

Updated 5/10/2011 JB

Law Offices

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May 5, 2011

Idaho Department of Water Resources
Attn: Jonie Barg
900 N. Skyline, Ste. A
Idaho Falls, ID 83402

RECEIVED
MAY 06 2011
Department of Water Resources
Eastern Region

Re: Release of Security Interest/Water Rights 22-2297 & 22-2198

Dear Jonie:

I have enclosed herewith a recorded Mortgage, Security Agreement, Assignment of Rents and Fixture Filing, attached as Exhibit "C" to this document is the water rights in which America First Federal held a security interest in. I have attached a Satisfaction of Mortgage from America First Federal Credit Union to LRJ Farms Limited Partnership and a Satisfaction of Mortgage from America First to Lawrence and Marie Jensen, wherein they release their lien. If you could please remove the security interest of America First Federal Credit Union from the two above referenced water rights.

If you have any questions, or need anything further, please let me know. Thanks.

Sincerely yours,

Mandy

Mandy Davis,
Assistant to Jerry R. Rigby

/md
Enclosures

sb/smithboyd.111

Microfile No. 367719
22 DAY Apr 2011
At 02 O'clock 48 PM
KIM H. MUIR
MADISON CO RECORDER
Fee \$10.00
NChandler Deputy
Recorded at Request of
ALLIANCE TITLE - REXBUR

RECEIVED
MAY 06 2011
Department of Water Resources
Eastern Region

Alliance Title & Escrow
PO Box 732
Rexburg, ID 83440

SATISFACTION OF MORTGAGE

Order No.:3041000048BL

Know all men, that the undersigned hereby certifies that a certain Mortgage executed by LRJ Farms Limited Partnership, an Idaho Limited Partnership, and recorded on April 8, 2008 as Instrument No. 344995 records of Madison County, ID, together with the debt thereby secured is fully paid, satisfied and discharged.
The lien of the undersigned is hereby released.

Dated

4-21-11

Shari Cheney
America First Federal Credit Union

State of _____ }
 } ss.
County of _____ }

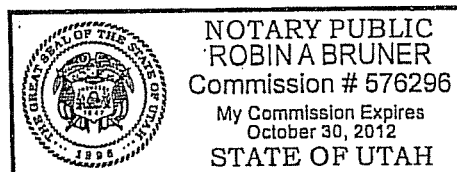
On this 21 day of April, 2011, before me, a Notary Public in and for said state, personally appeared Shari Cheney known to me to be the Manager of the Corporation, and acknowledged to me that pursuant to a Resolution of the Board of Directors, he/she executed the foregoing in said Corporation name.

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

Robin A. Bruner
Notary Public for the State of

Residing at: Weber Co.

Commission Expires: Oct. 30, 2012



Microfile No. 367721
22 DAY Apr 2011
At 02 O'Clock 48 PM
KIM H. MUIR
MADISON CO RECORDER
Fee \$10.00
NChandler Deputy
Recorded at Request of
ALLIANCE TITLE - REXBUR

Alliance Title & Escrow
PO Box 732
Rexburg, ID 83440

SATISFACTION OF MORTGAGE

Order No.:3041000048BL

Know all men, that the undersigned hereby certifies that a certain Mortgage executed by Lawrence Jensen and Marie Jensen, husband and wife, and recorded on April 8, 2008 as Instrument No. 344994 records of Madison County, ID, together with the debt thereby secured is fully paid, satisfied and discharged.
The lien of the undersigned is hereby released.

Dated

4-21-11

Shari Cheney
America First Federal Credit Union

State of _____ }
County of _____ } ss.

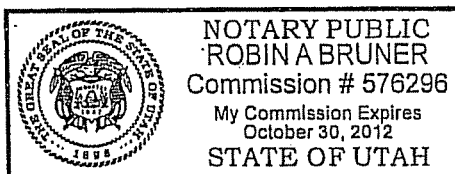
On this 21 day of April, 2011, before me, a Notary Public in and for said state, personally appeared Shari Cheney known to me to be the Manager of the Corporation, and acknowledged to me that pursuant to a Resolution of the Board of Directors, he/she executed the foregoing in said Corporation name.

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

Robin A. Bruner
Notary Public for the State of

Residing at: Weber Co.

