

IDAHO DEPARTMENT OF WATER RESOURCES
RECOMMENDED WATER RIGHTS ACQUIRED UNDER STATE LAW

RIGHT NUMBER: 22-13479

NAME AND ADDRESS: DKJ FARMS LLC
665 CENTENNIAL LOOP
REXBURG ID 83440

SOURCE: MOODY CREEK

TRIBUTARY: TETON RIVER

QUANTITY: 3.100 CFS

The rights listed below are limited to a total combined diversion rate of 8.00 cfs from 04/01 to 06/20 which is reduced to 7.85 cfs from 06/21 to 10/31. Combined Right Nos.: 22-4195, 22-13479, 22-13987, and 22-13988.

PRIORITY DATE: 05/01/1980

This water right is subordinate to all water rights with a priority date earlier than April 12, 1994, that are not decreed as enlargements pursuant to Section 42-1426, Idaho Code. As between water rights decreed as enlargements pursuant to Section 42-1426, Idaho Code, the earlier priority right is the superior right.

POINT OF
DIVERSION:

T05N R41E S21 SENW Within MADISON County

PURPOSE AND
PERIOD OF USE:

	<u>PURPOSE OF USE</u>		<u>PERIOD OF USE</u>		<u>QUANTITY</u>
	IRRIGATION		04/01 10/31		3.100 CFS
PLACE OF USE:	<u>IRRIGATION in MADISON County</u>				
	T05N R41E S16	SESW	31.00	T05N R41E S20	NENE 40.00
	T05N R41E S20	NWNE	40.00	T05N R41E S20	SWNE 40.00
	T05N R41E S20	SENE	40.00	T05N R41E S20	SWNW 40.00
	T05N R41E S20	SENW	40.00	T05N R41E S20	NESW 40.00
	T05N R41E S20	NWSW	36.00	T05N R41E S20	NESE 40.00
	T05N R41E S20	NWSE	40.00	T05N R41E S21	NENW 23.00
	T05N R41E S21	NWNW	39.00	T05N R41E S21	SWNW 36.00
	T05N R41E S21	SENW	2.70	T05N R41E S21	NWSW 20.00
	547.7 ACRES TOTAL				

The rights listed below are limited to the irrigation of a combined total of 547.7 acres in a single irrigation season. Combined Right Nos.: 22-4195, 22-13479, 22-13987, and 22-13988.

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

This right is based upon an enlargement of Right Nos. 22-4195, 22-13987, and 22-13988 pursuant to Section 42-1426, Idaho Code.

This partial decree is subject to such general provisions necessary for the definition of the rights or for the efficient administration of the water rights as may be ultimately determined by the Court at a point in time no later than the entry of a final unified decree. Section 42-1412(6), Idaho Code.

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EXPLANATORY MATERIAL: BASIS OF CLAIM - Beneficial Use

The following rights are diverted through point of diversion described above:
22-594, 22-4195, 22-13479, 22-13987, and 22-13988.

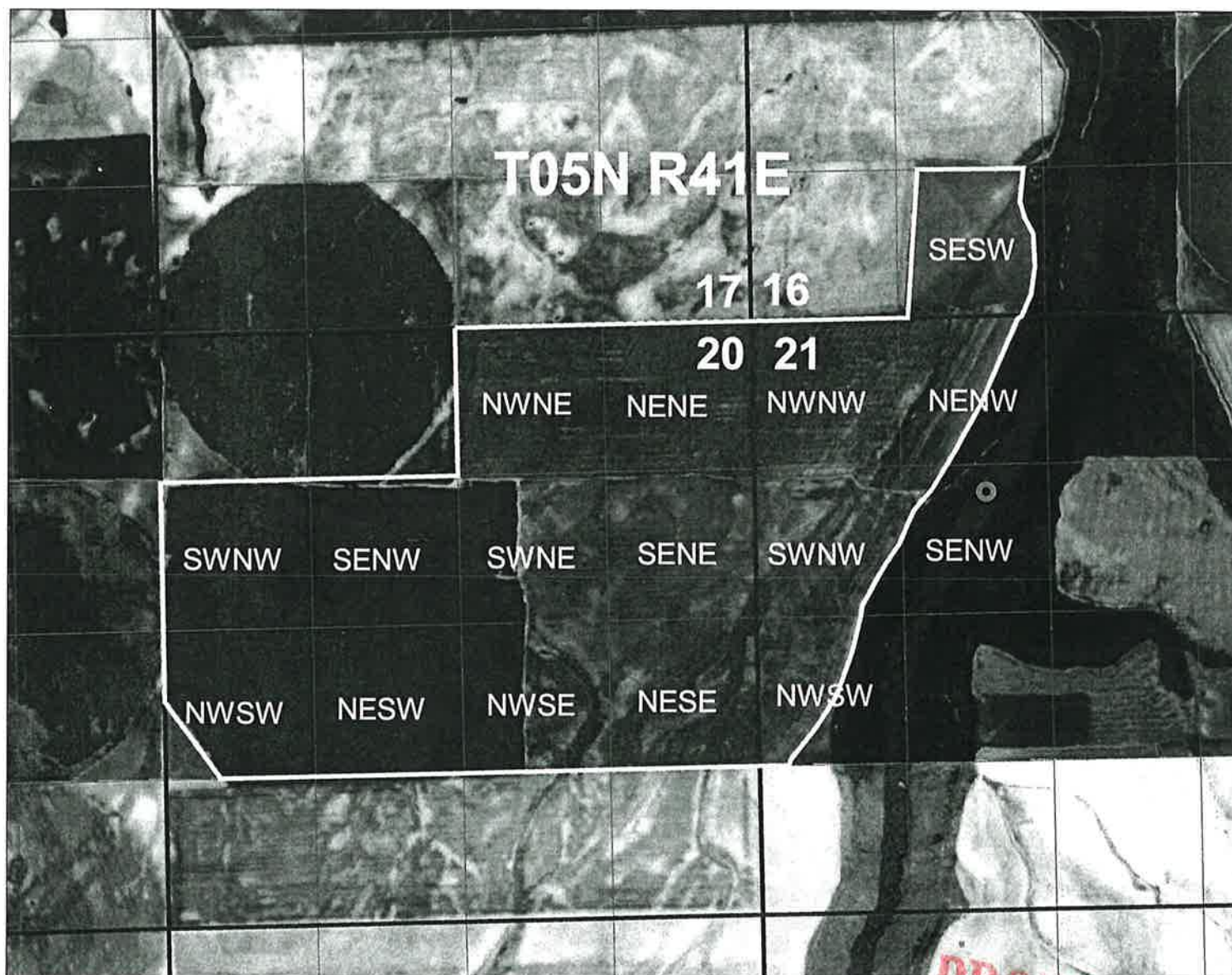
This right is for an enlargement of 155 acres within the place of use
described for this right.



Department of Water Resources

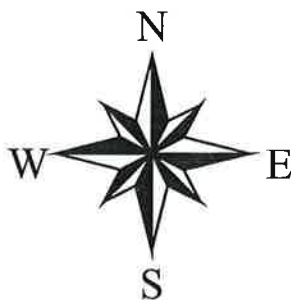
Eastern Region

Claim No.: 22-265E, 22-4195,
& 22-13479



0 1000 2000 3000 Feet

- Point of Diversion
- Place of Use
- Township/Range
- Sections
- QQ



GIS Place of Use Illustration
1987/88 NAPP Photography
Prepared by: Kristin Moore
Date Prepared: April 2006

MAY 18 2007

CLAIM #

22-13479

TELEPHONE CONTACT SHEET

DATE	TIME	INITIALS	REMARKS
1 Jul 08	2:41P	JSL	TRIED TO REACH T.J. BUDGE. ~~Q~~ TO Put NEW COMINED Flow RATE LANGUAGE IN ORDER TO REACH AGREEMENT ON 22-4195
			- SEEMS T.J. IS OFF ON HIS OBJECTION TO 22-13479. CONDITIONS LIMIT Right TO 17.85 CF - MAYBE SAME LANGUAGE AS 22-4195 & COMBINED LIMITS
3 Jul 08	9:24A	JSL	MEETING w/ TJ BUDGE @ 12:00P TO DISCUSS ISSUES



State of Idaho

DEPARTMENT OF WATER RESOURCES

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

C. L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Interim Director

June 20, 2011

Idaho AgCredit FLCA
PO Box 386
Rexburg ID 83440

RE: Notice of Security Interest in a Water Right 22-4195, 22-13479, 22-13987 & 22-13988

Dear Water Right Holder(s):

The department acknowledges receipt of correspondence adding a security interest to the above referenced water right(s) to you. The department has modified its records to reflect the security interest and has enclosed a computer-generated report for your records.

