IDWR, including but not limited to, the submission of a separate application form if required. Failure to comply and IDWR requirements is cause for termination of this agreement.
- B. All rentals of the Lessor's water rights out of the water bank shall be subject to Reclamation's approval.

III. Payment

- A. By signing this Agreement the Lessor offers to the Idaho State Water Supply Bank the water rights described above for a total lease price of \$ 93,060.00. This amount is based on \$ 150.00 per acre of land idled. The Lessor understands that the amount the Lessor will receive from the Idaho State Water Supply Bank is 90% of the total lease price. Ten percent will be retained by IDWR for administrative costs of operating the Water Supply Bank, pursuant to the Water Supply Bank Rules.
- B. Payment as shown in section III.A above is based upon a dollar amount per acre of land idled, regardless of the diversion rate or maximum diversion volume allowed under the water right, the historical diversion rate or consumptive use under the water right, or the diversion rate or diversion volume approved for lease by IDWR.
- C. Pursuant to the Water Supply Bank Rules, IDAPA 37.02.03, after the water rights are leased, payment is to be made by the Water Supply Bank to the Lessor. Lessor agrees to accept the following intended plan for payment by IDWR: one

half of the estimated payment will be made on or about July 1, 2003, and the remainder will be paid after the irrigation season ends and final verification of program compliance is complete. Reclamation will enter into a separate contract with IDWR to make payment to the Water Supply Bank for this purpose.

IV. **Term, Termination of Agreement and Remedies**

- A. The Agreement shall become effective on the date of the last signature hereto and shall extend through December 31, 2003.
- B. At Reclamation's discretion, this Agreement may be terminated upon:
- (1) Failure of the Lessor to abide by the terms and conditions of this Agreement;
 - (2) Refusal of the Lessor to allow Reclamation or IDWR access to the Land to monitor compliance with the Agreement.
 - (3) Application of water by the Lessor to the Land during the period of this Agreement, except in emergency situations where the application of water is required for public safety reasons.
 - (4) Discovery of fraudulent information submitted in the Lessor's Application.
- C. If this Agreement is terminated for any other reason prior to its ending date, the Lessor shall reimburse Reclamation for a prorated portion of the amount stated in Section III.A of this Agreement, as determined by Reclamation.

V. **Miscellaneous**

- A. The Landowner or Lessor is responsible for all taxes, assessments, soil conservation measures such as weed and erosion control and other obligations related to any of the Land covered by this Agreement.
- B. The Landowner will indemnify and hold harmless Reclamation from any loss or damage and from any liability on account of personal injury, property damage, or claims for personal injury or death, or property damage of any nature caused by the Landowner or any person, firm or corporation acting on the Landowner's behalf related to or arising out this Agreement.
- C. **Water Right Ownership**

This Agreement shall not be used as evidence of ownership of water rights in the Snake River Basin Adjudication.

D. Officials Not to Benefit

No member of or delegate to Congress or the Resident Commissioner shall be admitted to any share or part of this Agreement or to any benefit to arise therefrom, but this restriction shall not be construed to extend to this Agreement if made with a corporation or company for its general benefit.

E. Covenant Against Contingent Fees

The Lessor warrants that no person or agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee except bona fide employees and bona fide commercial agencies maintained by the Lessor for the purpose of securing business. For breach or violation of this warranty, Reclamation shall have the right to revoke this Agreement without liability or in its discretion to require the Lessor to pay the full amount of such commission, percentage, brokerage, or contingency fee to the United States.

Signatures

Print name: BERGH FARMS LLC by DAVID F. BERGH

Mailing address: 180 KINGS CT.

MtN. HOME, IO 83647

Phone: (208) 573-3542

Signed David E. Bergh

Title: MEMBER

Date: 4/03/03

For the Bureau of Reclamation

Signature: J. William McDonald
Regional Director, Pacific Northwest Region

Date: April 16, 2003

Water Right Numbers for lands in 2003 Snake River Pilot Leasing Program.

02-7229, 02-7181, 02-2398, 02-2159, 02-2354

Legal Description of Lands Approved for 2003 Snake River Pilot Leasing Program.

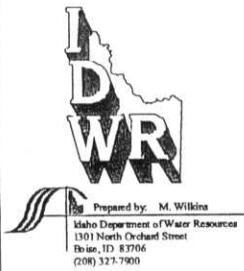
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			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE
5S	6E	24												18				
		25					40	38	40	40	38.2	37.4	36.9	39.2	36.5	37.2	37.6	37
		26													40	30		20
		36	27.2	7.2														

4/13/03

Applicant initials D.E.B. Applicant initials _____ Applicant initials _____

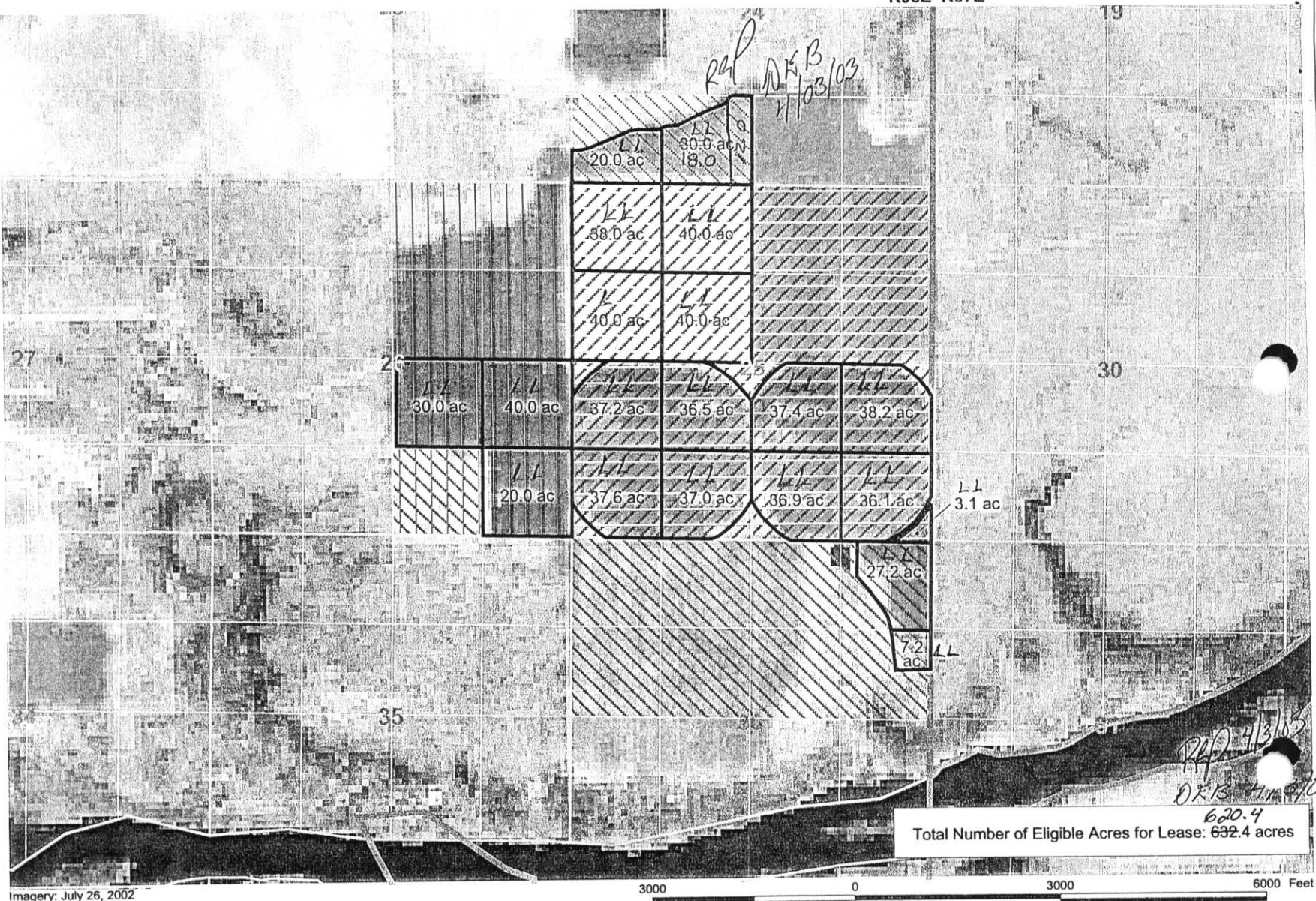
R06E R07E

T05S



Water right boundaries identify the quarter quarters within the licensed or permitted place of use, but do not represent the number of acres authorized.

- ☒ ELIGIBLE
- ☐ INELIGIBLE
- ☐ QUESTIONABLE
- ☐ Township/Range Lines
- ☐ Section Lines
- ☐ Quarter/Quarter Lines
- ☒ Water Right 2-7229
- ☒ Water Right 2-7184
- ☒ Water Right 2-2398
- ☒ Water Right 2-2159
- ☒ Water Right 2-2354



Total Number of Eligible Acres for Lease: 620.4

BERGH FARMS LLC by David E. Bergh 4/03/03
Applicant Signature Date

Ralph A. Lage 4/3/03
USBOR Signature Date

COPY

Bergh Farms, LLC

2003 Snake River Pilot Leasing Program
Rental of Water from the Water Supply Bank

Prepared: April 2, 2003

PROPOSAL FOR THE SNAKE RIVER PILOT LEASING PROGRAM

JAN 24 2003

Applicant Information

1. Name(s): BERGH FARMS LLC

2. Mailing Address: 180 KINGS COURT
MTN. HOME, ID 83647

3. Daytime Phone Number: 208-587-8594 or 208-573-3544

4. Fax: ~~208-587-6730~~ 208-587-6730

5. E-mail Address: pa.bergh@earthlink.net

6. Do you own all of the land you propose for the program?

yes ☒ no

7. If not, do you lease the land you do not own? ☒ yes ☐ no

a) If yes, attach documentation showing that you have a valid lease for the land.

b) Name and address of the land owner:

SUNSET RIDGE LLC, P.O. Box 1207, MTN. HOME, ID 83647

c) Do you have the landowner's permission to lease the water into the Idaho State Water Bank? ☒ yes ☐ no

d) If yes, attach documentation showing permission. included as part of lease (176)

8. Proposed price per acre: \$ 150.00 per acre. Note that you will only receive 90% of that rate.

Information about the water right

9. Water Right Number: \$ →

(Also ATTACHED)

	PRIORITY DATE		ACRES
2-2159	12/14/60	LICENSE	{ SAME LOCATION
" - 2354	7/10/64	✓	{ 6304
" - 2398	10/1/66	✓	187
" - 7184	12/19/74	✓	350
" - 7229	4/16/76	✓	50
7284	5/8/79	✓	121
TOT			1338

10. What is the basis of the water right?

☐ permit
☒ license
☐ decree

11. Have you attached a copy of the permit, license, or decree? ☒ yes

12. Have you made a claim for the water right in the Snake River Basin Adjudication (SRBA)?
☒ yes. Attach a copy of this SRBA claim.

13. Priority date: see #9

14. Number of acres authorized for irrigation under this water right: 1338 acres

15. Is the number of acres authorized for irrigation limited within a total place of use in a single irrigation season? ☒ yes ☐ no for $\begin{cases} 2 - 7229 \\ 2 - 7284 \end{cases}$

16. How many acres authorized under this water right were irrigated during the 2002 season?
ALL acres or APPROX 1,250 ACRES. $\left\{ \begin{array}{l} \text{ENCLOSED FARM SERVICE AGENCY} \\ \text{2002 CROP REPORT; MAP \& ITEMIZED} \\ \text{FIELDS LISTED BY CROP.} \end{array} \right.$

17. Were any of the proposed lands leased to the Idaho State Water Bank under Memorandum of Agreement #1425-02-MA-10-3460 between IDWR and Reclamation? ☐ yes ☒ no

18. How many acres authorized under this water right will be irrigated during the 2003 irrigation season if your application is accepted into the Program? 629 acres

19. Do you propose to enter only a portion of the water right into the Program?

☒ yes ☐ no

20. Are any other water rights appurtenant to the proposed lands?

☐ yes, please list the water rights: _____

☒ no

Information about the land that will be idled

21. Number of acres you are proposing for the Program: 621 acres

22. Is each tract of land you are proposing composed of 40 contiguous acres?

☒ yes ☐ no

23. Have you attached an acceptable map with the acres identified (see application instructions for types that are acceptable) with proposed lands and fields identified? X yes

24. Have you enclosed the attached grid? (See #24 on the application instructions for an explanation of what must be identified.) X yes

25. Have you attached documentation of use during the year 2002? (See application instructions.) X yes

26. Do you plan on a cover crop on the land? X yes ___ no

By signing below, you certify that the information included in this proposal is accurate and true to the best of your knowledge. *SEEDED TO FALL WHT. IN '02*

NOTE: To support your proposal, you may be asked to provide additional information. We will notify the applicant shown above if additional information is necessary.