Commission Expires: Oct. 30, 2012



3040817861 BL
ALLIANCE TITLE & ESCROW
P.O. BOX 732
REXBURG, ID 83440

RECORDATION REQUESTED BY:

J. Randall Call, Esq.
City Centre I, Suite 900
175 East 400 South
Salt Lake City, Utah 84111

WHEN RECORDED MAIL TO:

J. Randall Call, Esq.
City Centre I, Suite 900
175 East 400 South
Salt Lake City, Utah 84111

Instrument # 344994

REXBURG, MADISON, IDAHO

4-8-2008 04:12:00 No. of Pages: 31

Recorded for : ALLIANCE TITLE AND ESCROW

MARILYN R. RASMUSSEN

Fee: 93.00

Ex-Officio Recorder Deputy 

Space Above This Line for Recorder's Use Only

MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS
AND FIXTURE FILING
(Loan No. 725150-7.1)

**THIS MORTGAGE SECURES FUTURE ADVANCES
WHICH MAY BE MADE BY THE LENDER DURING
THE TERM OF THE LOAN SECURED HEREBY**

THIS MORTGAGE IS DATED effective April 4, 2008, between LAWRENCE JENSEN and MARIE JENSEN, husband and wife, whose address is 497 North 4000 East, Rigby, Idaho 83442 (referred to below jointly as "Mortgagor," "Borrower" and/or "Grantor"); and AMERICA FIRST FEDERAL CREDIT UNION, whose address is 4646 South 1500 West, Suite 130, Riverdale, Utah 84405 (referred to below as "Mortgagee" and/or "Lender").

GRANT OF MORTGAGE. For valuable consideration, Mortgagor and Grantor mortgages, grants, bargains, sells and conveys to Lender all of Mortgagor's and Grantor's right, title, and interest in and to the following described real property:

SEE ATTACHED EXHIBIT "A"

together with all existing or subsequently erected or affixed buildings, improvements and fixtures, including without limitation those described on Exhibit "B" attached hereto; all easements, rights of way, and appurtenances; government subsidies, all bonuses, all water, water rights, water licenses, adjudicated rights, water permits, well rights, water right permit applications, watercourses and ditch rights (including stock in utilities with ditch or irrigation rights), including without limitation those described on Exhibit "C" attached hereto; and all other rights, royalties, and profits relating to the real property,

EXHIBIT "A"

The real property located in the County of Madison, State of Idaho, as more particularly described as follows:

Tract 1:

The Northeast Quarter of the Southeast Quarter of Section 19, Township 5 North, Range 40 East, Boise Meridian, Madison County, Idaho.

Also: The North Half of the Southwest Quarter of Section 20, Township 5 North, Range 40 East, Boise Meridian, Madison County, Idaho.

Also: Commencing at the Northeast corner of the Southeast Quarter of the Southwest Quarter of Section 20, Township 5 North, Range 40 East, Boise Meridian, Madison County, Idaho, and running thence West 200 rods, more or less, to the bluff of the hill; thence in a Southeasterly direction along the bluff of the said hill to the South Quarter Section line of the Northeast Quarter of the Northwest Quarter of Section 29 of said Township and Range; thence East 60 rods, more or less, to the Southeast corner of the Northeast Quarter of the Northwest Quarter of said Section 29; thence North 160 rods to the point of beginning. LESS AND EXCEPTING any portion of Tax #1 lying within Section 20, Township 5 North, Range 40 East, Boise Meridian, Madison County, Idaho, further described as follows: Commencing at a point on a bluff on the hill which point is approximately 18 rods East of the Southwest corner of said Section 20, and running thence West 18 rods, thence North 16 rods, more or less, to the bluff of the hill; thence in a Southeasterly direction along the bluff of the hill to the point of beginning.

EXHIBIT "B"

All of the property described below in, to, or under which Debtor and/or Grantor now has or hereafter acquires any right, title or interest, whether present, future, or contingent: all equipment, inventory, accounts, general intangibles, instruments, documents, and chattel paper, as those terms are defined in Article 9 of the Uniform Commercial Code as adopted in Utah, and all other personal property of any kind (including without limitation money and rights to the payment of money), whether now existing or hereafter created, that are now or at any time hereafter (i) in the possession or control of Secured Party in any capacity; (ii) erected upon, attached to, or appurtenant to, the real property located in Madison County, Idaho, more particularly described on Exhibit "A" (the "Real Property"); (iii) located or used on the Real Property or identified for use on the Real Property (whether stored on the Real Property or elsewhere); or (iv) used in connection with, arising from, related to, or associated with the Real Property or any of the personal property described herein, the construction of any improvements on the Real Property, the ownership, development, maintenance, leasing, management, or operation of the Real Property, the use or enjoyment of the Real Property, or the operation of any business conducted on the Real Property; including without limitation all such property more particularly described as follows, including the Improvements, the Fixtures, the Personalty, the Other Rights, the Insurance Proceeds, the Awards, the Contracts, the Other Proceeds, the Rents, the Leases, the Imposition Deposits, (the "Personal Property Collateral"):