Updating the security interest record for a water right does not reconfirm the validity of the right. When processing an security interest notice, the department does not review the history of water use to determine if the right has been deliberately abandoned or forfeited through five years or more of non-use. To read more about water right forfeiture, including how to protect a water right from forfeiture, please see Sections 42-222 and 42-223, Idaho Code.

Please feel free to contact this office if you have any questions regarding this matter.

Sincerely,

Jonie Barg
Technical Records Specialist

Enclosure

cc: DKJ Farms LLC
Rigby Andrus & Moeller Chtd

SCANNED

JUN 20 2011

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

RECEIVED
APR 18 2011
Department of Water Resources
Eastern Region

Notice of Security Interest in a Water Right

And Request for Notification of a Change in Ownership or Any Proposed
Or Final Action to Amend, Transfer, or Otherwise Modify a Water Right

Please print or type. Attach pages with additional information. Instructions are on the back of this page.

Incomplete forms will be returned.

1. Water Right No(s): OK #22-4195, #22-13479, #22-13987, #22-13788 Adj. OK Adj. OK Adj. OK
Adjudication Claim No(s): Will be completed in Eastern
2. The following **REQUIRED** information must be submitted with this form:
 - A) Evidence of the security interest. This may be a copy of a **DEED of TRUST, MORTGAGE, CONTRACT OF SALE** or other legal document indicating your interest in the property and water rights or claims in question, **WITH ATTACHED LEGAL DESCRIPTION.**
 - B) A **FEE** of **\$25.00 per water right** or adjudication claim.
3. Name and Mailing Address of Person or Company holding Security Interest
Idaho AgCredit, FLCA
PO Box 386 Rexburg, ID 83440
Phone: (208) 356-5479
4. Name of Water Right Owner/Claimant(s)
DKJ Farms, LLC
5. Expiration Date of Notification Period Feb. 1, 2031
6. Is this a Renewal of Request for Notification? ☐ YES ☒ NO
7. Signature(s) of Security Interest holder(s) Idaho AgCredit, FLCA
 (and title if applicable) by: Marc Thompson

For Office Use Only

Received by <u>JB</u>	Date <u>4/18/2011</u>	Fee <u>\$100.</u>
Received by <u>JB</u>	Date <u>4/18/2011</u>	Receipt No. <u>E036575</u>
Processed by <u>AJ</u>	Date <u>4/18/2011</u>	WR <u> </u> Date <u> </u>

SCANNED

JUN 20 2011

WHEN RECORDED MAIL TO:

3041000299KB
ALLIANCE TITLE & ESCROW
P.O. BOX 732
REXBURG, ID 83440

Recorded Electronically	
ID	36815
County	Madison
Date	3-4-11 Time 3:46 pm
Stamp: 830.460.5557	

REAL ESTATE MORTGAGE

THIS MORTGAGE is made this February 28, 2011 between DKJ FARMS, LLC, An Idaho Limited Liability Company, By: DALLAN JEPPESEN, Member/Manager; and Individually By: DALLAN JEPPESEN, aka DALLAN K. JEPPESEN, and CODY ANN JEPPESEN, husband and wife, whose address is 665 Centennial Loop Rexburg, Idaho 83440 hereinafter called "Mortgagor", and Idaho AgCredit, FLCA ("Mortgagee"), a wholly owned subsidiary of Idaho Agricultural Credit Association, a corporation, existing and operating under the Farm Credit Act of 1971, as amended, having its principal place of business at 188 W. Judicial P.O. Box 985, Blackfoot, Idaho 83221.

WITNESSETH: That Mortgagor IRREVOCABLY GRANTS, BARGAINS, SELLS, CONVEYS AND ASSIGNS unto Mortgagee together with right of entry and possession the following described real property situated in the County(ies) of Madison, State of Idaho:

SEE ATTACHED SCHEDULE A FOR REAL ESTATE DESCRIPTION, TOGETHER WITH FIXTURES AND APPURTENANT SPRINKLER EQUIPMENT IF ANY.

TOGETHER WITH: All fixtures, including but not limited to the following: All pumps, motors, columns, tubes, shafts, bowls, panels and all electrical appurtenances, mainline, laterals, wheel lines, pivot/circle irrigation systems, risers, heads, couplers, end plugs, valves, valve openers, reducers, joints, tees and wyes, as well as all additions and replacements thereof, hereby declared appurtenant thereto and which are more particularly described on the attached Schedule A.

TOGETHER WITH: Idaho Department of Water Resources Decree Number 22-4195, Priority Date May 1, 1969, for 3.85 cfs.

TOGETHER WITH: Idaho Department of Water Resources Beneficial Use Number 22-13479, Priority Date May 1, 1980, for 3.1 cfs.

TOGETHER WITH: Idaho Department of Water Resources Decree Number 22-13987, Priority Date March 15, 1879, for 4 cfs.

TOGETHER WITH: Idaho Department of Water Resources Decree Number 22-13988, Priority Date March 15, 1879, for 4 cfs.

TOGETHER WITH: 530 shares of stock, Certificate #139 or as may be re-issued in Woodmansee Johnson Canal Company.

This real estate is offered to secure the note identified below in the name(s) of DKJ FARMS, LLC, An Idaho Limited Liability Company, By: DALLAN JEPPESEN, Member/Manager; and Individually By: DALLAN JEPPESEN, aka DALLAN K. JEPPESEN, and CODY ANN JEPPESEN, husband and wife; and DALLAN JEPPESEN, INC., An Idaho Corporation, By: DALLAN JEPPESEN, President, as well as any renewals or extensions thereof.

This real estate mortgage is also intended to be a fixture filing and to be indexed not only as a mortgage but also as a fixture filing.

TOGETHER WITH: all buildings, structures, equipment, fixtures (including trees, vines and shrubs) and improvements of every kind and description now or hereafter constructed or placed thereon; all standing timber and timber to be cut located thereon; all existing and future water rights, however evidenced, to the use of water for irrigation, livestock and domestic purposes, including irrigation and watering equipment and systems, ditches, laterals, conduits, and rights-of-way used to convey such water or to drain the above-described property, all of which rights are hereby made appurtenant to the property, and all pumping plants, electrical generators, wind machines, and fencing and storage tanks, now or hereafter used in connection with the property, all of which are hereby declared to be fixtures; all grazing rights, leases, permits and licenses; all oil, gas, and mineral leases, permits and rights used with the property; and all tenements, hereditaments, easements, rights-of-way and appurtenances to the property (hereafter collectively referred to as the "Property").

MORTGAGOR ABSOLUTELY AND UNCONDITIONALLY ASSIGNS, transfers, conveys and sets over to Mortgagee all the rents, royalties, issues, profits, revenue, income and other benefits of the property arising from the use or enjoyment of all or any portion thereof or from any lease, mineral lease, or agreement pertaining thereto (collectively the "Rents"); SUBJECT, HOWEVER, to the right, power and authority given to and conferred upon Mortgagor by Paragraph B.3 hereof.

FOR THE PURPOSE OF SECURING: (1) payment of the indebtedness or obligations evidenced by the following promissory note(s) and/or guaranties executed by Mortgagor and/or others to the Mortgagee at the times, in the manner and with interest as therein set forth (notes may contain variable or adjustable rate provisions):

DATE OF NOTE
February 28, 2011

MATURITY DATE
February 1, 2031

AMOUNT OF NOTE
\$1,209,000.00

SCANNED

JUN 20 2011

(2) the payment of such additional loans or advances, including advances under a revolving line of credit, with interest thereon, as hereafter may be made to Mortgagor, or Mortgagor's successors or assigns, and/or to parties whose obligation Mortgagor is guaranteeing, evidenced by a promissory note or otherwise and any obligations evidenced by any guaranties executed by Mortgagor in favor of Mortgagee; PROVIDED HOWEVER, THAT, such additional loans, advances, guaranty obligations shall be secured by this Mortgage only if the promissory note, guaranty, or other document evidencing such loans or advances shall recite that it is to be secured by this Mortgage; (3) the payment of any substitute notes, renewals, reamortizations, and extensions of all indebtedness secured by this Mortgage; (4) the performance of every obligation and agreement of Mortgagor whether contained or incorporated by reference in this Mortgage, or contained in any loan document or guaranty executed by Mortgagor in favor of Mortgagee, with respect to any loan, advance, or guaranty secured by this Mortgage; and (5) the payment of all sums expended or advanced by Mortgagee under or pursuant to the terms of this Mortgage, together with interest thereon as herein provided. The continuing validity and priority of this Mortgage as security for future loans, advances or guaranties shall not be impaired by the fact that at certain times hereafter there may exist no outstanding indebtedness from Mortgagor to Mortgagee or no commitment to make loans or advances.