BERGH FARMS LLC by David E. Bergh Date: 1/23/03
Applicant's Signature

DAVID E. BERGH
Printed Name

Applicant's Signature Date: _____

Printed Name

Applicant's Signature Date: _____

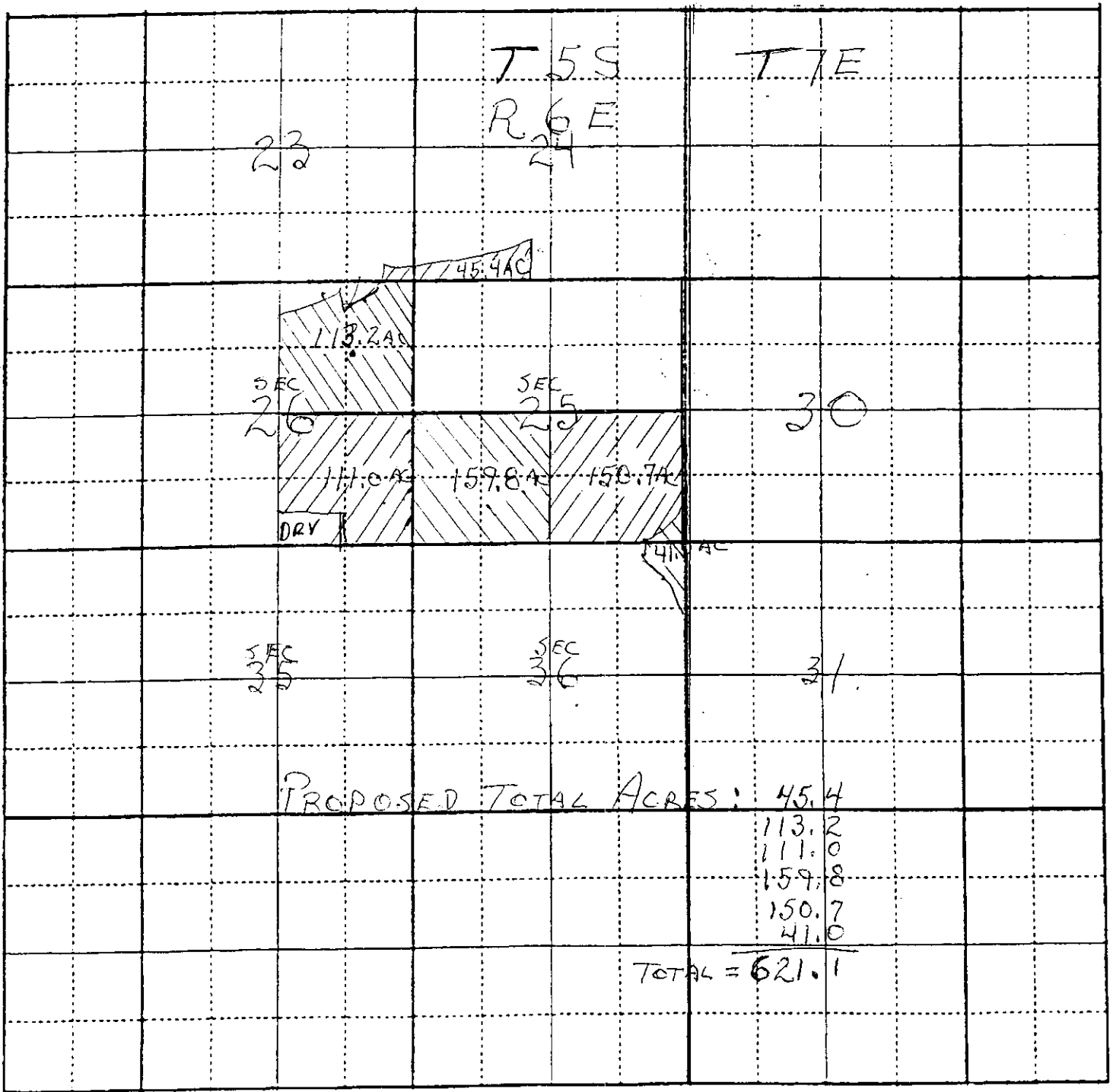
Printed Name

Applicant's Signature Date: _____

Printed Name

Legal Description Grid

Document the legal description for each proposed field clearly depicting the land by section, township, range, and quarter-quarter. Indicate any proposed fields that were not irrigated last year by placing the word "dry" in each corresponding quarter-quarter.



Rattlesnake

R6E

R7E

T55

14

13

18

2003 SNAKE RIVER LEASING PROGRAM
BERGH FARMS LLC
TOTAL ACRES PROPOSED: 621 AC

3050

x 3034

x 3041

3047

3050

23

24

3027

19

45.4 AC

113.2 AC

VARM 3030

26

25

x 2838

30

111.0 AC

159.8 AC

150.7 AC

41.0 AC

2810

2800

2800

2810 x

x 2865

x 2822

36

31

BM 2470

BM 2468

SNAKE

x 2458

Barber

x 2465

x 2465

x 2503

x 2463

x 2457

MC 2457

2770

J-STRIKE RESERVOIR

and

Place of Use Legal Description: IRRIGATION ELMORE County

Township	Range	Section	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres
05S	06E	25		NENE	38		NWNE	40		SWNE	40		SENE	39
				NENW	40		NWNW	38		SWNW	40		SENW	40
				NESW	40		NWSW	40		SWSW	40		SESW	40
				NESE	40		NWSE	39		SWSE	39		SESE	39

Total Acres: 630

Dates:

Licensed Date: 02/13/1979

Claim Received Date:

Decreed Date:

Enlargement Use Priority Date:

Enlargement Statute Priority Date:

Other Information:

State or Federal: S

Owner Name Connector:

Water District Number:

Generic Max Rate per Acre:

Generic Max Volume per Acre:

Civil Case Number:

Old Case Number:

Decree Plaintiff:

Decree Defendant:

Swan Falls Trust or Nontrust:

Swan Falls Dismissed:

DLE Act Number:

Cary Act Number:

Mitigation Plan: False

Close

Close

IDAHO DEPARTMENT OF WATER RESOURCES
Adjudication Claim Report

01/23/2003

WATER RIGHT NO. 2-7184

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	THE TRAVELERS INSURANCE CO REAL ESTATE INVESTMENT DEPT ATTN JOE DANIELS PO BOX 17480 DENVER, CO 80217-0480 (303)740-1826
Original Owner	CARLOS O CRANDALL
Original Owner	OLON F CRANDALL 150 N 18TH E MOUNTAIN HOME, ID 83647
Original Owner	KEITH L CHRISTENSEN 1048 HWY 91 SHELLEY, ID 83247 (208)357-7156

Priority Date: 12/19/1974

Basis: License

Status: Active

<u>Source</u>	<u>Tributary</u>
SNAKE RIVER	COLUMBIA RIVER

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	4/01	10/31	8 CFS	
Total Diversion			8 CFS	

Location of Point(s) of Diversion:

Snake River	NESE Lt 1	Sec. 36	Township 05S	Range 06E	ELMORE County
-------------	-----------	---------	--------------	-----------	---------------

Place(s) of use:

Place of Use Legal Description: IRRIGATION ELMORE County

Township	Range	Section	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	A
05S	06E	26		SWSE	34									
		36		NENE	29		NWNE	37		SWNE	31		SENE	9
				NENW	40		NWNW	40		SWNW	40		SENE	9
				NESW	24		NWSW	22					SENE	9
				NWSE	4								SENE	9

Total Acres: 350

Conditions of Approval:

1.	001	A measuring device of a type approved by the Department shall be permanently installed and maintained as part of the diverting works.
2.	016	See remarks for additional conditions of approval.

Remarks:

1.	General	CONFORMED ADDRESS TO D.E. STANDARDS 03/28/95 SS.
----	---------	--

Dates:

Licensed Date: 06/08/1982

Claim Received Date:

Decreed Date:

Enlargement Use Priority Date:

Enlargement Statute Priority Date:

Other Information:

State or Federal: S

Owner Name Connector:
Water District Number:
Generic Max Rate per Acre:
Generic Max Volume per Acre:
Civil Case Number:
Old Case Number:
Decree Plaintiff:
Decree Defendant:
Swan Falls Trust or Nontrust:
Swan Falls Dismissed:
DLE Act Number:
Cary Act Number:
Mitigation Plan: False

Close

Close

IDAHO DEPARTMENT OF WATER RESOURCES
Adjudication Claim Report

01/23/2003

WATER RIGHT NO. 2-2398

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	THE TRAVELERS INSURANCE CO REAL ESTATE INVESTMENT DEPT ATTN JOE DANIELS PO BOX 17480 DENVER, CO 80217-0480 (303)740-1826
Original Owner	VERNON W GOLDSMITH

Priority Date: 10/01/1966

Basis: License

Status: Active

<u>Source</u>	<u>Tributary</u>
SNAKE RIVER	COLUMBIA RIVER

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	3/15	11/15	3.74 CFS	
Total Diversion			3.74 CFS	

Location of Point(s) of Diversion:

SNAKE RIVER	NESE Lt 1	Sec. 36	Township 05S	Range 06E	ELMORE County
-------------	-----------	---------	--------------	-----------	---------------

Place(s) of use:

Place of Use Legal Description: IRRIGATION ELMORE County

Township	Range	Section	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres
05S	06E	26		NENE	20		NWNE	2		SWNE	36		SENE	34
				NESW	40		SWSW	5						
				NWSE	30		SESE	20						

Total Acres: 187

Dates:

Licensed Date: 02/16/1979

Claim Received Date:

Decreed Date:

Enlargement Use Priority Date:

Enlargement Statute Priority Date:

Other Information:

State or Federal: S

Owner Name Connector:

Water District Number:

Generic Max Rate per Acre:

Generic Max Volume per Acre:

Civil Case Number:

Old Case Number:

Decree Plaintiff:

Decree Defendant:

Swan Falls Trust or Nontrust:

Swan Falls Dismissed:

DLE Act Number:

Cary Act Number:

Mitigation Plan: False

Close

Close

IDAHO DEPARTMENT OF WATER RESOURCES
Adjudication Claim Report

01/23/2003

WATER RIGHT NO. 2-2354

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	THE TRAVELERS INSURANCE CO REAL ESTATE INVESTMENT DEPT ATTN JOE DANIELS PO BOX 17480 DENVER, CO 80217-0480 (303)740-1826
Original Owner	JAMES BATT
Original Owner	VERNON W GOLDSMITH

Priority Date: 07/10/1964

Basis: License

Status: Active

<u>Source</u>	<u>Tributary</u>
SNAKE RIVER	COLUMBIA RIVER

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	3/15	11/15	0.6 CFS	
Total Diversion			0.6 CFS	

Location of Point(s) of Diversion:

SNAKE RIVER	NESE Lt 1	Sec. 36	Township 05S	Range 06E	OWYHEE County
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Place(s) of use:

Place of Use Legal Description: IRRIGATION OWYHEE County

Township	Range	Section	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres
05S	06E	25		NENE	38		NWNE	40		SWNE	40		SENE	39
				NENW	40		NWNW	38		SWNW	40		SENW	40
				NESW	40		NWSW	40		SWSW	40		SESW	40
				NESE	40		NWSE	39		SWSE	39		SESE	39

Total Acres: 630

Dates:

Licensed Date: 02/13/1979

Claim Received Date:

Decreed Date:

Enlargement Use Priority Date:

Enlargement Statute Priority Date:

Other Information:

State or Federal: S

Owner Name Connector:

Water District Number:

Generic Max Rate per Acre:

Generic Max Volume per Acre:

Civil Case Number:

Old Case Number:

Decree Plaintiff:

Decree Defendant:

Swan Falls Trust or Nontrust:

Swan Falls Dismissed:

DLE Act Number:

Cary Act Number:

Mitigation Plan: False

Close

Close

IDAHO DEPARTMENT OF WATER RESOURCES
Adjudication Claim Report

01/23/2003

WATER RIGHT NO. 2-7229

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	THE TRAVELERS INSURANCE CO REAL ESTATE INVESTMENT DEPT ATTN JOE DANIELS PO BOX 17480 DENVER, CO 80217-0480 (303)740-1826
Original Owner	KEITH CHRISTINSEN , ID
Original Owner	CARLOS CRANDALL
Original Owner	OLON CRANDALL 150 N 18TH E MOUNTAIN HOME, ID 83647

Priority Date: 04/16/1976

Basis: License

Status: Active

<u>Source</u>	<u>Tributary</u>
SNAKE RIVER	COLUMBIA RIVER

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	3/15	11/15	1 CFS	
Total Diversion			1 CFS	

Location of Point(s) of Diversion:

<http://www.idwr.state.id.us/apps/ExtSearch/RightReportAJ.asp?BasinNumber=2&SequenceN...> 1/23/03

SNAKE RIVER	NESE Lt 1	Sec. 36	Township 05S	Range 06E	ELMORE County
-------------	-----------	---------	--------------	-----------	---------------

Place(s) of use:

Place of Use Legal Description: IRRIGATION ELMORE County

Township	Range	Section	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres
05S	06E	24		SWSW	20		SESW	30						

Total Acres: 50

Remarks:

1.	General	THIS RT. WHEN COMBINED WITH RTS. 02-2354, 02-7184, 02-2398 & 02-2159 SHALL NOT EXCEED 22.28 CFS.
----	---------	---

Dates:

Licensed Date: 08/15/1983

Claim Received Date:

Decreed Date:

Enlargement Use Priority Date:

Enlargement Statute Priority Date:

Other Information:

State or Federal: S

Owner Name Connector:

Water District Number:

Generic Max Rate per Acre:

Generic Max Volume per Acre:

Civil Case Number:

Old Case Number:

Decree Plaintiff:

Decree Defendant:

Swan Falls Trust or Nontrust:

Swan Falls Dismissed:

DLE Act Number:

Cary Act Number:

Mitigation Plan: False

Close

Close

IDAHO DEPARTMENT OF WATER RESOURCES
Water Right Report

01/23/2003

WATER RIGHT NO. 2-7284

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	VIRGIL JAHNKE RT 1 BOX 125 AMERICAN FALLS, ID 83211
Original Owner	KEITH CHRISTENSEN
Original Owner	CARLOS CRANDALL
Original Owner	OLON CRANDALL

Priority Date: 05/08/1979

Basis: License

Status: Active

<u>Source</u>	<u>Tributary</u>
SNAKE RIVER	COLUMBIA RIVER

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	3/15	11/15	2.42 CFS	605 AFA
STOCKWATER	1/01	12/31	0.04 CFS	2.7 AFA
Total Diversion			2.46 CFS	607.7 AFA

Location of Point(s) of Diversion:

SNAKE RIVER	NESE Lt 1	Sec. 36	Township 05S	Range 06E	ELMORE County
-------------	-----------	---------	--------------	-----------	---------------

Licensed Diversion Capacity: 22.28

<http://www.idwr.state.id.us/apps/ExtSearch/RightReportAJ.asp?BasinNumber=2&SequenceN...> 1/23/03

Place(s) of use:

Place of Use Legal Description: IRRIGATION ELMORE County

Township	Range	Section	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres
05S	06E	23		SESE	5									
		24		SWSE	40		SESE	28						
		26		NWNE	8		SWNE	4		SENE	6			
				NWSE	10		SESE	20						

Place of Use Legal Description: STOCKWATER same as IRRIGATION

Total Acres: 121

Conditions of Approval:

1.	016	See remarks for additional conditions of approval.
2.	031	Water shall not be diverted under this right unless the flow of the Snake River exceeds established downstream minimum stream flows.
3.	R33	This right when combined with all other rights shall provide no more than .02 cfs per acre nor more than 5.0 afa per acre for the lands above.

Remarks:

1.	General	THIS RT. WHEN COMBINED WITH RTS. 02-2354/7184/2398/2159/7229 SHALL NOT EXCEED 22.28 CFS.
----	---------	--

Dates:

Licensed Date: 11/01/1985

Decreed Date:

Permit Proof Due Date: 6/1/1984

Permit Proof Made Date: 1/1/1900

Permit Approved Date: 6/20/1979

Permit Moratorium Expiration Date:

Enlargement Use Priority Date:

Enlargement Statute Priority Date:

Water Supply Bank Enrollment Date Accepted:

Water Supply Bank Enrollment Date Removed:

<http://www.idwr.state.id.us/apps/ExtSearch/RightReportAJ.asp?BasinNumber=2&SequenceN...> 1/23/03

Application Received Date:
Protest Deadline Date:
Number of Protests: 0

Other Information:
State or Federal:
Owner Name Connector:
Water District Number:
Generic Max Rate per Acre:
Generic Max Volume per Acre:
Civil Case Number:
Old Case Number:
Decree Plaintiff:
Decree Defendant:
Swan Falls Trust or Nontrust:
Swan Falls Dismissed:
DLE Act Number:
Cary Act Number:
Mitigation Plan: False

Close

Original:

Revision:

Cropland:

Farmland:

2002

CROP REPORT

SQUAW CREEK FARMS LLC

Now SUNSET RIDGE LLC

Handwritten signature

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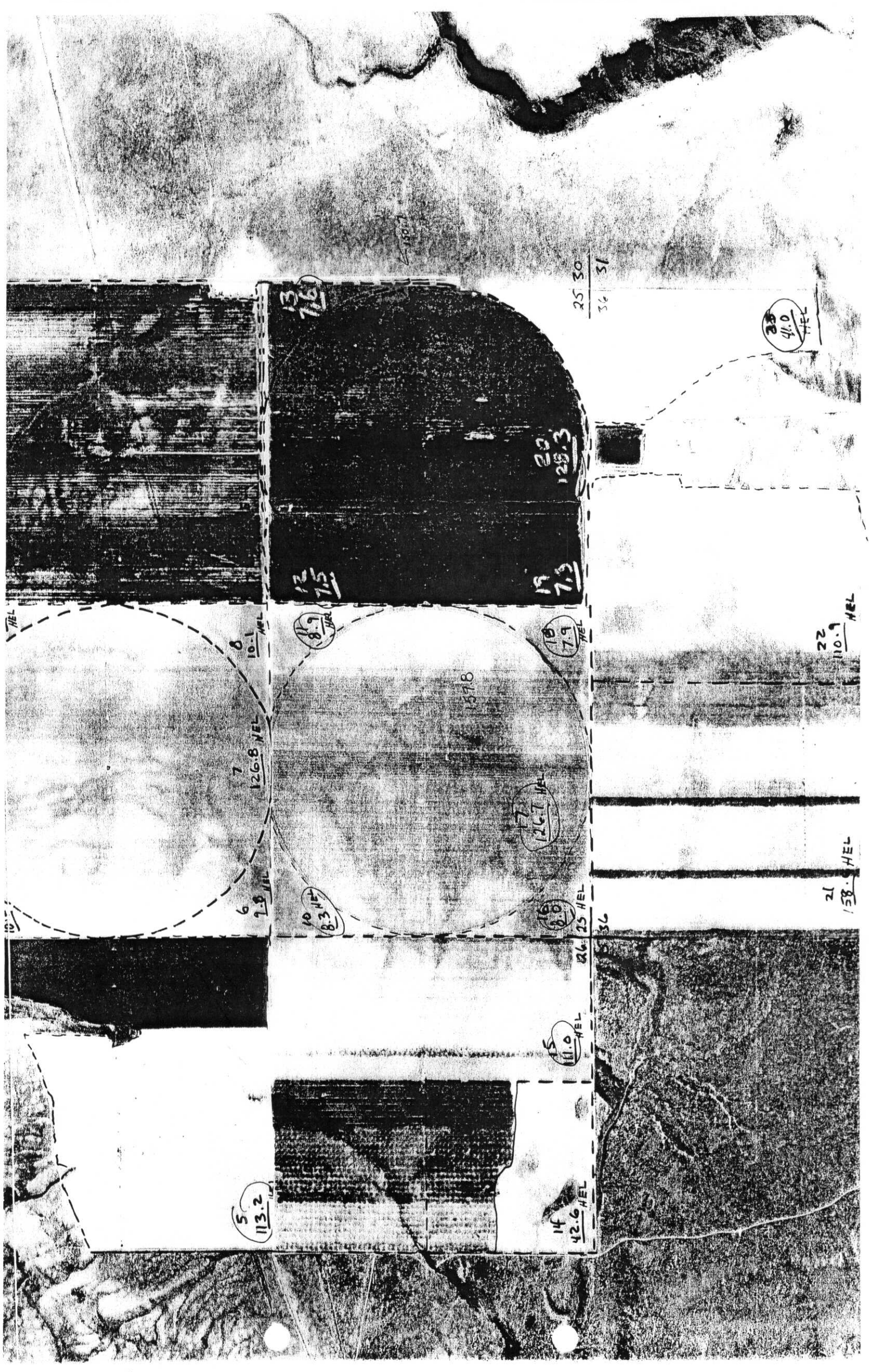
Handwritten signature

Tract Number	Field Num	Field ID	Irr	Crop	Var/Type	Int Use	Land Use	Reported Acreage	Determined Acreage	O/M	Crop Stat	Prod Share	Prod ID	RMA Unit	Opt Unit
321	1		Ir	ALFAL		Forage		45.40			I	1.0000	5432		
	3		Ir	ALFAL		Forage		10.20			I	1.0000	5432		
	4		Ir	ALFAL		Forage		9.10			I	1.0000	5432		
	5		Ir	ALFAL		Forage		113.20			I	1.0000	5432		
	6		Ir	ALFAL		Forage		9.80			I	1.0000	5432		
	7		Ir	ALFAL		Forage		126.80			I	1.0000	5432		
	8		Ir	ALFAL		Forage		10.10			I	1.0000	5432		
	10		Ir	SBEET		Proces		8.30			I	1.0000	5432		
	11		Ir	SBEET		Proces		8.90			I	1.0000	5432		
	12		Ir	SBEET		Proces		7.50			I	1.0000	5432		
	13		Ir	SBEET		Proces		7.60			I	1.0000	5432		
	14		Ir	ALFAL		Forage		42.60			I	1.0000	5432		
	15		Ir	SBEET		Proces		111.00			I	1.0000	5432		
	16		Ir	SBEET		Proces		8.00			I	1.0000	5432		
	17		Ir	SBEET		Proces		126.70			I	1.0000	5432		
	18		Ir	SBEET		Proces		7.90			I	1.0000	5432		
	19		Ir	SBEET		Proces		7.30			I	1.0000	5432		
	20		Ir	SBEET		Proces		128.30			I	1.0000	5432		
	21		Ir	WHEAT	SWS	Grain		158.00			I	1.0000	5432		
	22		Ir	WHEAT	SWS	Grain		110.90			I	1.0000	5432		
	23		Ir	SBEET		Proces		41.00			I	1.0000	5432		
	2		Ir	PTATO	RUS	Proces	F FAV	79.30			I	1.0000	5432		
	9		Ir	PTATO	RUS	Proces	F FAV	153.10			I	1.0000	5432		
Crop Type	Prac	IU	Non-Irrig	Irrigated	Crop Type	Prac	IU	Non-Irrig	Irrigated	Crop Type	Prac	IU	Non-Irrig	Irrigated	
ALFAL	I	PR		367.2	OFAY	I	GR		236.9	PTATO	RUS	I	PR	232.4	
SBEET	I	PR		462.5	WHEAT	SWS	I		236.9						

Photo Number/Legal Description: S24H1, S25H1, T24H1 R6E T5S SEC 23-26, 36

Cropland: 1,331.0 Reported: 1,331.0 Difference: .0 Reported D.S.R: .0

SUNSET RIDGE LLC 2002
CROP REPORT
(KNOWN AS
SQUAW CREEK FARMS IN THIS REPORT)



5
113.2

6
7.8

7
126.8

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10.1

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8.3

11
8.9

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42.6

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1578

TRIPLE C WATER RIGHTS

SEP 12 '90 10:04 FROM DENVER-REID

EXHIBIT C (Water Rights)

<u>LICENSE #</u>	<u>WATER QUALITY</u>
02-2159 ✓	12.00 C.F.S.
02-2354 ✓	.60 C.F.S.
02-2398 ✓	3.74 C.F.S.
02-7184 ✓	7.00 C.F.S.
02-7229 ✓	1.00 C.F.S.
02-7284 ✓	2.46 C.F.S.
	.04 C.F.S.
STOCKWATER	<u>26.80 C.F.S.</u>
TOTAL	

Any and all additional water rights applicable to subject farm.

State of Idaho
Department of Water Resources

WATER RIGHT LICENSE

License of Water Right No. 02-7284 Priority May 8, 1979 Amount 2.46 cfs

THIS IS TO CERTIFY, that Virgil Jahnke
of American Falls, Idaho, has complied with the terms and conditions of Permit
No. 02-7284 issued pursuant to Application for Permit dated May 8, 1979
and has submitted proof to the Department of Water Resources on April 10, 1984
that he has applied water to a beneficial use; an examination by the Department indicates that the works have a
capacity for the diversion of 22.28 cfs of water from Snake River
tributary to Columbia River and that the permit holder has applied to a beneficial use and
established a right to use water as follows:

Beneficial Use	Period of Use	Rate of Diversion	Annual Volume
Irrigation	from <u>March 15</u> to <u>November 15</u>	at <u>2.42</u> cfs and	<u>605.0</u> acre feet
Stockwater	from <u>January 1</u> to <u>December 31</u>	at <u>0.04</u> cfs and	<u>2.7</u> acre feet
	from _____ to _____	at _____ cfs and	

(both dates inclusive)

Subject, however, to the condition that no more than 2.46 cfs of water be diverted at any one time, and
that the amount of water so diverted and to which such right is entitled and confirmed is for the purpose
aforementioned and is limited to the amount which can actually be beneficially used and shall not exceed
607.7 acre feet per year, said waters to be diverted within the NE1SE1 (Gov. Lot 1)
Section 36, Twp 5S, Rge 6E in the County of Elmore

Description and location of place of use:

Twp.	Range	Sec.	NE1/4				NW1/4				SW1/4				SE1/4				Totals
			NE1/4	NW1/4	SW1/4	SE1/4	NE1/4	NW1/4	SW1/4	SE1/4	NE1/4	NW1/4	SW1/4	SE1/4	NE1/4	NW1/4	SW1/4	SE1/4	
5S	6E	23															5		5
		24															40	28	68
		26		8	4	6									10		20		48

Total number of acres irrigated 121

MICROFILMED

CONDITIONS OF APPROVAL

- a. Modifications to or variance from this license must be made within the limits of Section 42-222, Idaho Code, or the applicable Idaho Law. This right may be forfeited by five years of non-use.
- b. The right to the use of the water hereby confirmed is restricted and appurtenant to lands or place of use herein described, and is subject to all prior water rights, as provided by the laws of Idaho.
- c. Any water right confirmed in this license for hydropower purposes shall be junior and subordinate to all rights to the use of water, other than hydropower, within the State of Idaho that are initiated later in time than the priority of this license and shall not give rise to any right or claim against any future rights to the use of water other than hydropower, within the State of Idaho initiated later in time than the priority of this license.

This right when combined with Right Nos. 02-2354, 02-7184, 02-2398, 02-2159 & 02-7229 shall not exceed 22.28 cfs.

This right when combined with all other rights shall provide no more than .02 cfs per acre nor more than 5.0 afa per acre for the lands above.

Water shall not be diverted under this right unless the flow of the Snake River exceeds established downstream minimum stream flows.

Witness the seal and signature of the Director, affixed at Boise, Idaho, this 1st day of NOVEMBER, 19 85.

Acting for the Director

Norman C Young

State of Idaho
Department of Water Resources

WATER RIGHT LICENSE

License of Water Right No. 02-7229 Priority April 16, 1976 Amount 1.0 cfs

THIS IS TO CERTIFY, that Carlos &/or Olon Crandall &/or Keith Christinsen
 of Mountain Home, ID, has complied with the terms and conditions of Permit
 No. 02-7229 issued pursuant to Application for Permit dated April 16, 1976,
 and has submitted proof to the Department of Water Resources on March 2, 1982
 that he has applied water to a beneficial use; an examination by the Department indicates that the works have a
 capacity for the diversion of 22.28 cfs of water from Snake River
 tributary to Columbia River, and that the permit holder has applied to a beneficial use and
 established a right to use water as follows:

Beneficial Use	Period of Use	Rate of Diversion	Annual Volume
Irrigation	from <u>March 15</u> to <u>November 15</u>	<u>1.0</u> cfs and	<u>250.0</u> acre feet
	from _____ to _____	cfs and	
	from _____ to _____	cfs and	

(both dates inclusive)

Subject, however, to the condition that no more than 1.0 cfs of water be diverted at any one time, and
 that the amount of water so diverted and to which such right is entitled and confirmed for the purpose
 aforementioned and is limited to the amount which can actually be beneficially used and shall not exceed
250.0 acre feet per year, said waters to be diverted within the Government Lot 1 (NE 1/4 Sec 4)
Section 36, Twp 5S, Rge 6E in the County of Elmore

Description and location of place of use:

Twp.	Range	Sec.	NE 1/4				NW 1/4				SW 1/4				Total
			NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	
5S	6E	24													50

Total number of acres irrigated 50

This right when combined with Right Nos. 02-2354, 02-7184, 02-2398 & 02-2159
 shall not exceed 22.28 cfs.

NOTICE This right is subject to the provisions of the Idaho Water Right Act, Chapter 12, Title 17, Idaho Code, or the applicable Idaho Law. This right may be forfeited by five years of non-use.

The right to the use of the water hereby confirmed is restricted and appurtenant to the lands or place of use
 herein described, and is subject to all prior water rights, as provided by the laws of Idaho.

Witness the seal and signature of the Director, affixed at Boise, Idaho, this 6TH day of

JUNE, 19 83

Acting for the Director

Norman C. Young

WATER RIGHT LICENSE

License of Water Right No. 02-7184 Priority 02-7184

THIS IS TO CERTIFY, that OLON F., CARLOS O. CRANDALL &/or KEITH L. CHRISTENSEN

of Mountain Home, Idaho, has complied with the terms and conditions of Permit

No. 02-7184 issued pursuant to Application for Permit dated December 19, 1974

and has submitted proof to the Department of Water Resources on May 8, 1979

I hereby certify that the works have been completed in accordance with the terms and conditions of the permit.

and has submitted proof to the Department of Water Resources _____ that he has applied water to a beneficial use; an examination by the Department indicates that the works have a capacity for the diversion of 16.3 cfs of water from Snake River, tributary to Columbia River, and that the permit holder has applied to a beneficial use and established a right to use water as follows:

Beneficial Use	Period of Use	Rate of Diversion	Annual Volume
Irrigation	from April 1 to October 31	at 7.0 cfs and	1750 acre feet
	from _____ to _____	at _____ cfs and	_____
	from _____ to _____	at _____ cfs and	_____

Subject, however, to the condition that no more than 7.0 cfs of water be diverted at any one time, and that the amount of water so diverted and to which such right is entitled and conferred is for the purpose aforementioned and is limited to the amount which can actually be beneficially used and shall not exceed 1750 acre feet per year, said waters to be diverted within the Lot 1 (NE 1/4), Sec. 36,

1750
Twp. 5S, Rge. 6E, B.M. in the County of E more

Description and location of place of use:

[illegible]**Total number of acres irrigated**

Condition:

The maximum rate of diversion under this license when combined with License No.'s 02-2159, 02-2354, & 02-2398 shall not exceed 19.42 cfs.

NOTE: Modifications to or variance from this license must be made within the limits of Section 42-222, Idaho Code, or the applicable Idaho Law. This right may be forfeited by five years of non-use.

The right to the use of the water hereby confirmed is restricted and appurtenant to the lands or place of use herein described, as provided by the laws of Idaho.

Witness the seal and signature of the Director, affixed at Boise, Idaho, this 29th day of

February____, 19 80.

Deputy Director

MICROFILMED

LICENSE OF WATER RIGHT

THIS IS TO CERTIFY, that The Travelers Insurance Company
of Portland, Oregon, has complied with the terms and conditions of Permit
No. 33337/02-2398 issued pursuant to Application for Permit dated October 1, 1966
and has submitted proof to the Department of Water Administration on August 21, 1970.

that he has applied water to a beneficial use; an examination by the Department indicates that the works have a capacity of 19.42 cfs, and that the water has in fact been applied to a beneficial use; a right to the use of water from the Snake River tributary of the Columbia River is hereby confirmed in the following amounts:

Amount 3.74 cfs for irrigation from March 15 to Nov. 15 (both dates inclusive)

Amount 3.74 CIB for 11/1/2010 to 11/1/2010 (both dates inclusive)

Amount _____ for _____ from _____ to _____ (both dates inclusive)

Subject, however, to the condition that no more than 3.74 cfs of water be diverted at any one time, said waters to be diverted within the _____

Lot # 1 (NE $\frac{1}{4}$ SE $\frac{1}{4}$), Sec. 36, Twp. 5 S, Rge. 6 E, B.M.

in the county of Elmore; and that the amount of water so diverted and to which such right is entitled and confirmed is for the purposes aforesaid and is limited to the amount which can actually be beneficially used and shall not exceed 935 acre feet per year or 5.0 acre feet per acre.

Description and location of place of use:

Description and location of place of use:																				
TWP.	RANGE	SEC.	NEN				NNW				SWN				SEN				TOTALS	
			NNN	NWN	SWN	SEW	NNN	NWN	SWN	SEW	NNN	NWN	SWN	SEW	NNN	NWN	SWN	SEW		
5 S	6 E	26	20	2	36	34										40	30	5	20	187

Total number of acres irrigated 187

The right to the use of the water hereby confirmed is restricted and appurtenant to the lands or place of use herein described, as provided by the laws of Idaho.

Witness the seal and signature of the Director, affixed at Boise, Idaho, this 23 day of

March _____, 19 72

Director

State of Idaho
Department of Water Administration

LICENSE OF WATER RIGHT

License of Water Right No. 31991/02-2354 Priority July 10, 1964 Amount 0.60 cfs

THIS IS TO CERTIFY, that The Travelers Insurance Company
of Portland, Oregon, has complied with the terms and conditions of Permit
No. 31991/02-2354 issued pursuant to Application for Permit dated July 10, 1964
and has submitted proof to the Department of Water Administration on August 21, 1970
that he has applied water to a beneficial use; an examination by the Department indicates that the
works have a capacity of 19.42 cfs, and that the water has in fact been applied to a
beneficial use; a right to the use of water from the Snake River
tributary of the Columbia River, is hereby confirmed in the following amounts:
Amount 0.60 cfs for irrigation from March 15 to Nov. 15 (both dates inclusive)
Amount _____ for _____ from _____ to _____ (both dates inclusive)
Amount _____ for _____ from _____ to _____ (both dates inclusive)
Subject, however, to the condition that no more than 0.60 cfs of water be diverted at
any one time, said waters to be diverted within the

Lot # 1 (NE1/4SE1), Sec. 36, Twp. 5 S, Rge. 6 E, B.M.

In the county of Elmore; and that the amount of water so diverted and to which such
right is entitled and confirmed is for the purposes aforesaid and is limited to the amount which can
actually be beneficially used and shall not exceed 388.7 acre feet per year or
5.0 acre feet per acre.

Description and location of place of use:

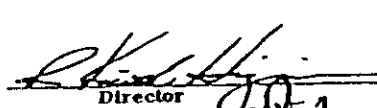
TWP.	RANGE	SEC.	NE1/4				NW1/4				SW1/4				SE1/4				TOTALS
			NE1/4	NW1/4	SW1/4	SE1/4	NE1/4	NW1/4	SW1/4	SE1/4	NE1/4	NW1/4	SW1/4	SE1/4	NE1/4	NW1/4	SW1/4	SE1/4	
5 S	6 E	25	38	40	40	37	40	38	40	40	40	40	40	40	40	39	39	39	630

Total number of acres irrigated 630

The right to the use of the water hereby confirmed is restricted and appurtenant to the lands
or place of use herein described, as provided by the laws of Idaho.

Witness the seal and signature of the Director, affixed at Boise, Idaho, this 23 day of

March, 19 72.


Director

State of Idaho
Department of Water Administration

LICENSE OF WATER RIGHT

License of Water Right No. 29214/02-2159 Priority Dec. 14, 1960 Amount 12.0 cfs

THIS IS TO CERTIFY, that The Travelers Insurance Company
of Portland, Oregon, has complied with the terms and conditions of Permit
No. 29214/02-2159 issued pursuant to Application for Permit dated December 14, 1960
and has submitted proof to the Department of Water Administration on August 7, 1964
that he has applied water to a beneficial use; an examination by the Department indicates that the
works have a capacity of 19.42 cfs, and that the water has in fact been applied to a
beneficial use; a right to the use of water from the Snake River
tributary of the Columbia River, is hereby confirmed in the following amounts:
Amount 12.0 cfs for irrigation from March 15 to Nov. 15 (both dates inclusive)
Amount _____ for _____ from _____ to _____ (both dates inclusive)
Amount _____ for _____ from _____ to _____ (both dates inclusive)
Subject, however, to the condition that no more than 12.0 cfs of water be diverted at
any one time, said waters to be diverted within the _____

Lot # 1 (NE1/4SE1), Sec. 36, Twp. 5 S, Rge. 6 E, B.M.

in the county of Elmore; and that the amount of water so diverted and to which such
right is entitled and confirmed is for the purposes aforesaid and is limited to the amount which can
actually be beneficially used and shall not exceed 3,150 acre feet per year or
5.0 acre feet per acre.

Description and location of place of use:

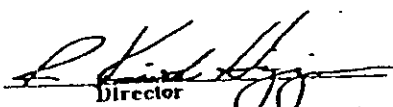
TWP.	RANGE	SEC.	N1/4				N1/2				S1/2				S1/4				TOTAL
			N1/4	N1/2	S1/4	S1/2	N1/4	N1/2	S1/4	S1/2	N1/4	N1/2	S1/4	S1/2	N1/4	N1/2	S1/4	S1/2	
5 S	6 E	25	38	40	40	37	40	38	40	40	40	40	40	40	40	39	39	39	630

Total number of acres irrigated 630

The right to the use of the water hereby confirmed is restricted and appurtenant to the lands
or place of use herein described, as provided by the laws of Idaho.

Witness the seal and signature of the Director, affixed at Boise, Idaho, this 23 day of

March, 19 72.


Director

292159

Copy - PA

AGREEMENT

Agreement entered into this 23 day of January, 2003, by and between SUNSET RIDGE, LLC, an Idaho Limited Liability Company, hereinafter designated as the "Owner", and BERGH FARMS, LLC, hereinafter referred to as "Lessee".

WITNESSETH: That the Owner, for and in consideration of the covenants, conditions, agreements and stipulations herein contained, to be kept and performed by the Lessee, does hereby lease, let and demise unto the Lessee certain real and personal property located in the County of Elmore, State of Idaho, more particularly described as follows:

REAL PROPERTY: Real property listed and described upon Exhibit "A" and depicted on Exhibit "B" that are attached hereto and incorporated herein and made a part hereof, consisting of approximately one thousand two hundred fifty (1,250) farmable acres.

PERSONAL PROPERTY: Personal property consisting of the irrigation equipment listed and described upon the Schedule attached hereto as Exhibit "C" and incorporated herein and made a part hereof.

This Lease shall commence in the fall and winter of 2002 by Lessee taking possession on a field by field basis after Owner completes harvest of existing crops and shall terminate on the 1st day of November, 2004, or after completion of the 2004 harvest by Lessee, whichever occurs first.

1. RENT PAYMENT. Lessee agrees to pay to Owner for rent of said premises a cash lease of \$75.00 per acre, for a total sum of \$93,750.00, per crop year. One-half of each year's payment shall be due the 15th day of February of each year, and one-half of each year's payment shall be due the 15th day of August of each year, with the first payment to be made the 15th day of February, 2003, the second payment to be made the 15th day of August, 2003. Rent

for the year 2004 shall be paid one-half on the 15th day of February, 2004, and one-half on the 15th day of August, 2004.

2. TAXES. The Owner shall pay all taxes and assessments levied or assessed against the real property which is the subject of this Lease during the term of this Lease.

3. RETURN OF PROPERTY. At the termination of this Lease as provided above, or earlier in the event of default, Lessee agrees to peacefully surrender all of the real and personal property subject to this Lease as in as good a condition as when accepted by Lessee, normal wear and tear from the ordinary use thereof excepted. Further, Lessee at the termination of the Lease will have all of its property removed from the property subject to this Lease.

4. INSPECTION AND ACCEPTANCE OF PERSONAL PROPERTY. The Parties hereto hereby agree that they shall, no later than the 10th day of January, 2003, inspect all personal property listed in Exhibit "C". The Lessee accepts the personal property in its present condition. Lessee releases and holds harmless Owner from any claim for loss due to non-functioning or under-functioning of the irrigation equipment, including but not necessarily limited to hand line, pivots and pumps.

5. MAINTENANCE AND REPAIR OF IRRIGATION EQUIPMENT. Lessee shall provide drip oil for all electric motors and shall check all of said motors and pumps at least daily and shall maintain a proper oil supply in said pumps. Lessee shall provide for all routine maintenance for the irrigation equipment, including the pumps, motors and electrical panels. If any irrigation equipment, other than pumps, motors and electrical panels, is damaged or destroyed during the Lease, the Lessee shall replace the same at its own cost and expense. If any pump, motor or panel is damaged or destroyed during the Lease, the Owner and Lessee shall each pay one-half of the cost to repair or replace the pump, motor or electrical panel. At the termination of this Lease as provided above, or earlier in the event of default, Lessee shall return

the irrigation equipment subject to this Lease in as good a condition as when accepted by Lessee, normal wear and tear from the ordinary use thereof excepted.

6. WATER. Lessee is leasing from Owner as a part of this Lease the water rights listed and described in Exhibit "D" that is attached hereto and by this reference made a part hereof. Lessee acknowledges that the water rights described in Exhibit D to be used to irrigate the farm come from the Snake River. Lessee hereby acknowledges and accepts the fact that Owner does not guarantee the availability of any certain quantity of water or sufficient water to provide the growing of crops. Lessee assumes the risks of the availability of adequate water. Lessee may at its option rent, lease or participate in a "buy back" program concerning the water rights that are appurtenant to the farm hereby leased and receive any income therefrom during the term of this Lease.

7. LESSEE'S COSTS. Lessee shall be responsible for all costs associated with growing crops on the property. Said costs include but are not necessarily limited to, power costs, cost of seed, fertilizer, labor, chemicals and repair of equipment. Further, Lessee shall be responsible and shall control noxious weeds in the manner required or approved by law. Lessee acknowledges that there is housing for laborers located on the property. Lessee shall be fully responsible to maintain and repair the housing in as good a condition as the same now are, normal wear and tear from the ordinary use thereof excepted. Further, Lessee shall provide liability insurance, with Owner as an additional named insured, to protect Owner from any claim of liability for injury or loss arising out of Lessee's farming of the property, use of the housing for laborers, use of the equipment, or any act related to Lessee's farming operation. Further, Lessee shall be responsible for insuring its own property used on the farm or in its farming operation.

8. PROPER FARM PRACTICE. Lessee shall apply accepted farming practices and care of the land. Lessee shall use appropriate crop rotation practices to enhance the vitality of the crops and proper care of the land. Lessee shall apply chemicals and fertilizers according to the existing labels, laws and regulations, in a manner so as not to cause harm to the land, water or adjoining lands. Lessee will not store on the property any hazardous substances as so defined by Federal, State or local laws and regulations. Lessee shall use all products on the farm in a manner in compliance with all local, State and Federal laws and regulations. Lessee will use the property for farming only and for no other purpose. Lessee shall have the option to not farm the land so long as the rent is paid as agreed and Lessee controls the weeds on the land that it allows to lie fallow.

9. POSTING OF THE PROPERTY. Lessee shall post and maintain "No Hunting" and "No Fishing" signs in compliance with the request of Owner and with the law. Lessee shall not, without the prior written permission of Owner, allow hunting on or fishing from the property.

10. PROPERTY SUBJECT TO SALE. Lessee acknowledges that the property that is the subject of this Lease is presently for sale. Owner shall have access to and upon the property at all reasonable times for the purpose of showing the farm and equipment to potential buyers. Owner acknowledges that if the property is sold during the term of this Lease, the new buyer shall take the property subject to the rights of Lessee under the Lease.

11. SUBLEASING. Lessee may sublease the property to grow potatoes on not more than 160 acres of the property without the prior approval of Owner. Any other sublease of the property shall not be made without the prior written approval of Owner, which approval shall not be unreasonably withheld.

12. GOVERNMENT PAYMENTS. All Federal farm program payments shall be assigned each year to the Owner. Lessee shall cooperate with the Owner in executing any necessary documents to allow the Owner to claim any Federal farm program payments.

13. DEFAULT OR BREACH. Each of the following events shall constitute a default or breach of the Lease by Lessee:

- a) If Lessee shall file a petition in bankruptcy court for insolvency or for reorganization under any bankruptcy act, or shall voluntarily take advantage of any such act or shall make an assignment for the benefit of creditors;
- b) If an involuntarily proceeding under any bankruptcy law or insolvency act shall be instituted against Lessee, if a receiver or trustee shall be appointed of all or part of the property of Lessee, and such proceeding shall not be dismissed or the receivership of trustee shall be vacated within ten (10) days after the institution of appointments.
- c) If Lessee fails to pay Owner any rent or additional rent when the same shall become due;
- d) If Lessee shall fail to perform or comply with any of the conditions and terms of this Lease;
- e) If Lessee shall vacate or abandon the demised premises;
- f) If Lessee fails to take possession of the demised premises at the time set forth herein or within ten (10) days after notice the demised premise is available for occupancy; and
- g) If Lessee fails to comply with any law, ordinance, regulation or restrictions applicable to use of the land and farming on the property that is subject to this Lease, after notice as provided below.

14. REMEDIES FOR DEFAULT. If default be made in the payment of the rent above reserved or any part thereof or in the performance of any of the other terms and conditions hereof to be kept and performed by the Lessee, the Owner or its assigns shall first give the Lessee thirty days' notice in writing specifying wherein the Lessee has failed to comply with the terms hereof and which said notice shall be delivered to the Lessee personally or may be sent to the Lessee by registered or certified mail, addressed to the Lessee at the address provided herein.

If sent by mail, said notice shall be deemed served upon the Lessee upon the date it is deposited in the United States mails with postage prepaid, certified or registered and addressed as above mentioned. If Lessee fails to correct such default within said thirty-day period then the Owner or its assigns may without further notice declare this Lease terminated and reenter and retake possession of the leased property, with or without process of law, and may remove the Lessee or any other persons occupying said premises, and Lessee agrees that in case of such default it will immediately deliver up peaceable possession of the leased property to the Owner or its assigns upon demand. If the Owner retakes possession of said premises for default of the Lessee in complying with the terms hereof after notice as mentioned above, then the Owner may do or perform all things agreed to be done by the Lessee remaining undone, and the Owner may retain or sell sufficient of the crops produced upon said premises that would have otherwise belonged to the Lessee if it had performed the conditions hereof, to pay for all costs and expenses of every kind incurred by the Owner in performing the things left undone by the Lessee, and the residue remaining, if any, of such crops shall belong to the Lessee after all conditions are fulfilled. The remedies herein mentioned shall be construed as cumulative and not as alternative or exclusive.

15. ATTORNEY'S FEES. In the event it becomes necessary for either of the parties hereto to place this Lease in the hands of an attorney for enforcement of their rights hereunder after default of the other party, or to institute suit for enforcement of their rights hereunder after such default, then the defaulting party agrees, in either case, to pay a reasonable attorney's fee, including paralegal fees, incurred by the other party, in addition to other damages allowed by law. The defaulting party further agrees to pay the non-defaulting party any fees incurred by the non-defaulting party to send notice of default to the defaulting party in the sum of \$200.00. The payment of such cost shall be made before the notice of default is incurred.

16. GOVERNING LAW. This Lease shall be governed by the laws of the State of Idaho regardless of the forum or venue of any dispute hereunder.

17. PARAGRAPH HEADING. Paragraph headings in this Lease are for the convenience of the Parties only, and are not to be construed as a part of this Lease or any way limiting or amplifying the provisions thereof.

18. HEIRS, SUCCESSORS AND ASSIGNS. The terms and conditions of this Lease shall extend to and be binding upon the heirs, administrators, successors, executors and assigns of the respective Parties hereto.

DATED this 13 day of January, 2003.

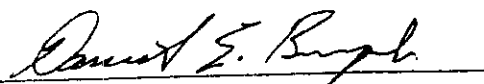
OWNER:

SUNSET RIDGE, LLC,
an Idaho limited liability company,

By 

LESSEE:

BERGH FARMS, L.L.C.,
an Idaho limited liability company

By 

STATE OF IDAHO.)
) ss.
COUNTY OF ELMORE,)

On this _____ day of _____, 2003, before me, the undersigned, a Notary Public in and for said state, personally appeared _____, known to me to be the _____ of SUNSET RIDGE, LLC, the limited liability company that executed the instrument or the person 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.

Notary Public for Idaho,
Residing at:
My Commission Expires:

STATE OF IDAHO.)
) ss.
COUNTY OF ELMORE,)

On this _____ day of _____, 2003, before me, the undersigned, a Notary Public in and for said state, personally appeared _____, known to me to be the _____ of BERGH FARMS, LLC, the limited liability company that executed the instrument or the persons 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.

Notary Public
Residing at:
My Commission Expires:

L. L. DESCRIPTION

TRACT 1.

Township 5 South, Range 6 East, Boise Meridian, Elmore County,
Idaho

Section 23: A portion of the SE1/4SE1/4 being more particularly described as follows:

Commencing at the Southeast Corner of Section 23 Township 5 South, Range 6 East, Elmore Count, Boise Meridian, and running thence N0°03' E a distance of 512.16 feet, running thence S 89°07' W a distance of 421.74 feet, running thence S2°17' E 511.5 feet, thence N 89°12' E 401.28 feet to the POINT OF BEGINNING.

Section 25: All

Section 26: E1/2 SAVE AND EXCEPT the following described parcel

Commencing at the North Quarter Corner of Section 26, Township 5 South, Range 6 East, Elmore County, Boise Meridian, and running thence S 0°52' East a distance of 1022.34 feet on the North and South Centerline, thence N72°03' E 822.36 feet, thence north 87°04' E 501.60 feet, thence North 71°57' E 383.46 feet, thence North 67°51' East a distance of 560.34 feet, thence North 17°02' East 338.58 feet, thence North 2°17' West 121.44 feet, thence South 89°12' West 2278.32 feet to the POINT OF BEGINNING.

Section 36: N1/2, Lots 1, 2, 3, and 4

Section 24: A portion on the S1/2 SW1/4 and the E1/2 SAVE AND EXCEPT the following two parcels:

SAVE AND EXCEPT:

Tract 38, Township 5 South, Range 6 East, Boise Meridian, Idaho, described on the official plat of survey accepted January 20, 1993, on file at the Bureau of Land Management, Idaho State office, in Boise, Idaho, having the following boundaries:

Beginning at the 1/4 section corner of Sec. 13 and 24, T5S, R6E, B.M., Idaho, which is identical with Angle Point 1, Tract 38, T5S, R6E, thence South 0°02' W., on the N. and S. centerline of Sec. 24, 2,628.78 feet to the center 1/4 section corner of sec. 24, identical with Angle Point 2, Tract 38; thence South 0°01' W., 1,172.82 feet on the N. and S. center line of

(See Attached)

EXHIBIT A

LEGAL DESCRIPTION

Sec. 24 to Angle point 3, Tract 38; thence
North 87°32' E., 1,231.56 feet to Angle Point 4, Tract 38;
thence
North 88°04' E., 939.84 feet to Angle point 5, Tract 38; thence
South 9°26' E., 196.68 feet to Angle point 6, Tract 38; thence
South 24°54' E., 139.92 feet to Angle point 7, Tract 38; thence
South 47°50' E., 157.74 feet to Angle point 8, Tract 38; thence
South 57°16' E., 211.20 feet to Angle Point 9, Tract 38; thence
South 50°26' E., 162.36 feet to Angle Point 10, on the E.
boundary of Sec. 24 thence
North 0°18' E., 1,724.58 feet on the east boundary of sec. 24.
to the E. 1/4 sec. cor. of Sec. 24 only, identical with Angle
Point 11, Tract 38; thence
North 58°37' W., 889.68 feet to Angle Point 12, Tract 38; thence
North 24°15' W., 970.20 feet to Angle point 13, Tract 38; thence
North 20°41' W., 1,304.82 feet to Angle point 14, Tract 38;
thence
North 57°33' W., 578.16 feet to Angle Point 15, Tract 38; thence
South 67°21' W., 628.98 feet to the 1/4 section corner of Secs.
13 and 24 and POINT OF BEGINNING.

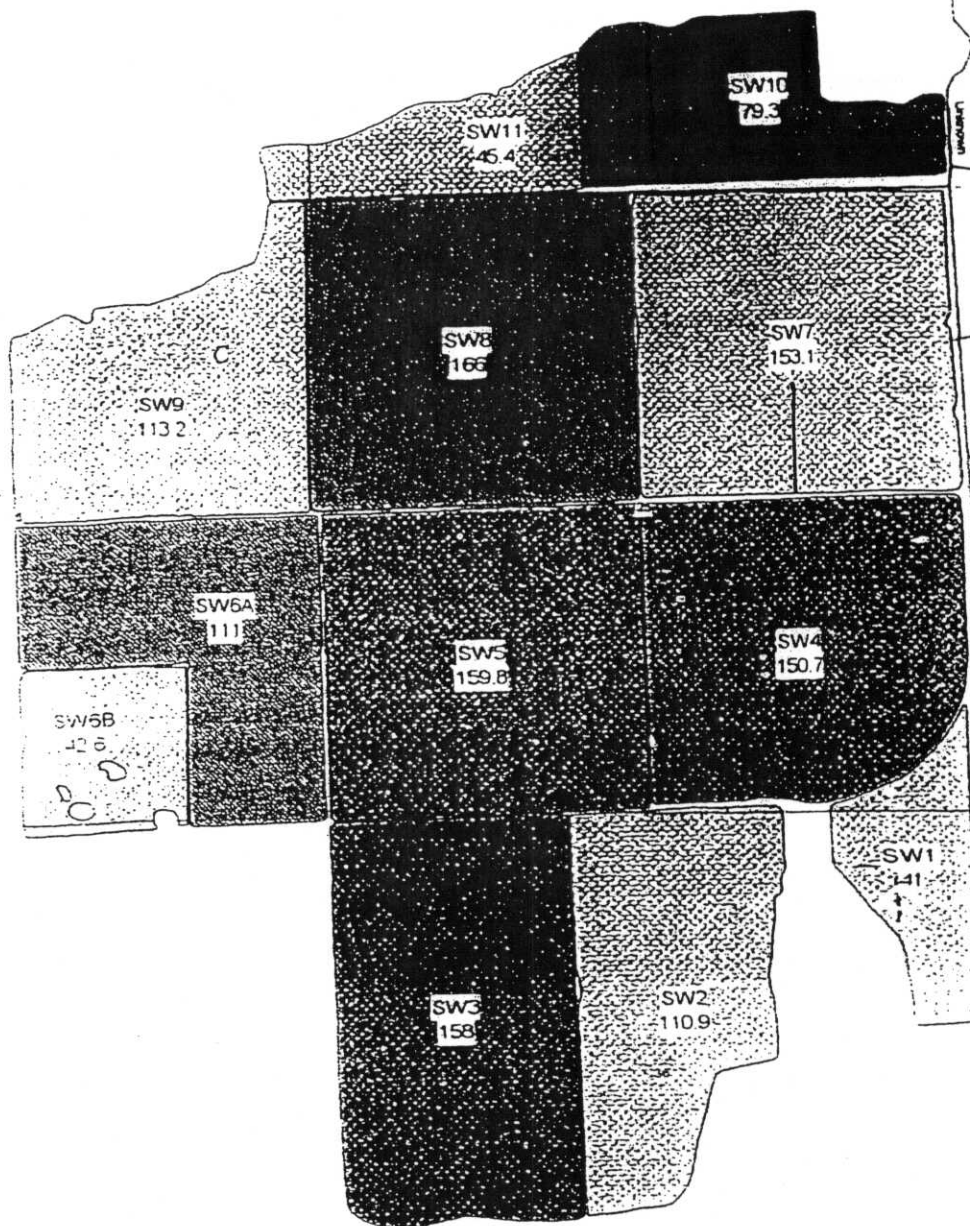
AND ALSO SAVE AND EXCEPT

Commencing at the Southwest Corner of Section 24, Township 5
South, Range 6 East, Elmore County, Boise Meridian, and running
thence N 0°03' E a distance of 512.16 feet to the point of
beginning, thence running N 89°07' E a distance of 128.04 feet,
thence N 68°20' E 721.38 feet, thence N 82°27' E 487.74 feet,
thence N 72°20' E 548.46 feet, thence N 61°16' E 618.42 feet,
thence N 89°47' W 2346.96 feet to the S 1/16 section corner,
thence S 0°03' W 804.54 feet to the Point of Beginning.

TRACT II:

Township 5 South, Range 6 East, Boise Meridian, Elmore County,
Idaho.

Section 6: U.S. Government Lots 3 and 4



15E R6E

15S R7E



- Alfalfa (6)
- Soft White Winter (3)
- Sugar Beets (3)

16E R6E

16S R7E

Squaw Creek

Sid's Place

CHAPMAN
LAMPSON

HAND LINE

As of 1-16-03

BALL + SOCK
958

BALL + SOCKET
500

BALL + SOCK
282

BALL + SOCK
227

BALL + SOCK

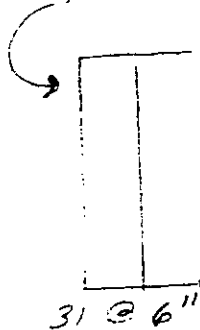
APPROX. 120 BROKEN

30

SHOP

SHOP

MAIN LINE



77 @ 10"

BALL + SOCKET
134

BALL + SOCKET
291

✓ 455 TOTAL
 BALL + SOCKET 31
 PERCE 253
 RECD 116
 AT 10' (MAY 2003)

BALL + SOCKET: 1753

PERCE: 253

RECD: 116

TOTAL USEABLE = $2122 \div 32 = 66.3$ LINES

TOTAL BROKEN = $120 + 65 = 185 \div 32 = 5.8$ LINES

TOTAL LINES ON FARM = $66.3 + 5.8 = 72.1$ (2,307 JOINTS)

MAINLINE: 31 of 6", 77 of 10" IN YARD

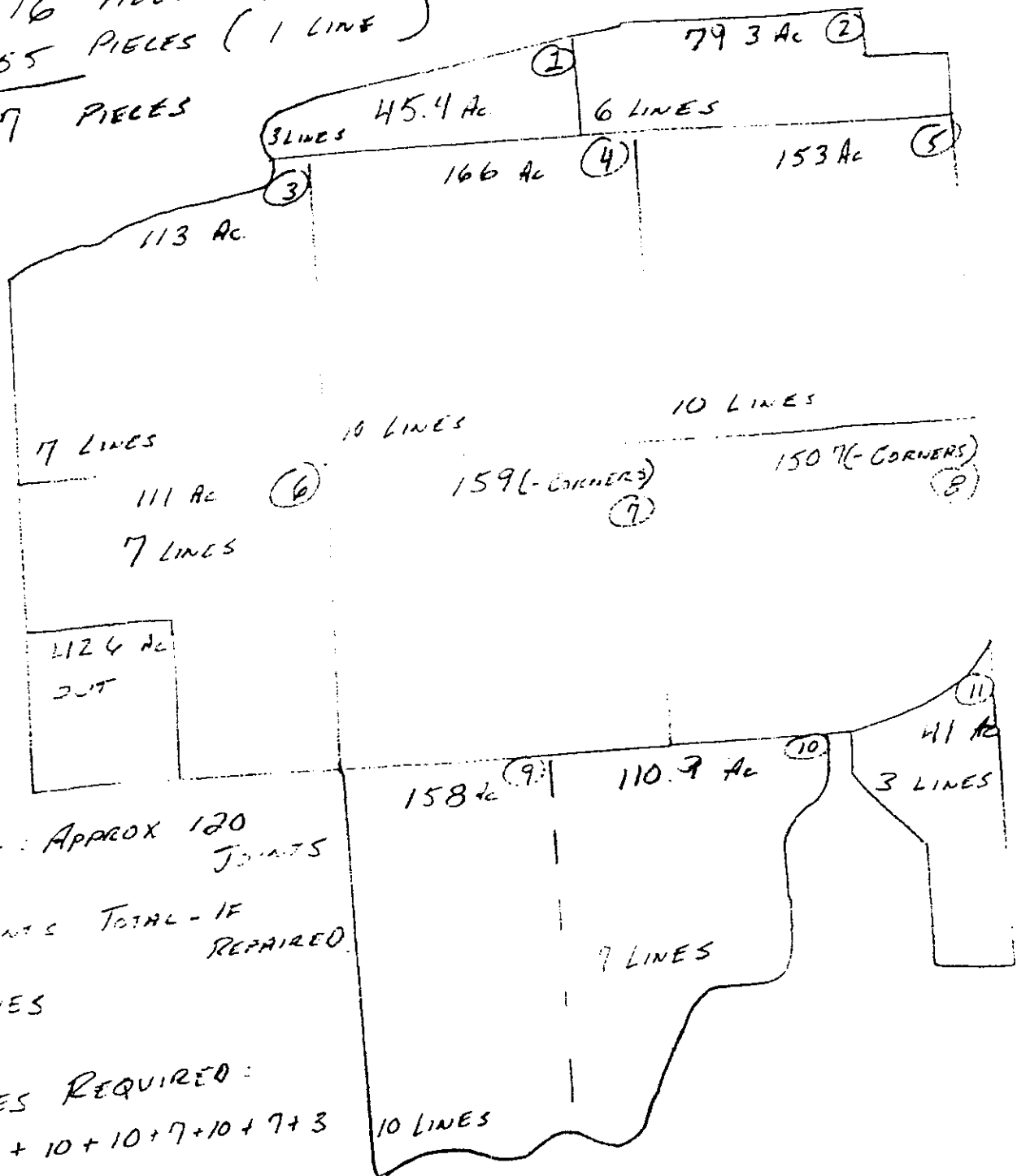
ESTIMATE 60+ JOINTS STILL IN FIELD for TOTAL

ENBIC

NO LINE

SECRET: 1753 PIECES (54 LINES)
ERCE: 253 PIECES (8 LINES)
cd(?): 116 PIECES (3 LINES)
+M: 55 PIECES (1 LINE)

2177 PIECES



Press Pile: APPROX 120 JOINTS

2297 JOINTS TOTAL - IF REPAIRED

= 71 LINES

TOTAL LINES REQUIRED:

3 + 6 + 7 + 10 + 10 + 7 + 10 + 7 + 3

= 63 LINES

PARTS REQUIRED: 2300 NOZZLES @ 1/8"

250 BIRDS (ESTIMATED)

? GASKETS + SPRINGS

? STAND PIPES (FOR BROKEN PILE)

**NOW
STARTING
RIGHT
SIDE OF
FILE**

Comment Report

2-7184

1. kwalker 3/26/2004 Update License Record

Comment: Pursuant to a customer request I reviewed the entry of this license and found that it was not correctly entered into our data base. See proof report of this date where I have noted the changes that needed to be made. The rate of diversion was in error, the volume was missing, the place of use was in error and the limiting condition was missing. I have updated the data entry to match the license as issued.

03/26/2004

IDAHO DEPARTMENT OF WATER RESOURCES

Water Right Report 2-7184

WATER RIGHT NUMBER: 2-7184

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	CARLOS O CRANDALL ✓
Current Owner	KEITH L CHRISTENSEN ✓
Current Owner	OLON F CRANDALL ✓

Priority Date: 12/19/1974 ✓

Basis: License ✓

Status: Active

<u>Source</u>	<u>Tributary</u>
SNAKE RIVER ✓	COLUMBIA RIVER ✓

<u>Beneficial Use</u>	<u>From</u> <u>To</u>	<u>Diversion Rate</u>	<u>Annual Volume</u>
IRRIGATION ✓	4/01 to 10/31 ✓	8.000 CFS 7.0	1750.
	<u>Total Diversion:</u>	8.000 CFS 7.0	1750.

Location of Point(s) of Diversion

SNAKE RIVER L1 (NE1/4SE1/4) ✓ Sec. 36, ✓ Twp 05S, ✓ Rge 06E, S.M.
ELMORE County

Place of Use

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	
05S	06E	26															40.0		40.0
																	34		
05S	06E	36	40.0	40.0	40.0	16.0	40.0	40.0	40.0	40.0	24	22			4				205.0
			29	37	31	9													316

Total Acres: 335

Conditions of Approval:

- ~~001~~ A measuring device of a type approved by the Department shall be permanently installed and maintained as part of the diverting works.
- ~~016~~ See remarks for additional conditions of approval.

Remarks: add condition on license

Comments:Dates and Other Information:

IDAHO DEPARTMENT OF WATER RESOURCES

Water Right Report 2-7184

Licensed Date: ~~6/8/1982~~ 2/24/80

Decreed Date:

Water Supply Bank Enrollment Accepted:

Water Supply Bank Enrollment Removed:

Enlargement Use Priority Date:

Enlargement Statute Priority Date:

State or Federal:

Owner Name Connector:

Water District Number:

Generic Max Rate Per Acre:

Generic Max Volume Per Acre:

Decree Defendant:

Decree Plaintiff:

Civil Case Number:

Judicial District:

Swan Falls Trust or Nontrust:

Swan Falls Dismissed:

DLE Act Number:

Carey Act Number:

Mitigation Plan: False

Combined Use Limits:



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Boise, ID 83706 - P.O. Box 83720, Boise, ID 83720-0098
Phone: (208) 327-7900 Fax: (208) 327-7866 Web Site: www.idwr.state.id.us

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

December 17, 2003

PA BERGH
BERGH FARMS
180 KINGS COURT
MOUNTAIN HOME ID 83647

**RE: FINAL PAYMENT FOR RENTAL OF WATER FROM SNAKE RIVER THROUGH
THE WATER SUPPLY BANK. WATER RIGHT NOS. 2-2159, 2-2354, 2-2398,
2-7184, 2-7229**

Dear Mr. Bergh,

All or portions of the water rights referenced above were leased to the Water Supply Bank ("bank") during the 2003 irrigation season in accordance with Agreement No. 1425-03-MA-10-3870 ("Agreement") between you and the United States Bureau of Reclamation ("Reclamation"). The Idaho Department of Water Resources ("department") has invoiced Reclamation for the funds associated with the second and final payment. Upon receipt, the Controller's office will issue a state warrant in the amount of **\$41,877.00** to be sent directly to the address listed above.

The enclosed map identifies the eligibility status of the lands as evaluated by the department. It indicates whether the lands were determined to be eligible or ineligible for payment.

Payment for rental of the right(s) from the bank was contingent upon the determination that the acres associated with the rental application had a valid Snake River water right(s), and that they qualified for payment as provided in Contract no. 1425-03-WL-10-2003 between Reclamation and the Department of Water Resources to Implement the Rental of Water Rights Under the Pilot Program for Leasing of Snake River Natural Flow Water Rights for 2003, said agreement dated June 25, 2003 ("Contract").

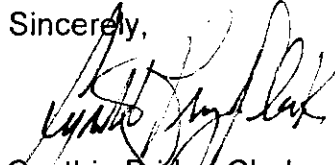
The Agreement and Contract specify that one half of the estimated payment will be paid on or around July 1, 2003, and the second half shall be issued after the irrigation season has ended. The total payment to Bergh Farms was calculated based on the total number of acres determined to be eligible for payment times \$150.00 per acre idled minus a ten percent (10%) administrative fee as provided in the Water Supply Bank rules. The first payment was calculated based on fifty percent (50%) of the estimated final payment. The second payment includes the remainder of the total payment based on the number of acres determined to be eligible.

Below is a summary of the payments to Bergh Farms for the rental of the referenced water rights from the bank:

Contracted Idled Acres (ac)	Eligible Idled Acres (End of irr season)	Acres Ineligible for Payment	Payment Rate (price/ac)	Payment(s) to Lessor		
				Payment 1 (50%)	Payment 2 (remainder)	Total Payment
620.4	620.4	0.0	\$150.00	\$41,877.00	\$41,877.00	\$83,754.00

This payment, in the amount of \$41,877.00, is considered to be the final payment for the rental of water rights for the 2003 irrigation season. If you have questions, please feel free to contact the department.