Improvements. The buildings, structures, improvements, and alterations now constructed or at any time in the future constructed or placed upon the Real Property, including any future replacements and additions (the "Improvements");

Fixtures. All property which is so attached to the Land or the Improvements as to constitute a fixture under applicable law, including: machinery, equipment, engines, boilers, incinerators, installed building materials; systems and equipment for the purpose of supplying or distributing heating, cooling, electricity, gas, water, air, or light; antennas, cable, wiring and conduits used in connection with radio, television, security, fire prevention, or fire detection or otherwise used to carry electronic signals; telephone systems and equipment; elevators and related machinery and equipment; fire detection, prevention and extinguishing systems and apparatus; security and access control systems control systems and apparatus; plumbing systems; water heaters, ranges, stoves, microwave ovens, refrigerators; dishwashers, garbage disposals; washers, dryers and other appliances; light fixtures; awnings, storm windows and storm doors; pictures, screens, blinds, shades, curtains and curtain rods; mirrors; cabinets, paneling, rugs and floor. and wall coverings; fences, trees. and plants; swimming pools; and exercise equipment (the "Fixtures");

Personalty. All equipment, inventory, general intangibles which are used now or in the future in connection with the ownership, management or operation of the Real Property or the Improvements or are located on the Real Property or in the Improvements, including furniture, furnishings, machinery, personal property, furnishings, appliances, building materials, appliances, goods, supplies, tools, books, records (whether in written or electronic form), computer equipment (hardware and software) and other tangible personal property (other than Fixtures) which are used now or in the future in connection with the ownership, management or operation of the Real Property or the Improvements or are located on the Real Property or in the Improvements and any operating agreements relating to the Real Property or the Improvements, and any surveys, plans and specifications and contracts for architectural, engineering and construction services relating to the Real Property or the Improvements and all other intangible property and rights relating to the operation of, or used in connection with, the Real Property or the Improvements, including all governmental permits relating to any activities on the Real Property (the "Personalty");

Other Rights. All current and future rights, including, air rights, development rights, zoning rights and other similar rights or interests, easements, tenements, rights-of-way, strips and gores of land, streets, alleys, roads, sewer rights, waters, watercourses, and appurtenances related to or benefitting the Real Property or the Improvements, or both, and all rights-of-way, streets, alleys and road, which may have been or may in the future be vacated, tax refunds or rebates, and/or government assistance programs, any and all proceeds of the above-described Real Property used in connection with or related to that certain Real Property described above, all property of Grantor, in the possession of Lender (or in the possession of a third party subject to the control of Lender), whether now or hereafter existing and whether tangible or intangible in character, including, without limitation: (a) All property to which Lender acquires title or documents of title, (b) All property assigned to Lender, (c) All promissory notes, bills of exchange, stock certificates, bonds, savings, passbooks, time certificates of deposit, insurance policies, and all other instruments and evidences of an obligation, and (d) All records relating to any of the property described herein, whether in the form of a writing, microfilm, microfiche, or electronic media (the "Other Rights");

Insurance Proceeds. All proceeds paid or to be paid by any insurer of the Real Property, the Improvements, the Fixtures, the Personalty or any other part of the Collateral Property, whether or not Borrower obtained the insurance pursuant to Lender's requirement, all insurance proceeds, casualty recoveries (the "Insurance Proceeds");

Awards. All awards, payments and other compensation made or to be made by any municipal, state or federal authority with respect to the Real Property, the Improvements, the Fixtures, the Personalty or any other part of the Personal Property Collateral, including any

awards or settlements resulting from condemnation proceedings or the total or partial taking of the Real Property, the improvements, the Fixtures, the Personalty or any other part of the Personal Property Collateral under the powers of eminent domain or otherwise and including any conveyance in lieu thereof, recoveries from eminent domain proceedings, condemnation awards (the "Awards");

Contracts. All contracts, options and other agreements for the sale of the Real Property, the Improvements, the Fixtures, the Personalty or any other part, of the Personal Property Collateral entered into by Debtor (Borrower) and/or Grantor now or in the future, including cash or securities deposited to secure performance by parties of their obligations, rebates, causes of action, building permits, governmental licenses or permits and rights in any manner relating to the Property, including the design and construction of improvements thereon, including but not limited to, any rights relating to the provision of electricity, gas, water, sewer and other utility services to the Property (the "Contracts");

Other Proceeds. All proceeds from the conversion, voluntary or involuntary, of any of the above into cash or liquidated claims, and the right to collect such proceeds, (the "Other Proceeds");