A. TO PROTECT THE SECURITY OF THIS MORTGAGE, MORTGAGOR AGREES:

1. To use loan proceeds solely for the purposes set forth in the loan application(s) or agreements; to comply with the Farm Credit Act of 1971, as amended, and/or the regulations of the Farm Credit Administration, now existing or as hereafter amended.
2. To keep the Property in good condition, working order and repair; care for the Property in accordance with standards of good husbandry and to keep all trees, vines and crops on said land properly cultivated, irrigated, fertilized, sprayed, and fumigated; not to remove, destroy or suffer the removal or destruction of any building, fence, canal, well or other improvements or fixtures thereon; not to remove, replace or alter any horticultural or viticultural tree, vine or shrub planted thereon without the prior written consent of Mortgagee, except in the ordinary course of business; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon; to comply with all laws, covenants and restrictions affecting the Property; not to commit or permit waste thereof; not to commit, suffer or permit any act upon the Property in violation of law; to do all other acts which from the character or use of the Property may be reasonably necessary, the specific enumerations herein not excluding the general; to observe and perform all obligations of Mortgagor under any lease of the Property.
3. To provide, maintain and deliver to Mortgagee fire and all other types of insurance of the type and in amounts as Mortgagee may require, with loss payable clauses solely in favor of Mortgagee. In the event of loss, the insurance proceeds, or any part thereof, may be applied by Mortgagee, at its option, to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged. In the event that the Mortgagor shall fail to provide satisfactory hazard insurance, Mortgagee may procure, on Mortgagor's behalf, insurance in favor of Mortgagee alone. If insurance cannot be secured by Mortgagor to provide the required coverage, such inability shall constitute an event of default hereunder.
4. To appear in and litigate any action or proceeding purporting to affect the security hereof, the title to the Property, or the rights or powers of Mortgagee; Mortgagee may appear in and litigate any such action or proceedings, including any bankruptcy, partition or condemnation proceeding, affecting the Property, or Mortgagee's interest therein, in which event Mortgagor agrees to pay all costs and expenses thereof, including attorney's fees and costs of securing evidence of title.
5. To pay on or before the due date all taxes and assessments affecting the Property, including all assessments upon water company stock and all rents, assessments and charges for water, appurtenant to or used in connection with the Property; to pay, when due, all encumbrances, charges, and liens, on the Property or any part thereof, which at any time appear to be prior or superior hereto.
6. In case of any suit to foreclose this Mortgage or to collect any charge arising out of the debt hereby secured, or of any suit which the Mortgagee may deem necessary to prosecute or defend to effect or protect the lien herein, including any proceeding in bankruptcy, or if Mortgagee retains an attorney to advise Mortgagee in connection with this Mortgage or any other agreement related to the indebtedness secured by this Mortgage, Mortgagor agrees to pay a reasonable sum as attorney's fees and all costs and legal expenses in connection with said suit, and further agrees to pay the reasonable costs of searching the records and abstracting or insuring the title, and such sums, costs and expenses shall be secured hereby and shall be included in any decree of foreclosure. The fees and costs described herein and elsewhere in this Mortgage shall be in addition to those set forth in the loan agreement or any other written agreement between Mortgagor and Mortgagee.
7. Should Mortgagor fail to make any payment or to do any act as provided for in this Mortgage, then Mortgagee, but without obligation to do so and without notice to or demand upon Mortgagor and without releasing Mortgagor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the Property, Mortgagee being authorized to enter upon the Property for such purposes; commence, appear in and litigate any action or proceeding purporting to affect the security hereof or the rights or powers of Mortgagee, including any bankruptcy proceeding affecting the Property; pay, purchase, contest, or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and in exercising any such powers, incur any liability, expend whatever amounts in its absolute discretion it may deem necessary therefore, including attorney's, accountant's, appraisal, and environmental fees, and costs of securing evidence of title, and all amounts so expended shall be obligations of Mortgagor secured by this Mortgage. Nothing contained herein shall prohibit Mortgagee from entering the Property, at a reasonable time and upon reasonable notice to Mortgagor, without incurring or assuming any obligations or liabilities whatsoever, for the sole purpose of inspecting the Property.
8. To pay immediately and without demand all sums expended by Mortgagee pursuant to the provisions hereof, with interest from date of expenditure at the same rate as is provided for in the note or notes secured by this Mortgage. In the event that such sums are not immediately paid, they shall be added, along with the appropriate amount of capital stock or participation certificates, to the principal balance of the indebtedness secured hereby and shall accrue interest as herein set forth. All such sums shall be secured hereby.
9. Environmental Representations, Warranties and Covenants.
 - (a) Except as disclosed in writing to Mortgagee, or except as otherwise provided in any loan agreement between Mortgagee and Mortgagor which specifically refers to the Property, to the best knowledge of Mortgagor after due inquiry, Mortgagor hereby further represents, warrants and covenants as follows:
 - (i) No pollutants, contaminants (including oil or other petroleum products), toxic or hazardous substances, or solid or hazardous wastes, as such terms are defined under any federal, state or local Environmental Law, regulation or ordinance (hereinafter "Contaminants") have been, are being or will be generated, manufactured, produced, stored, disposed of, discharged, released, threatened to be released, or otherwise allowed to migrate or escape on, under or from the Property in such quantities or concentrations as would violate any federal, state or local Environmental Law, regulation or ordinance or as would require Mortgagor to report such condition to any governmental authority or to undertake removal or remedial action to clean up such contaminants;

(ii) No Contaminants are located on, in or under any property located adjacent to the Property in such quantities or concentrations as would constitute a violation of any Environmental Law or as would require the owner of the adjacent property to report such condition to any governmental authority or to undertake removal or remedial action to clean up such Contaminants;

(iii) Neither the Property, nor any portion thereof, nor any adjacent property or portion thereof, has been or is proposed to be listed under the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601, et seq.), or any analogous state law. Mortgagor shall immediately notify Mortgagee if Mortgagor acquires any information concerning the listing or proposed listing of the Property or any adjacent property and shall provide Mortgagee with any documents in Mortgagor's possession relative thereto;

(iv) No hazardous wastes, as defined under the Federal Resource Conservation and Recovery Act (42 U.S.C. Section 6901, et seq.), or any analogous state law ("Hazardous Wastes"), have been, are being or will be stored or treated in surface impoundments or other structures or facilities located on the property that are partially or entirely below the ground surface;

(v) No litigation, investigation, administrative order, consent order, agreements, or other action, proceeding or settlement (hereinafter "Action") has previously been brought, is now pending, or to the best knowledge of Mortgagor threatened against or anticipated by Mortgagor, with respect to Mortgagor's use or management of Hazardous Materials or Hazardous Wastes or the environmental condition of the Property, including any underlying groundwater. Upon learning thereof, Mortgagor shall immediately notify Mortgagee of any such Action or threatened Action and provide Mortgagee with copies of all documentation relative thereto; and

(vi) Except as disclosed in writing to Mortgagee, no underground tanks, wells (except domestic water wells), septic tanks, ponds, pits or any other storage tanks ("Tanks") (whether currently in use or abandoned) are or were located on or under the Property and no Tanks are or were serving the Property described herein. With respect to any Tanks disclosed in writing to Mortgagee, Mortgagor shall comply with all federal, state and local laws, regulations and ordinances and any requirements of city or county fire departments, applicable to the maintenance and use of such Tanks, including, without limitation, Title 40 of the Code of Federal Regulations Part 112.

(b) Nothing herein shall be deemed to prohibit Mortgagor from (i) using, handling or storing hazardous materials or substances, as defined under any federal, state or local law, regulation or ordinance ("Hazardous Materials") or (ii) storing or treating non-hazardous wastes, so long as such activities are carried out (a) in a good and husbandlike manner in the ordinary course of business, and (b) in compliance with all applicable environmental laws, regulations, permits, orders or other requirements.

(c) In the event that Mortgagor is in breach of any of its representations, warranties or covenants as set forth above, Mortgagor, at its sole expense, shall take all action required, including environmental cleanup of the Property, to comply with the representations, warranties and covenants herein or applicable legal requirements and, in any event, shall take all action deemed necessary by appropriate governmental authorities. Mortgagee shall have the right, but not the obligation, to advise appropriate governmental authorities of any environmental condition on or affecting the Property that constitutes or may constitute a breach of Mortgagor's obligations hereunder.

(d) Mortgagor and its successors and assigns shall indemnify, defend, protect, and hold harmless Mortgagee, its directors, officers, employees, agents, shareholders, successors and assigns and their officers, employees or agents, from and against any and all claims, suits, damages, liens, losses, liabilities, interest, judgments, response and cleanup costs, demands, actions, causes of action, injuries, administrative proceedings and orders, consent agreements and orders, penalties, costs and expenses (including any fees and expenses incurred in enforcing this indemnity, any out-of-pocket litigation costs and the reasonable fees and expenses of counsel) of any kind whatsoever ("Claims") paid, incurred or suffered by, or asserted against Mortgagee, including but not limited to Claims arising out of loss of life, injury to persons, trespass or damage to or contamination of property or natural resources, or injury to business, in connection with or arising out of the activities of Mortgagor on the Property, Mortgagor's predecessors in interest, third parties who have been invited, permitted or trespassed on the Property, or parties in a contractual relationship with Mortgagor, or any of them, or which directly or indirectly arise out of or result from or in any way connected with the Property, whether or not caused by Mortgagor or within the control of Mortgagor, including without limitation: (i) the presence, use, generation, treatment, storage, disposal, release, threatened release, or discharge of any Hazardous Material or Contaminant at or from the Property and/or the cleanup of Hazardous Materials or Contaminants within, on or under the Property; (ii) Mortgagor's breach of any of the representations, warranties and covenants contained herein; and (iii) Mortgagor's violation or alleged violation of any applicable Environmental Law, regulation or ordinance.

(e) Mortgagor's representations, warranties, covenants and indemnities contained herein shall survive the occurrence of any event whatsoever, including without limitation the payoff of any promissory note(s) secured hereby, the release or foreclosure of this Mortgage, the acceptance by Mortgagee of a deed in lieu of foreclosure, or any transfer or abandonment of the Property.

(f) The term "Environmental Law" shall mean any federal, state or local law, statute, ordinance, or regulation, now in effect or hereinafter enacted, pertaining to health, industrial hygiene, or the environmental conditions on, under or about the Property, including but not limited to enactments requiring the removal or containment of asbestos-containing materials in private buildings.

(g) Mortgagor shall permit, or cause any tenant of Mortgagor to permit, Mortgagee or its agents, or independent contractors to enter and inspect the Property at any reasonable time for purposes of determining, as Mortgagee deems necessary or desirable: (i) the existence, location and nature of any Hazardous Materials or Hazardous Wastes on, under or about the Property, (ii) the existence, location, nature, magnitude and spread of any Hazardous Materials or Hazardous Waste that has been spilled, disposed of, discharged or released on, under or about the Property, or (iii) whether or not Mortgagor and any tenant of Mortgagor is in compliance with applicable Environmental Law. If Mortgagor or its tenants fail to comply fully with the terms of this subdivision (g), Mortgagee may obtain affirmative injunctive relief to compel such compliance.

10. Grazing Rights. If any portion of the Property described in this Mortgage is used by Mortgagor as the basis for obtaining grazing permits or other grazing rights issued by any governmental agency, including without limitations the Forest Service, U.S. Department of Agriculture or the Bureau of Land Management, U.S. Department of Interior, Mortgagor covenants and agrees as follows:

(a) Said grazing permits or other rights are in good standing and have not been modified, reduced or limited in any other respect, except as fully disclosed in writing to Mortgagee;

(b) Mortgagor will perform all obligations imposed as a requirement of exercise of said grazing permits or other rights and will comply with all laws, rules and regulations applicable thereto;

(c) Mortgagor will take such timely action as may be required to cause the renewal or reissuance of said grazing permits or other rights from time to time as they expire during the term thereof. Mortgagor agrees and acknowledges that the failure to renew or cause the reissuance of any said permits for any reason, whether the result of an act or omission of Mortgagor or for reasons beyond Mortgagor's control, is an event of default hereunder and Mortgagee shall have the right to exercise the rights hereinafter set forth in this Mortgage; and

(d) Mortgagor agrees to pay all fees, charges, rents or other payments accruing under said permits or any renewals thereof prior to delinquency. In the event Mortgagor fails to pay any such payment, the amount unpaid shall become a part of the indebtedness secured by this Mortgage and shall be immediately due and payable.

B. IT IS MUTUALLY AGREED THAT:

1. Any award of damages in connection with any taking or condemnation or injury to the Property by reason of public use, or for damages resulting from private trespass or injury to the Property, is absolutely and unconditionally assigned and shall be paid to Mortgagee, under the terms and conditions of this Mortgage pertaining to Rents. Upon receipt of such money Mortgagee may apply the same on the indebtedness secured hereby. Mortgagor agrees to execute such further documents as may be required to effect the assignments herein made as Mortgagee may require.

2. At any time, without affecting the liability of any person for the payment of the indebtedness secured hereby, and without otherwise affecting the security hereof, Mortgagee may (a) consent to or join in the making of any map or plat of the Property; (b) grant any easement or create any restriction thereof; (c) subordinate this Mortgage; (d) extend or modify the term of the loan or loans secured hereby; and (e) release without warranty, all or any part of the Property.

3. Prior to any default by Mortgagor in the payment, observance, performance and discharge of any condition, obligation, covenant, or agreement of Mortgagor contained herein, Mortgagor may, for collection and distribution purposes only, collect and receive the Rents as they come due and payable; the Rents are to be applied by Mortgagor to the payment of the principal and interest and all other sums due or payable on any promissory note or guaranty secured by this Mortgage and to the payment of all other sums payable under this Mortgage and, thereafter, so long as the aforesaid has occurred, the balance shall be distributed to the account of Mortgagor. Upon any such default, Mortgagee may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Property or any part thereof, in his own name, sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Mortgagee may determine; also perform such acts of repair, cultivation, irrigation or protection, as may be necessary or proper to conserve the value of the Property; also lease the same or any part thereof for such rental, term, and upon such conditions as its judgment may dictate; also prepare for harvest, remove, and sell any crops that may be growing upon the Property, and apply the proceeds thereof upon the indebtedness secured hereby.

4. The entering upon and taking possession of the Property, the collection of such rents, issues, and profits, or the proceeds of fire and other insurance policies, or compensation or awards for any taking of or damage to the Property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

5. Upon default by Mortgagor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, all sums secured hereby shall immediately become due and payable at the option of the Mortgagee and in accordance with applicable state law. In the event of default, Mortgagee may employ counsel to enforce payment of the obligations secured hereby, may foreclose and, if applicable, sell the Property by advertisement and sale, and in accordance with other applicable state law, and may exercise such other rights and remedies granted by law and equity, which rights and remedies shall be cumulative and not exclusive. Mortgagee may resort to and realize upon the security hereunder and any other real or personal property security now or hereafter held by Mortgagee for the obligations secured hereby in such order and manner as Mortgagee may, in its sole discretion, determine. Resort to any or all such security may be taken concurrently or successively and in one or several consolidated or independent judicial actions or lawful nonjudicial proceedings, or both. If the obligation secured by this Mortgage is also secured by personal property, fixtures or crops, Mortgagee may enforce its security interest in the personal property, fixtures and crops and its lien under this Mortgage in any manner and in any order or sequence permitted by applicable law. All remedies are cumulative and none are exclusive; no election by Mortgagee to pursue one remedy or item of collateral shall be deemed to be a release or waiver of any other item of collateral or a release or modification of the liability of Mortgagor or any guarantor to pay and perform in full all obligations to Mortgagee. The procedures governing the enforcement by Mortgagee of its foreclosure and provisional remedies against Mortgagor shall be governed by the laws of the state in which the Property is located. Nothing contained herein shall be construed to provide that the substantive law of the state in which the Property is located shall apply to Mortgagee's rights and Mortgagor's obligations hereunder or under the promissory note(s) or guaranties described herein, which are and shall continue to be governed by the substantive law of the state in which the promissory note(s) or guaranties were executed.

6. The failure on the part of the Mortgagee to promptly enforce any right hereunder shall not operate as a waiver of such right and the waiver by Mortgagee of any default shall not constitute a waiver of any other subsequent defaults. Subsequent acceptance of any payment by the holder hereof shall not be deemed a waiver of any default by Mortgagor, or of Mortgagee's rights hereunder as the result of any sale, agreement to sell, conveyance, or alienation, regardless of holder's knowledge of such default, sale, agreement to sell, conveyance, or alienation at the time of acceptance of such payment.

7. This Mortgage applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Mortgagee shall mean the holder and owner of any note secured hereby; or, if the note has been pledged, the pledgee thereof. In this Mortgage, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural. All obligations of Mortgagor hereunder are joint and several.

8.(a) In the event the herein-described Property, or any part thereof, or any interest therein, is sold, agreed to be sold, conveyed, alienated or transferred, including any water transfer as defined in subsection (b) below, by Mortgagor, or by operation of law or otherwise, except by inheritance, without Mortgagee's prior written consent, all obligations secured hereby, irrespective of the maturity dates, at the option of the holder hereof, and without demand or notice, shall immediately become due and payable. Failure to exercise such option shall not constitute a waiver of the right to exercise this option in the event of subsequent sale, agreement to sell, conveyance or alienation.

(b) A water transfer is any transfer, assignment, sale, exchange, gift, encumbrance, pledge, hypothecation, alienation, grant of option to purchase, or other disposition of, directly, indirectly or in trust, voluntarily or involuntarily, by operation of law or otherwise, or the entry into a binding agreement to do any of the foregoing with respect to all or any part of (i) the groundwater on, under, pumped from or otherwise available to the Property, (ii) Mortgagor's right to remove and extract any such groundwater including any permits, rights or licenses granted by any governmental authority or agency and any rights granted or created by any easement, covenant, agreement or contract with any person or entity, (iii) any rights to which the Property is entitled with respect to surface water, whether such right is appropriative, riparian, prescriptive or otherwise and whether or not pursuant to permit or other governmental authorization, or the right to store any such water, (iv) any water, water right, water allocation, distribution right, delivery right, water storage right, water allocation, or other water-related entitlement appurtenant or otherwise applicable to the Property by virtue of the Property's being situated within the boundaries of any district, agency, or other governmental entity or within the boundaries of any private water company, mutual water company, or other non-governmental entity, or (v) any shares (or any rights under such shares) of any private water company, mutual water company, or other non-governmental entity pursuant to which Mortgagor or the Property may receive any rights.

9. In the event any one or more of the provisions contained in this Mortgage or in any promissory note(s) hereby secured shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Mortgage or said promissory note(s), but this Mortgage and said promissory note(s) shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein.

DKJ FARMS, LLC, An Idaho Limited Liability Company, and
DALLAN JEPPESEN, individually, and CODY ANN
JEPPESEN, individually

By: [Signature]
DALLAN JEPPESEN, individually and as Member/Manager
[Signature]
CODY ANN JEPPESEN, individually

ACKNOWLEDGMENT.

STATE OF IDAHO)
County of Madison)ss.

On this 4th day of March, 2011, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared Dallan Jeppesen, known or identified to me to be the Member/Manager of DKJ Farms, LLC, An Idaho Limited Liability Company, whose name is subscribed to the within instrument and acknowledged to me that he is authorized and instructed to execute the same on behalf of said Limited Liability Company, and further acknowledged to me that said Limited Liability Company executed the same.

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

[Signature]
Notary Public for the State of Idaho

Residing at Rigby

My Commission Expires: 4-27-2013



STATE OF IDAHO)
County of Madison)ss.

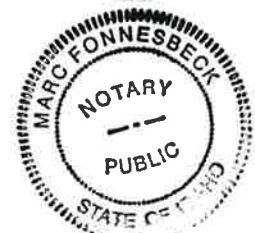
On this 4th day of March, 2011, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared Dallan Jeppesen and Cody Ann Jeppesen, husband and wife, known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed 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 the State of Idaho

Residing at Rigby

My Commission Expires: 4-27-2013



SCANNED

JUN 20 2011

SCHEDULE A
REAL ESTATE DESCRIPTION TOGETHER WITH FIXTURES AND APPURTENANT SPRINKLER EQUIPMENT IF ANY FOR
MORTGAGE DATED February 28, 2011

DKJ Farms, LLC, An Idaho Limited Liability Company
Loan No. 231-004-0006543073-5541026-101

REAL ESTATE DESCRIPTION:

Tract 1: Township 5 North, Range 41 East of the Boise Meridian, Madison County, Idaho.
Section 16: Southeast Quarter Southwest Quarter

Tract 2: Township 5 North, Range 41 East of the Boise Meridian, Madison County, Idaho.
Section 20: Northeast Quarter Northeast Quarter

Tract 3: Township 5 North, Range 41 East of the Boise Meridian, Madison County, Idaho.
Section 20: Northwest Quarter Northeast Quarter

Tract 4: Township 5 North, Range 41 East of the Boise Meridian, Madison County, Idaho.
Section 20: Southwest Quarter Northeast Quarter

Tract 5: Township 5 North, Range 41 East of the Boise Meridian, Madison County, Idaho.
Section 20: Southeast Quarter Northeast Quarter

Tract 6: Township 5 North, Range 41 East of the Boise Meridian, Madison County, Idaho.
Section 20: Southwest Quarter Northwest Quarter
Excepting therefrom: Beginning at the Northwest Corner of the Southwest Quarter Northwest Quarter and running thence South 500 feet along the Section line, thence East 225 feet; thence North 500 feet; thence West 225 feet to the point of beginning.

Tract 7: Township 5 North, Range 41 East of the Boise Meridian, Madison County, Idaho.
Section 20: Southeast Quarter Northwest Quarter

Tract 8: Township 5 North, Range 41 East of the Boise Meridian, Madison County, Idaho.
Section 20: Northeast Quarter Southwest Quarter

Tract 9: Township 5 North, Range 41 East of the Boise Meridian, Madison County, Idaho.
Section 20: Northwest Quarter Southwest Quarter

Tract 10: Township 5 North, Range 41 East of the Boise Meridian, Madison County, Idaho.
Section 20: Northeast Quarter Southeast Quarter

Tract 11: Township 5 North, Range 41 East of the Boise Meridian, Madison County, Idaho.
Section 20: Northwest Quarter Southeast Quarter

Tract 12: Township 5 North, Range 41 East of the Boise Meridian, Madison County, Idaho.
Section 21: East Half Northwest Quarter

Tract 13: Township 5 North, Range 41 East of the Boise Meridian, Madison County, Idaho.
Section 21: Northwest Quarter Northwest Quarter

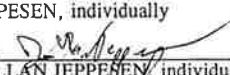
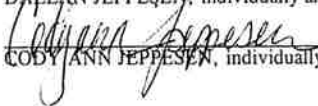
Tract 14: Township 5 North, Range 41 East of the Boise Meridian, Madison County, Idaho.
Section 21: Southwest Quarter Northwest Quarter

Tract 15: Township 5 North, Range 41 East of the Boise Meridian, Madison County, Idaho.
Section 21: Northwest Quarter Southwest Quarter

FIXTURE AND/OR SPRINKLER EQUIPMENT DESCRIPTION:

1 - 8 tower Valley center pivot with corner system (9 total towers including corner span) -- 50% interest
1 - 8 tower Valley center pivot with corner system (9 total towers including corner span)
1 - 9 tower Valley center pivot
1 - 10 tower Valley center pivot with corner system (11 total towers including corner span)
1 - 4 tower Valley center pivot
1 - 200 HP U.S. motor with a turbine pump
1 - 150 HP U.S. motor with a turbine pump
Approximately 12,500 feet of buried mainline, various size diameter

DKJ FARMS, LLC, An Idaho Limited Liability Company, and
DALLAN JEPPESEN, individually, and CODY ANN
JEPPESEN, individually

By: 
DALLAN JEPPESEN, individually and as Member/Manager

CODY ANN JEPPESEN, individually

SCANNED

JUN 20 2011



State of Idaho

DEPARTMENT OF WATER RESOURCES

900 N. Skyline Dr., Suite A • Idaho Falls, Idaho 83402-1718

Phone: (208) 525-7161 • Fax: (208) 525-7177 • Web Site: www.idwr.idaho.gov

EASTERN REGION

C. L. "BUTCH" OTTER
Governor

DAVID R. TUTHILL, JR.
Director

May 18, 2007

DKJ FARMS LLC
665 CENTENNIAL LOOP
REXBURG ID 83440

RE: Notice of Change of Water Right Ownership (NCO) for 22-265E, 22-4195,
22-13479 and Notice of Completed Administrative Proceeding (NCAP)

Dear Claimant:

On January 31, 2007, the Idaho Department of Water Resources (IDWR) received an NCO changing the right holder for the above referenced water right(s). Based on this NCO, IDWR water right records for the Snake River Basin Adjudication (SRBA) have been updated.

Furthermore, as directed by the SRBA Court, this office mailed a copy of the updated water right record(s) to each party listed on the enclosed NCAP. The intent of this mailing is to ensure each party has a current record of water right(s) as recorded in the SRBA.

Please feel free to contact me if you have any questions concerning this matter.

Respectfully,

Jennifer Crabtree
Technical Records Specialist

Enclosure

cc: Merle Jeppesen

PROFILE

SCANNED

MAY 18 2007

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

In Re SRBA)

Water Rights: 22-265E, 22-4195,
22-13479

Case No. 39576)

**NOTICE OF COMPLETED
ADMINISTRATIVE
PROCEEDING**

IDWR has completed the following Administrative proceeding:

☐ Address change

☒ Substitution of Party

☐ I.C. § 42-222 transfer

☐ point of diversion ☐ place of use

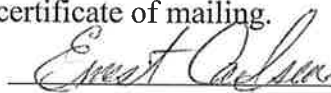
☐ period of use ☐ nature of use

☐ split of water right ☐ change in ownership

IDWR certifies that it has completed its investigation into the changes to the elements of the water rights listed above as set forth in the attached *Amended Director's Reports* for said water rights. No other changes have been made to the elements of these water rights except as set forth above.

IDWR has served copies of the *Notice of Completed Administrative Proceeding* and *Amended Director's Report(s)* on the claimant(s), prior claimant(s) and all parties in the subcases affected, if any, as reflected on the attached certificate of mailing.

DATED: May 18, 2007



Signature of IDWR Representative

SCANNED
MAY 18 2007

CERTIFICATE OF MAILING

I certify that on May 21, 2007, I mailed the original and copies of this form to the following persons, postage prepaid by regular mail and addressed as follows:

1. Original to:

Clerk of the District Court
Snake River Basin Adjudication
PO Box 2707
Twin Falls ID 83303-2707

2. One copy to:

Claimant/Seller for Substitution of Party or attorney of record:
Merle Jeppesen
434 Morgan Dr
Rexburg ID 83440

3. One copy to:

Claimant/Purchaser for Substitution of Party, or attorney of record:
DKJ Farms LLC
665 Centennial Loop
Rexburg ID 83440

4. One copy to:

Each party in the subcase, or attorney of record
N/A

5. One copy each to:

Chief Natural Resources Division
Office of the Attorney General
PO Box 44449
Boise ID 83711-4449

6. One Copy to:

United States Dept of Justice
Environment & Natural Resource Div
550 West Fort Street MSC 033
Boise ID 83724



Signature of person or attorney mailing the form

SCANNED
MAY 18 2007

Claim no. _____

Claimant Contact Log

Date	Remarks	Agent initials
------	---------	----------------

4-5-06

	Decreed right 22-7165E is for 200 ac. with 8 cfs until June 2016 of each year, when it is cut in half.	
--	--	--

	22-4195 is a beneficial use right. The claimed priority date of 1965 is not supported. The affidavit by Merle Johnson states that he continued to increase the farm to 400 acres until 1969, which suggests that the acres claimed were not all being irrigated in 1965. In 1980, the claimant enlarged the acreage by adding 155 acres claimed in 22-13479. Affidavits support claimed priority date.	
--	--	--

	Because 22-7165E has two diversion rates, all rights are limited to the maximum diversion rates of the combined rates = 11.85 cfs.	
--	--	--

KM

SCANNED

MAY 18 2007

Law Offices

**RIGBY, THATCHER, ANDRUS
RIGBY, & MOELLER, Chartered**

SCANNED

NOV 17 2006

*Ray W. Rigby
Gordon S. Thatcher
G. Rich Andrus
Jerry R. Rigby
Michael S. Kam (1954-2001)
Gregory W. Moeller
Reed E. Andrus*

*P.O. Box 250
25 North Second East
Rexburg, ID 83440*

*Telephone: (208) 356-3633
Fax: (208) 356-0768
E-Mail: jrigby@rigby-thatcher.com*

Idaho Department of Water Resources
ATTN: Trent Galbraith
900 N Skyline Drive, Suite A
Idaho Falls, ID 83402-6105

RECEIVED

MAY 03 2006

Department of Water Resources
Eastern Region

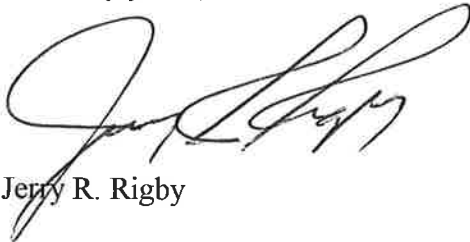
May 2, 2006

RE: Water Right Numbers: 22-7528, 22-7683, 22-265D, 22-265E, 22-2299A, 22-2299B, 22-4195, 22-7091, 22-7115, 22-13454, **22-13479**, and 22-7195.

Dear Trent,

Please take notice that this firm represents BMJ Farms LLC, owned by Bevan Jeppesen, and DKJ Farms LLC, owned by Dallan Jeppesen, in the above entitled water rights. Please see that we are included in all future mailings and matters.

Sincerely yours,



Jerry R. Rigby

Adj #1's
updated 5/4/06
Kmj

SCANNED

MAY 18 2007

November 3, 2006

DALLAN JEPPESEN
K MERLE JEPPESEN
132 S HIDDEN VALLEY RD
REXBURG ID 83440-3573

RE: CHANGE OF ADDRESS FOR 22-265E, 22-265D, 22-4195,
22-7091, 22-7115, 22-13454, AND 22-13479

Dear Claimant:

It has come to our attention that your address may have recently changed. The address currently recorded on the above referenced water right(s) is as follows:

DALLAN JEPPESEN
K MERLE JEPPESEN
434 MORGAN DR
REXBURG ID 83440

We recommend if, in fact, the address in question has been changed, you file a "Change in Address" with this department in order that we may send all further correspondence to the appropriate address.

Enclosed is a Change in Address form. Please fill out the form completely, sign and date it and return it to my attention.

If you have any questions regarding this matter, please call 525-7161.

Respectfully submitted,

Katy Jackson
Office Specialist 1

Enclosure(s)

SCANNED
MAY 18 2007

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

RETURN TO SENDER

U.S.P.S. Form 3547

fee due 75 ¢

U.S. POSTAL SERVICE
FORM 3547

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

RETURN TO SENDER

U.S.P.S. Form 3547

fee due 75 ¢

U.S. POSTAL SERVICE
FORM 3547

DEPARTMENT OF WATER RESOURCES
EASTERN DISTRICT OFFICE
900 N. SWEETLINE DR.
IDAHO FALLS, IDAHO 83402

ADDRESS SERVICE
REQUESTED

SCANNED
MAY 18 2007

NOT DELIVERABLE
AS ADDRESSED,
UNABLE TO FORWARD

DAN L. JEPPESEN
K MERLE JEPPESEN
434 MORGAN DR
REXBURG ID 83440

JEP434* 834402004 1206 10 10/02/06
FORM 3547

132 B HIDEAWAY RD
REXBURG ID 83440-1573

U.S. POSTAGE
PB3523
2501.350 SEP 29 2006
3 WALTER FROM ZIP CODE 834

22-245E
265D
4195
7091
7115
13454
13479

Claimant: K. Merle Jeppesen
Attorney: Jerry R. Rigby
of RIGBY, THATCHER, ANDRUS
RIGBY & MOELLER, Chartered
Attorneys at Law
25 North Second East
Rexburg, ID 83440
Telephone: (208) 356-3633
Facsimile: (208) 356-0768

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF
THE STATE OF IDAHO IN AND FOR THE COUNTY OF TWIN FALLS
SNAKE RIVER BASIN ADJUDICATION DIVISION

In RE: SRBA	)	Subcase: 22-04195
	)	
Case No. 39576	)	AFFIDAVIT OF K. MERLE JEPPESEN
	)	
_____	)	
STATE OF IDAHO	)	
	ss.	
County of Madison	)	

K. Merle Jeppesen, having been duly sworn, states under oath as follows:

1. I am a resident of Madison County, Idaho and reside at 434 Morgan Dr.,
Rexburg, ID 83440.
2. I was a farmer by profession and until recently was the principal owner in the
555 acres of lands described in water right claim No. 22-4195 (hereinafter "Lands"). I have
personally worked on the Lands since before 1965, the original priority date claimed by me, as
the Claimant.

3. Because I personally developed the additional water on the Lands, I am keenly and personally aware that beginning in 1965 my father began plans to develop the Lands described in the water right claim No. 22-4195 (hereinafter "Claim").

4. Beginning in 1966, I installed new mainline and new pumps and began to pump the waters required to irrigate approximately 150 acres of the Lands. I then continued to develop the Lands up to 1969, installing additional portable mainline to irrigate approximately 400 acres of the Lands (see attached map evidencing irrigation in 1969). I pumped the additional 4 cfs described in the Claim during the entire irrigation season as opposed to only a partial season as allowed by my other rights. I also irrigated the entire 400 acres each season, as opposed to only a portion thereof as allowed by my other rights.

5. I continued to applied the additional 4 cfs to the 400 acres of the Lands up to the year 1980, when I extended my mainline and began irrigating the entire 555 acres of the Lands as opposed to only limited acres rotated within the 555 acres. The only limitation to my use of the claimed 4 cfs is the flows of Moody Creek itself in times of drought. I know for a fact that the enlargement took place in 1980 as I have copies of my ledgers and calendars for that year (see attached copies of my ledgers). I have continued to water the entire 555 acres using all licenses, decrees and the Claim's 4 cfs since 1980.

6. The 4 cfs of water from the Claim has since 1966 been beneficially applied to the Lands within the Claim.

7. All present uses described in the Claim were instituted prior to 1987.

Dated this 30th day of December, 2005.


K. Merle Jeppesen

SUBSCRIBED AND SWORN to before me this 30th day of December, 2005.




Notary Public for Idaho
Residing at Rexburg, Idaho
My Commission Expires: 11-09-11

Claimant: K. Merle Jeppesen
Attorney: Jerry R. Rigby
of RIGBY, THATCHER, ANDRUS
RIGBY & MOELLER, Chartered
Attorneys at Law
25 North Second East
Rexburg, ID 83440
Telephone: (208) 356-3633
Facsimile: (208) 356-0768

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF
THE STATE OF IDAHO IN AND FOR THE COUNTY OF TWIN FALLS
SNAKE RIVER BASIN ADJUDICATION DIVISION

In RE: SRBA)

Subcase: 22-04195

Case No. 39576)

AFFIDAVIT OF BYRON WEBSTER

STATE OF IDAHO)

ss.

County of Madison)

Byron Webster, having been duly sworn, states under oath as follows:

1. I am a resident of Madison County, Idaho and reside at 5390 S 3600 East, Rexburg, ID 83440.
2. I am a farmer by profession and am the principal owner of Byron Webster, Inc., which together with my wife and I, owns and operates irrigated agriculture lands on the Rexburg Bench. I have personally worked on my property since before 1965, the priority date claimed by the Merle Jeppesen, the Claimant in the above described water right.

SCANNED

MAY 18 2007

RECEIVED

FEB 13 2006

Department of Water Resources
Eastern Region

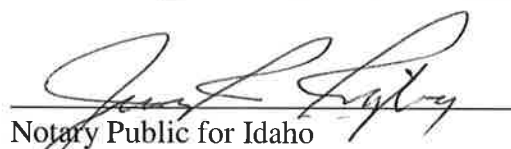
3. Because of my personal relationship with Claimant's brother, Dale Jeppesen, back in the 1960s, I am keenly and personally aware that in the mid 1960's, K. Merle Jeppesen installed mainline and new pumps to pump the water described in the above entitled claim during the entire irrigation season. I would be with and help Dale Jeppesen refuel the Diesel engines which powered the pumps to lift the water from Moody Creek up onto Claimant's lands. Although I am not personally aware of the exact acres watered, I have no reason to dispute the amount of acreage claimed by Claimant in his claim.

Dated this 15th day of December, 2005.


Byron Webster

SUBSCRIBED AND SWORN to before me this 15 day of December, 2005.




Notary Public for Idaho
Residing at Rexburg, Idaho
My Commission Expires: 11-09-11

	DATE 19__	KIND OF PROPERTY	DATE ACQUIRED	COST	DEPRECIATION IN ALL PRIOR YEARS	REMAINING COST TO BE RECOVERED	ESTIMATED TOTAL LIFE	ESTIMATED REMAINING LIFE	DEPR ALL TH
1	Feb 24	1976 GMC Pick UP.	Feb 24	2678 ⁰⁰					
2	" "	TRI CTY 1066 TRACTOR		5000 ⁰⁰					
3	23	ONE MANUFACTURING MACH. for seller		824 ⁰⁰					
4	1275	VALLEY REALTY 3000 "ERNEST MORGAN FOR FARM"							
5	MAY 25	Johnson Comm. 438 ⁰⁰		2538 ⁰⁰					
6	MAY 4	Excavating 6'x6'		1135 ⁰⁰					
7	" 11	Davis Machinery Soil piler		800 ⁰⁰					
8	SEP 7	track beds TH. 1000		3949 ⁰⁰					
9	" 7	3 76 GMC TRUCKS ERICSON Port.		22709 ⁰⁰					
10				785 ⁰⁰					
11	3 10 77	Piles		549 ⁰⁰					
12	3 14	BIKE		612 ⁰⁰					
13	5 20	POTATO PLANTER		4258 ⁰⁰					
14	7-18	John Deere Grain Combine 6600		15500 ⁰⁰					
15	8-6	Windrower 5000 ⁰⁰							
16	78								
17	April 11	75 INTERNATIONAL TRUCK		2546 ⁰⁰					
18	4 25	INTERNATIONAL TRACTOR		8820 ⁰⁰					
19	77								
20	SEP 3	1975 FORD TRUCK		12875 ⁰⁰					
21	Oct 24	Foots Bed		1133 ⁰⁰					
22	MAY			3260 ⁰⁰					
23		Truck Bed used for work		2170 ⁰⁰					
24	30	Suburban		11600 ⁰⁰					
25		TANK BED SELF UNLOADING		3050 ⁰⁰					
26		INTERNAL MAINLINE TELEPHONE MACHS		32400 ⁰⁰					
27		5000 3K6278 HIA 315212150 2000 5K6778 HIA D3-423124							
28	MAY 81	1460 Grain combine 2400		4780 ⁰⁰					
29	JUL	51 Pick up.		10403 ⁰⁰					
30	AUG 10	Logan MANA MAN		7820 ⁰⁰					
31									
32									
33									
				TOTAL 326748					

RECEIVED

FEB 13 2005

Department of Water Resources
Eastern Region

SCANNED

MAY 13

114

APRIL 1980

21 Patriot's Day (Ma., Me.)

MONDAY

Spread wheat $1\frac{1}{2}$ 42 units
2 65 units
Austin 7 hrs
plowing

Drill Early #17 on drill

22

TUESDAY

Austin $2\frac{1}{2}$

23

WEDNESDAY

Austin $8\frac{1}{2}$
Mel 11

2 inch rain

APRIL 1980

THURSDAY

24

cover trench
Bury Wire Don Blumck

rain

FRIDAY

25

rain

SATURDAY

26

Mel $6\frac{1}{2}$ planter
weeder

Mr. Richards 624 7189 water resource

SUNDAY

27

Come to see me

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FEB 13 2006

Department of Water Resources
Eastern Region

SCANNED

MAY 18 2007

MAY 1980

MAY-JUNE 1980

CUT FIBRE

26 Memorial Day

MONDAY

THURSDAY

29

Bury wire in circle
Grove 1/2
Pump 1/2

27

Grove 1 day
Pump 1 day

TUESDAY

FRIDAY

30

TAKE BOWLES INTO
Bob Lee

0.35" rain

4.45" RAIN
MONTH of MAY
24.5 days

28

WEDNESDAY

SATURDAY

31

STAKE WIRE -
the circle

0.55" RAIN
PAY Seed Labor
3700

1" ELEVATION 1 day
barren 1/2

SUNDAY

1

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Eastern Region

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MAY 18 2007

Law Offices

***RIGBY, THATCHER, ANDRUS
RIGBY, & MOELLER, Chartered***

*Ray W. Rigby
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Ryan Mikesell
Idaho Department of Water Resources
SRBA Eastern Region Unit
900 N. Skyline Drive
Idaho Falls, Idaho

RE: 22-04195

February 13, 2006

Dear Ryan,

Enclosed please find the proof we have put together for the above entitled claim of Merle Jeppesen:

1. Affidavit of Merle Jeppesen.
2. Affidavit of Byron Webster.
3. Attachments to Merle Jeppesen's affidavit.

Please review these documents and let me know if there is further proof required.