Sincerely,



Cynthia Bridge Clark
Associate Engineer
Water Allocations Bureau

Enclosure

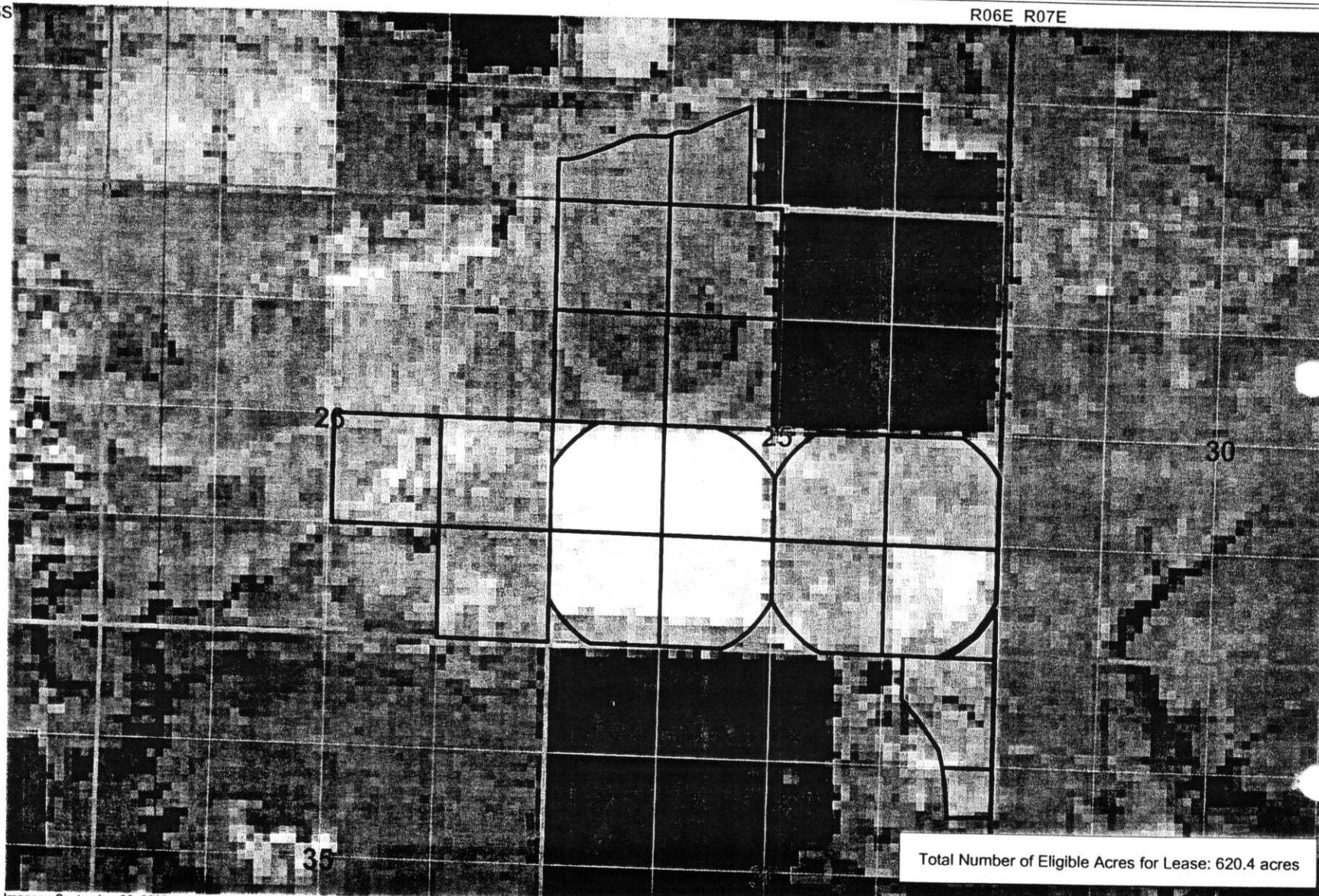
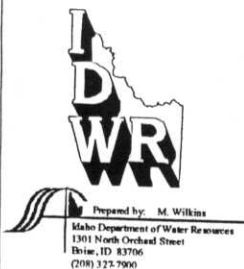
c: IDWR Western Region

E. Gail McGarry
Program Manager, Water Rights & Acquisition
Bureau of Reclamation
1150 N Curtis, Suite 100
PN 3100
Boise ID 83706-1234



T05S

R06E R07E



- ☐ ELIGIBLE
- ☐ INELIGIBLE
- ☐ QUESTIONABLE
- ☐ Township/Range Lines
- ☐ Section Lines
- ☐ Quarter/Quarter Lines

Imagery: September 23, 2003

3000 0 3000 6000 Feet

Bergh Farms, LLC

**2003 Snake River Pilot Leasing Program
Rental of Water from the Water Supply Bank**

Prepared: December 2, 2003



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Boise, ID 83706 - P.O. Box 83720, Boise, ID 83720-0098
Phone: (208) 327-7900 Fax: (208) 327-7866 Web Site: www.idwr.state.id.us

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

July 25, 2003

PA BERGH
CLOVER HOLLOW LLC & BERGH FARMS
180 KINGS COURT
MOUNTAIN HOME ID 83647

RE: TAX IDENTIFICATION NUMBER. WATER RIGHT NOS. 2-2159, 2-2354, 2-2398, ~~2-7184~~, 2-7229, 2-2386, 2-2387, 2-2388, AND 2-7148

Dear Mr. Bergh:

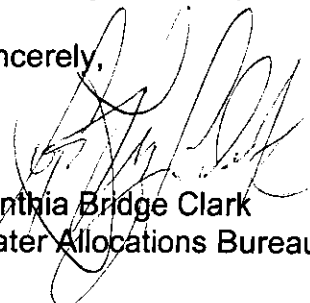
Clover Hollow, LLC and Bergh Farms have leased water rights to the State Water Supply Bank in conjunction with an agreement between the U.S. Bureau of Reclamation and the Idaho Department of Water Resources to implement the rental of water rights under a pilot program to secure natural flow in the Snake River during the 2003 irrigation season. As we discussed over the telephone, a Tax Identification Number is required for the State of Idaho to issue a payment to an applicant leasing rights to the Water Supply Bank through this pilot program.

Please find enclosed two Request for Taxpayer Identification Number and Certification, or W-9 Forms, from the Department of the Treasury, Internal Revenue Service. The forms should be completed for both entities and returned to:

Idaho Department of Water Resources
1301 North Orchard
Boise, Idaho 83706-2237
Attn: Cynthia Bridge Clark

If you have questions, please feel free to contact the Department.

Sincerely,


Cynthia Bridge Clark
Water Allocations Bureau

Encl: 2

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JUL 15 2003



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Boise, ID 83706 - P.O. Box 83720, Boise, ID 83720-0098
Phone: (208) 327-7900 Fax: (208) 327-7866 Web Site: www.idwr.state.id.us

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

July 1, 2003

RECEIVED

JUL 1 2003

Department of Water Resources

PA BERGH
BERGH FARMS
180 KINGS COURT
MOUNTAIN HOME ID 83647

RE: APPLICATION TO LEASE PART OF WATER RIGHT NOS. 2-2159, 2-2354, 2-2398, 2-7184, 2-7229 TO THE WATER SUPPLY BANK

Dear Mr. Bergh,

The department has conducted an initial review of Agreement No. 1425-03-MA-10-3870 ("Agreement") between you and the United States Bureau of Reclamation ("Reclamation") submitted to this office as an Application to Sell or Lease a Water Right to the Water Supply Bank ("bank"). The application was submitted in connection with the 2003 Snake River Pilot Leasing Program initiated by Reclamation.

Please consider that the offered part(s) of the water rights ("rights") are accepted into the bank under the following terms:

1. Payment for rental of the right(s) from the bank is contingent upon the determination that the acres associated with the rental application have a valid Snake River water right(s), and that they qualify for payment as provided in Contract no. 1425-03-WL-10-2003 between the United States Bureau of Reclamation and the Idaho Department of Water Resources to Implement the Rental of Water Rights Under the Pilot Program for Leasing of Snake River Natural Flow Water Rights for 2003, said agreement dated June 25, 2003 ("Contract").
2. While part(s) of a right(s) is in the bank, the owner of the right may not use that part of the right.
3. While a right is in the bank, forfeiture provisions are stayed.
4. Acceptance of a right into the bank does not confirm the validity of the right or any elements of the water right.
5. The right(s) will be considered released from the bank on December 31, 2003.

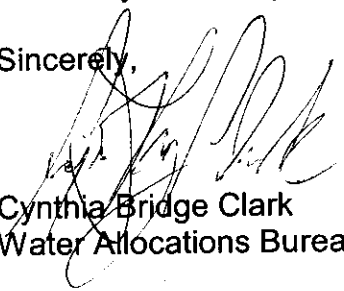
MICROFILMED

JUL 15 2003

The Agreement and Contract specify that one half of the estimated payment will be paid on or around July 1, 2003, and the second half shall be issued after the irrigation season has ended. Payment to the individual lessors will be issued at a pay rate per acre identified in the individual Agreement between Reclamation and the lessors minus a ten percent (10%) administrative fee as provided in the Water Supply Bank rules. The department has invoiced Reclamation for the funds associated with the first payment as required in the Contract. A state warrant will be issued in the amount of \$41,877.00 for the first payment for rental of water from the bank in accordance with the above referenced Agreement. The Controller's office will issue the warrant directly to the address identified above.

If you have questions, please feel free to contact me.

Sincerely,



Cynthia Bridge Clark
Water Allocations Bureau

c: IDWR - W. Region
2-2159, 2-2354, 2-2398, 2-7184, 2-7229

E. Gail McGarry
Program Manager, Water Rights & Acquisition
Bureau of Reclamation
1150 N Curtis, Suite 100
PN 3100
Boise ID 83706-1234

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JUL 15 2003



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Boise, ID 83706 - P.O. Box 83720, Boise, ID 83720-0098

Phone: (208) 327-7900 Fax: (208) 327-7866 Web Site: www.idwr.state.id.us

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

June 25, 2003

JONATHON C BOWLING
IDAHO POWER COMPANY
PO BOX 70
BOISE ID 83707

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK UNDER
WATER RIGHT NOS. 2-2159, 2-2354, 2-2398, 2-7184, 2-7229, 2-2386, 2-2387,
2-2388, 2-7148, 2-2249, 2-2250, 2-2251, 2-2252, 2-2253, 2-2254, 2-2255, 2-
2256, 2-2361, 2-7001, 2-2371, 2-7053, 2-2262, 2-2194A, 2-2194B, 2-2206, 2-
2217, 2-2218, 2-2269, 2-2345, 2-2367, AND 2-2379**

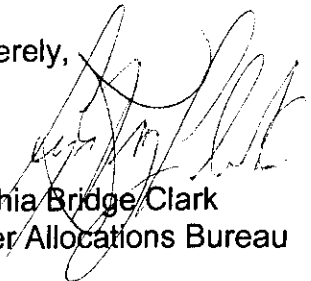
Dear Mr. Bowling:

The Department of Water Resources acknowledges receipt of the Application to Rent Water from the Water Supply Bank and the corresponding Rental Agreement in the name of Idaho Power Company, Inc. Enclosed is a copy of a fully executed Rental Agreement in connection with the rental of an estimated 42,182 acre-feet of water from the Snake River during the 2003 irrigation season. Idaho Power Company, Inc. is authorized to divert water in compliance with the conditions of water use described in the fully executed agreement.

The Contract between the United States Bureau of Reclamation and the Idaho Department of Water Resources to Implement the Rental of Water Rights Under the Pilot Program for Leasing of Snake River Natural Flow Water Rights for 2003, specifies that the U.S. Bureau of Reclamation will make the required payments to the State Water Supply Bank for the rental of the water rights identified in the Rental Agreement.

If you have questions, please feel free to contact me.

Sincerely,


Cynthia Bridge Clark
Water Allocations Bureau

MICROFILMED

JUN 15 2003

Encl: 1

c: IDWR Western Regional Office

Rich Rigby
ESA Coordinator, Bureau of Reclamation
1150 N Curtis, PN 3030
Boise ID 83706-1234

MICROFILMED

JUL 15 2003



An IDACORP Company

RECEIVED

JUN 19 2003

Department of Water Resources

Jonathon C. Bowling, P.E.
Engineering Leader
Water Management Department

(208) 388-2905
(208) 388-6495 FAX
jbowlings@idahopower.com

June 17, 2003

Hal Anderson
State of Idaho
Department of Water Resources
1301 N. Orchard St.
Boise, ID 83720

Dear Hal,

Attached please find signed copies of the Water Bank Rental Application and Rental Agreement pursuant to the agreement between the State of Idaho, Department of Water Resources and the U.S. Bureau of Reclamation for the rental of water in the Middle Snake River for augmentation purposes.

Idaho Power Company has agreed to facilitate this agreement between the above-mentioned parties and is under no financial obligation. As agreed, the U.S. Bureau of Reclamation will be financially responsible for the leased water.

If you have any questions or comments, please feel free to contact me.

Sincerely,

Jonathon C. Bowling, P.E.

c: John P. Prescott
James C. Tucker

MICROFILMED

JUL 15 2003