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February 24, 2004

Harold W. Jones
PO Box 50723
Idaho Falls, ID 83405

Dear Skip:

With respect to water rights numbers 27-16 and 27-29E, we have been able to obtain an Affidavit from Harrison Cox. He also brought us a copy of the water deed which was recorded in 1989 and which contains some confirming language in the first paragraph on page 2, saying that Coxes had used the water for many years prior to recording of the deed.

I am still working on trying to get some kind of information including an affidavit on the small water right for the spring near the house.

Yours very truly,



Kent W. Foster

Enclosure

**AFFIDAVIT OF
W. HARRISON COX**

STATE OF IDAHO)
)ss.
County of Bonneville)

W. Harrison Cox, of 670 Holley, Shelley, Idaho 83274, being first duly sworn, on his oath deposes and says:

1. Affiant is a resident of Bingham County, Idaho, and has personal knowledge of the facts set forth herein.

2. Affiant and members of affiant's family, doing business as Cox Enterprises, owned and operated farm land on and near Wolverine Creek in Sections 9 and 17 of Township 2 South, Range 38 E.B.M. for many years prior to 1993 when such lands were sold to Natural Guardian Limited Partnership.

3. From the time affiant and his family began operating such land, it was short of adequate water supplies in most years. In discussions with the then watermaster for the Blackfoot River and tributaries, Mr. Ed Hall, Mr. Hall became aware of the Cox's need and desire for additional water for such lands. Approximately 1980 or before, Mr. Hall advised the Coxes that one Vern Taylor had some good water rights that he was willing to sell and that could be used on the Cox lands. Affiant contacted Mr. Taylor and worked out an arrangement for a lease/purchase of water rights numbers 27-16 and 27-29E, and, with the knowledge and assistance of said watermaster, Ed Hall, began using the water on the lands near Wolverine Creek in said Sections 9 and 17 about 1980 or before.

4. Affiant and his family members, doing business as Cox Enterprises, paid lease payments to the Taylors for the referenced water rights, which were credited to the purchase price, for several years while using the water. In late 1988 or early 1989, the Coxes finished paying the balance and a Deed to such rights was delivered to them and recorded January 2, 1989. A copy of said Deed is attached hereto and by this reference made a part hereof.

5. From the time of the making of the lease/purchase agreement with Taylors in 1980 or before, the entire amount authorized for use under both water rights was used for irrigation of the farm lands in Sections 9 and 17 each year until the farm land was sold to Natural Guardian Limited Partnership in 1993.

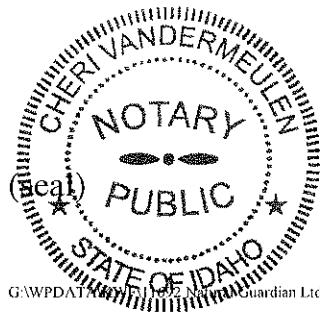
W. Harrison Cox

W. Harrison Cox

STATE OF IDAHO)
)ss.
County of Bonneville)

On this 19th day of February, 2004, before me a notary public in and for said State, personally appeared W. Harrison Cox known or identified to me (or proved to me on the oath of W. Harrison Cox) to be the person whose name is subscribed to the within instrument, and acknowledged to me that he 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.



Cheri Vandermeulen

Notary Public for Idaho

Residing at Idaho Falls, Idaho

My commission expires: July 7, 2009

WATER DEED

THIS INDENTURE, made this 20th day of January, 1989, between OWEN VERN TAYLOR and VERA TAYLOR, husband and wife, of 16 North 800 West, City of Blackfoot, Bingham County, State of Idaho, and GAIL R. TAYLOR and LADEAN TAYLOR, husband and wife, of 781 West 100 North, City of Blackfoot, Bingham County, State of Idaho, the parties of the First Part, and COX ENTERPRISES, INC., an Idaho corporation of 1404 East Wolverine Road, City of Firth, Bingham County, State of Idaho, the party of the Second Part, WITNESSETH:

That the said parties of the First Part, for and in consideration of the sum of TEN AND NO/100 (\$10.00) and other good and valuable consideration, lawful money of the United States of America, to the said parties of the First Part in hand paid by the party of the Second Part, the receipt whereof is hereby acknowledged, has granted, bargained, sold, and by these presence does grant, bargain, sell and convey and confirm unto the said party of the Second Part, and to the party of the Second Parts heirs and assigns, forever, the following described water rights in and to the Blackfoot River and its tributaries as appropriated in Bingham County, State of Idaho, and more particularly described as follows, to-wit:

128 inches of Leon Misslen Water with priority
date of April 1, 1973.

27-0016
100 inches of Leon Misslen Water with priority
date of May 1, 1985.

27-0029 1885
TOGETHER with all and singular the tenements, hereditaments

and appurtenances thereunto belonging or in anywise appertaining including all rights of appropriation and use of said water with said dates of priority at such block on said Blackfoot River or its tributaries as Second Party may determine including, but not limited to, Wolverine Creek located in Bingham County, State of Idaho, it being acknowledged that Second Party has been using said water for many years last past pursuant to contract between the parties.

TO HAVE AND TO HOLD, all and singular the above mentioned and described water, water rights and appurtenances unto the said party of the Second Party, and to party of Second Parts heirs and assigns forever. The said parties of the First Part, and the said parties of the First Parts heirs shall and will warrant and by these presence forever defend the said water rights, rights of appropriation with the priority date in quiet and peaceable possession of the said party of the Second Part, and the party of the Second Parts heirs and assigns, against the said party of the First Part, and the party of the First Parts heirs, and against all and every person and persons whomsoever, lawfully claiming or to claim the same.

In construing this Water Deed and where the contents so requires, the singular includes the plural.

IN WITNESS WHEREOF the said parties of the First Part have hereunto set their hands and seals the day and year first herein above written.

Owen Vern Taylor
OWEN VERN TAYLOR

Vera Taylor
VERA TAYLOR

Gail R. Taylor
GAIL R. TAYLOR

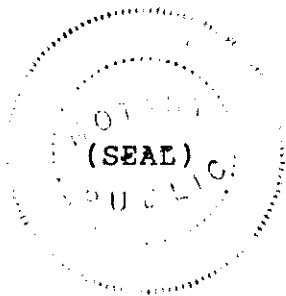
Ladean Taylor
LADEAN TAYLOR

STATE OF IDAHO)
)
County of Bingham)

On this 9th day of January, in the year Nineteen Eighty-Nine, before me, a Notary Public in and for the State of Idaho, personally appeared OWEN VERN TAYLOR and VERA TAYLOR, husband and wife, known to me or proved to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they 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.

Sharon R. Buddles
NOTARY PUBLIC FOR IDAHO
Residing at: Blackfoot, ID
My Commission Expires: 8-12-94



STATE OF UTAH

)

)ss.

County of Washington

)

On this 12 day of January, in the year Nineteen Eighty-Nine, before me, a Notary Public in and for the State of Utah, personally appeared GAIL R. TAYLOR and LADEAN TAYLOR, husband and wife, known to me or proved to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they 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.

[Signature]
NOTARY PUBLIC FOR ~~IDAHO~~ ^{UTAH}
Residing at: 410 East Tabernacle
My Commission Expires: 10-10-89

(SEAL)

077530

120-85

1989 JAN 18 AM 9:56
Cox & Ohman
AT THE REQUEST OF
PCB 57600 I.F. 83405