Sincerely yours,



Robert H. Wood
Assistant to Jerry Rigby

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Department of Water Resources
Eastern Region

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MAY 18 2006

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

IN RE THE GENERAL ADJUDICATION
OF RIGHTS TO THE USE OF WATER FROM
THE SNAKE RIVER BASIN WATER SYSTEM

CIVIL CASE NUMBER: 39576

Ident. Number 22-13479
Date Received: 2/21/2006
Receipt No: E031661
Received By: kmj

**NOTICE OF CLAIM TO A WATER RIGHT
ACQUIRED UNDER STATE LAW**

1. Name of Claimant(s)

K MERLE JEPPESEN Phone: (208)356-3638
434 MORGAN DR
REXBURG ID USA 83440

2. Date of Priority: 05/01/1980

3. Source: MOODY CREEK Trib. to: TETON RIVER

4. Point of Diversion:

Township	Range	Section	1/4 of 1/4 of 1/4 Lot	County	Type
05N	41E	21	SE NW	MADISON	

5. Description of diverting works:

TWO PUMPS AND AN ORIGINAL MAINLINE OUT OF MOODY CREEK

6. Water is used for the following purposes:

Purpose	From	To	C.F.S.	(or) A.F.A
IRRIGATION	04/01	11/01	4	

7. Total Quantity Appropriated is:
4 C.F.S.

8. Total consumptive use:

9. Non-irrigation uses:

10. Place of use:

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MAY 18 2007

Township	Range	Section	1/4	of 1/4	Lot	Use	Acres
05N	41E	20	SW		NW	IRRIGATION	35
			SE		NW	IRRIGATION	40
			SW		NE	IRRIGATION	40
			SW		NW	IRRIGATION	40
						Section Acres	155
						Total Acres	155

11. Place of use in counties: MADISON

12. Do you own the property listed above as place of use? Yes

13. Other Water Rights Used:

14. Remarks:

This water right is subordinate to all water rights with a priority date earlier than April 12, 1994, that are not decreed as enlargements pursuant to Section 42-1426, Idaho Code. As between water rights decreed as enlargements pursuant to Section 42-1426, Idaho Code, the earlier priority right is the superior right.

This right is based upon an enlargement of Right No. 22-04195 and 22-0265E pursuant to Section 42-1426, Idaho Code.

15. Basis of Claim: Beneficial Use

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

IN RE THE GENERAL ADJUDICATION
OF RIGHTS TO THE USE OF WATER FROM
THE SNAKE RIVER BASIN WATER SYSTEM

CIVIL CASE NUMBER: 39576

Ident. Number 22-13479

Date Received 2-21-06

Receipt Number E031661

NOTICE OF CLAIM
TO A
WATER RIGHT
ACQUIRED UNDER STATE LAW

RECEIVED

FEB 13 2006

Department of Water Resources
Eastern Region

Please type or print clearly

1. Name of Claimant (s) K. Merle Jeppesen Phone (208) 356-3638

Mailing Address 434 Morgan Dr. Rexburg Idaho Zip 83440

2. Date of Priority (Only one (1) per claim) May 1, 1980

3. Source of water supply (a) Moody Creek
which is tributary to (b) Teton River

4. a. Location of existing point of diversion is: Township 05N Range 41E Section 21 ,
SE 1/4 of NW 1/4 of 1/4 , Govt. Lot, B.M., County of Madison

Additional points of diversion if any:

b. If instream flow, beginning point of claimed instream flow is:

Township Range Section , 1/4 of 1/4 of 1/4,

Govt. Lot B.M., County of

ending point is: Township Range Section , 1/4 of 1/4 of

1/4, Govt. Lot B.M., County of

5. Description of existing diversion works (Dams, Reservoirs, Ditches, Wells, Pumps, Pipelines, Headgates , Etc),
including the dates of any changes or enlargements in use, the dimensions of the diversion works as
constructed and as enlarged and the depth of each well.

Two pumps and an original mainline out of Moody Creek.

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MAY 18 2007

6. Water is claimed for the following purposes:

(both dates are inclusive)

(cfs)

(acre feet)

For Irrigation purposes from 04/01 to 11/01 amount 4 or _____

For _____ purposes from _____ to _____ amount _____ or _____

For _____ purposes from _____ to _____ amount _____ or _____

For _____ purposes from _____ to _____ amount _____ or _____

7. Total quantity claimed (a) 4 (cfs) and/or (b) _____ (acre feet)

8. Total consumptive use claimed is _____ acre feet per annum.

9. Non-irrigation uses; describe fully (eg. Domestic: Give number of households served; Stockwater: Type and number of livestock Etc.) _____

10. Description of place of use:

a. If water is for irrigation, indicate acreage in each subdivision in the tabulation below.

b. If water is used for other purposes, place a symbol of use (example: D for Domestic) in the corresponding place of use below. See instructions for standard symbols.

TWP	RNG	SEC	NE 1/4				NW 1/4				SW 1/4				SE 1/4				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	
05N	41E	20							35	40	40	40							155

Total number of acres irrigated 155

11. In which county (ies) are lands listed above as place of use located? Madison

12. Do you own the property listed above as place of use? Yes X No _____
If your answer is No, describe in Remarks below the authority you have to claim this water right.

13. Describe any other water rights used at the same place and for the same purposes as described above.
_____ or None ()

14. Remarks:

This is an enlargement claim of water right No. 22-04195 and No. 22-0265E

Last Name _____ Ident No. _____

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Scale: 2 inches equals 1 mile

Range 41 E

A 20x20 grid of graph paper. The grid is divided into four 10x10 quadrants by a vertical line between columns 10 and 11, and a horizontal line between rows 10 and 11. Handwritten content is as follows:
Row 14, Column 6: 35
Row 14, Column 7: 40
Row 14, Column 11: PCD
Row 15, Column 6: 40
Row 15, Column 7: 40
Row 15, Column 12: 21
Row 16, Column 7: 20
The rest of the grid is empty.

Last Name _____ Ident No. _____

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MAY 18 2002

15. Basis of Claim (check one) Beneficial Use ☒ Posted Notice _____ License _____ Permit _____
Decree _____
If applicable provide IDWR Water Right Number _____
Court _____ Case Number _____ Decree Date _____
Plaintiff vs Defendant _____

16. Signature (s)
(a.) By signing below, I/We acknowledge that I/We have received, read, and understand the form entitled
"How you will receive notice in the Snake River Basin Adjudication." (b.) I/We do _____ do not _____
wish to receive and pay a small annual fee for monthly copies of the docket sheet.

Number of attachments _____

For Individuals: I do solemnly swear or affirm that the statements contained in the foregoing document are true
and correct.

Signature of Claimant (s) _____

Date 12-30-05

Date _____

For Organizations: I do solemnly swear or affirm that I am _____

Title _____

of _____, that I have signed the foregoing
Organization

document in the space below as _____

Title _____

of _____

Organization

and that the statements contained in the foregoing document are true and correct.

Signature of Authorized Agent _____

Title and Organization _____

Date _____

State of Idaho/or _____)
County of MADISON) SS.

Subscribed and sworn (or affirmed) before me this _____

30th

day of

DECEMBER

2005

Notary Public _____

Residing at _____

My Commission Expires _____

11-09-11

Please Print Name

17. Notice of Appearance:

Notice is hereby given that I, JERRY L. RIGBY will be acting as attorney at law on behalf
of the claimant signing above, and that all notices required by law to be mailed by the director to the claimant signing above
should be mailed to me at the address listed below.

Signature _____

Address _____

PO Box 250, REXBURG, ID 83440

Date _____

12-30-05

Last Name _____ Ident. Number _____

SCANNED

MAY 18 2007