Rents. All rents (whether from residential or non-residential space), revenues and other income of the Real Property or the Improvements, including subsidy payments received from any sources (including, but not limited to payments under any Housing Assistance Payments Contract, Medicaid and/or Medicare), including parking fees, laundry and vending machine income and fees and charges for food, health care and other services provided at the Real Property and/or the Personal Property Collateral, whether now due, past due, or to become due, and deposits forfeited by tenants. All Income, receipts, revenues, rents, leases, licenses, issues and profits, including without limitation, room rents, minimum rents, additional rents, percentage rents, occupancy and user fees and charges, license fees, parking and maintenance charges and fees, tax and insurance contributions, proceeds of the sale of utilities and services, cancellation, premiums, and claims for damages arising from the breach of any leases or licenses, all rents, room rentals, care contracts, general intangibles, room charges, guest fee charges, deposits, miscellaneous income, rental receipts, security deposits, all leases, tenancies, lease options and license agreements (the jointly, the "Rents");

Leases. All present and future leases, subleases, tenancy agreements, month-to-month tenancies, licenses, concessions or grants or other possessory interests now or hereafter in force, whether oral or written, covering or affecting the Personal Property Collateral, or any portion of the Personal Property Collateral (including proprietary leases or occupancy agreements if Borrower is a cooperative housing corporation), and all modifications, extensions or renewals (the "Leases");

Other. All earnings, royalties, accounts receivable, issues and profits from the Real Property, the Improvements or any other part of the Personal Property Collateral and all undisbursed proceeds of the loan secured by this Instrument and, if Borrower is a cooperative housing corporation, maintenance charges or assessments payable by shareholders or residents; Imposition Deposits. Deposits held by the Lender to pay when due (1) any water and sewage charges which; if not paid, may result in a lien on all or any part of the Real Property and/or the Personal Property Collateral, (2) the premiums for fire and other hazard insurance, rent loss insurance and such other insurance as Lender may require, (3) taxes, assessments, vault rentals and other charges, if any, general, special or otherwise, including all assessments for schools, public betterments and general or local improvements, which are levied, assessed or imposed by any public authority or quasi-public authority, and which, if not paid, will become a lien, on the Real property or the Improvements, and (4) amounts for other charges and expenses which Lender at any time reasonably deems necessary to protect the Personal property Collateral, to prevent. the imposition of liens on the Personal Property Collateral, or otherwise to protect Lender's interests, all as reasonably estimated from time to time by Lender (the "Imposition Deposits");

Refunds or Rebates. All refunds or rebates of Impositions by any municipal, state or federal authority or insurance company (other than refunds applicable to periods before the real property tax year in which the Security Instrument is dated);

Tenant Security Deposits. All tenant security deposits which have not been forfeited by any tenant under any Lease; and

Names. All names under or by which any of the above Personal Property Collateral and/or the Real Property may be operated or known, and all trademarks, trade names, and goodwill relating to any of the Personal Property Collateral and/or the Real Property.

WATER RIGHTS
Nos. 22-2198 and 22-2297
More Particularly Described on
the Attached

EXHIBIT "C"

IDAHO DEPARTMENT OF WATER RESOURCES
Adjudication Claim Report

03/20/2008

WATER RIGHT NO. 22-2198

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	LRI FARMS LTD PARTNERSHIP 497 N 4000 E RIGBY, ID 83442 (208)745-1150
Original Owner	H & L FARMS 998 WIDDISON LN REXBURG, ID 83440 (208)356-3273

Priority Date: 01/16/1961

Basis: License

Status: Active

<u>Source</u>	<u>Tributary</u>
GROUND WATER	

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	4/01	11/01	4.82 CFS	
Total Diversion			4.82 CFS	

Location of Point(s) of Diversion:

GROUND WATER	SWNW	Sec. 20	Township 05N	Range 40E	MADISON County
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Place(s) of use:

EXHIBIT "C"



IDAHO DEPARTMENT OF WATER RESOURCES
Adjudication Claim Report

03/20/2008

WATER RIGHT NO. 22-2297

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	LAWRENCE JENSEN 497 N 4000 E RIGBY, ID 83442 (208)745-1150
Original Owner	DON SMITH & SONS INC 2082 W 5200 S REXBURG, ID 83440 (208)356-3510

Priority Date: 09/20/1960

Basis: License

Status: Active

<u>Source</u>	<u>Tributary</u>
GROUND WATER	

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	4/01	11/01	1.52 CFS	
Total Diversion			1.52 CFS	

Location of Point(s) of Diversion:

GROUND WATER	NWSW	Sec. 20	Township 05N	Range 40E	MADISON County
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Place(s) of use: