

RECEIVED
DEC 08 2006
DEPT. OF WATER RESOURCES
SOUTHERN REGION

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

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): AS 47-13641, PD 47-13643, AS 47-7718, WR-Permit 47-8012, AS 47-7753

Adjudication Claim No(s): _____

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

McFinney Agri-Finance, LLC

P.O. Box 1598

Twin Falls, ID 83303-1598

4. Name of Water Right Owner/Claimant(s) Lyn Callen, Shelley Callen (aka Shelly Callen), Dolphy Callen and/or Erma Lee Callen

5. Expiration Date of Notification Period 12/1/2036

6. Is this a Renewal of Request for Notification? ☐ YES ☒ NO

7. Signature(s) (and title if applicable) McFinney Agri-Finance, LLC

By: James McCall, Member

James McCall, Member

For Office Use Only

Received by [Signature]
Receipted by [Signature]
Processed by AJ

Date 12/11/06
Date 12/13/06

Fee 125.00
Receipt No. 5029113
WR _____ Date _____

IN FILE # 47-8012

IDAHO DEPARTMENT OF WATER RESOURCES

Water Permit Report 47-8012

WATER RIGHT NUMBER: 47-8012

<u>Owner Type</u>	<u>Name and Address</u>
Original Owner	LOUGHMILLER FARMS INC 3170 HWY 93 TWIN FALLS, ID 83301 (208)733-5761
Current Owner	SHELLEY CALLEN 2134 E 2400 N TWIN FALLS, ID 83301 (208)655-4355
Current Owner	LYN CALLEN 2134 E 2200 N TWIN FALLS, ID 83301 (208)655-4355

Priority Date: 07/01/1985

Basis:

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>Annual Volume</u>
IRRIGATION	3/15 to 11/15	4.000 CFS	
	<u>Total Diversion:</u>	4.000 CFS	

Location of Point(s) of Diversion

GROUND WATER	NE1/4SE1/4	Sec. 18, Twp 13S, Rge 16E, B.M.
TWIN FALLS County		

Place of Use

IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				Totals				
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE					
13S	16E	7																	33.0	33.0	33.0	33.0	132.0
13S	16E	18	33.0	33.0	33.0	33.0																	132.0

Total Acres: 264

Conditions of Approval:

- 046 Right holder shall comply with the drilling permit requirements of Section 42-235, Idaho Code.

IDAHO DEPARTMENT OF WATER RESOURCES

Water Permit Report 47-8012

2. 051 Any license issued by IDWR pursuant to the right or portion thereof for the use of trust water is subject to a term review of 20 years after the date of this approval to determine availability of water for the use and to re-evaluate the public interest at the end of the term.
3. 01G Prior to the diversion of water under this right a flow measurement port or other device as specified by the Department shall be installed to provide for the installation of measuring equipment and the determination of the rate of diversion by the Department.
4. 053 The Director retains jurisdiction over this right and may change, add, or remove any requirement as determined to be appropriate.
5. 052 Diversion and use of water under this right is subject to an annual use fee if rules are subsequently promulgated which provide for the submittal of the fee.
6. 03A The rate of diversion of water for irrigation under this right and all other water rights on the same land shall not exceed 0.02 cubic feet per second for each acre of land.

Remarks:

Comments:

Water Supply Bank:

Exhibit A**PARCEL NO. 1**

Township 13 South, Range 16, East, Boise Meridian, Twin Falls County, Idaho

Section 7: E1/2SE1/4; SW1/4SE1/4

EXCEPT that portion of said Section 7 deeded to Twin Falls Salmon River Land and Water Company by Deed from Joseph M. Burkett recorded in Book 16 of Deeds, page 226, records of Twin Falls County, Idaho.

AND EXCEPT that portion of said Section 7 deeded to Twin Falls North Side Investment Company, Ltd., by Joseph M. Burkett by Deed recorded as Instrument No. 29033 in Book 18 of Deeds, page 465, records of Twin Falls County, Idaho.

ALSO EXCEPT that portion of said Section 7 deeded to Twin Falls Salmon River Land & Water Company by Frederick A. LaShonse by Deed recorded December 6, 1911, as Instrument No. 31433 in Book 21 of Deeds, page 123, records of Twin Falls County, Idaho.

Section 17: S1/2NW1/4; N1/2SW1/4; SW1/4SW1/4

Section 18: NE1/4; E1/2SW1/4; SE1/4

Section 19: E1/2NW1/4; N1/2NE1/4; SW1/4NE1/4; NW1/4SE1/4

Section 20: NW1/4NW1/4

SUBJECT TO Highway District right of way.

PARCEL NO. 2

Township 13 South, Range 16 East, Boise Meridian, Twin Falls County, Idaho

Section 7: E1/2NW1/4; Lot 2; NE1/4SW1/4; Lot 3; NW1/4SE1/4; Lot 4; SE1/4SW1/4; Lot 1

EXCEPT that parcel described as follows:

BEGINNING at a point 25 feet South and 310 feet East from the Northwest corner of said Section 7;

THENCE East 400 feet;

THENCE South 600 feet;

THENCE West 400 feet;

THENCE North 600 feet to the POINT OF BEGINNING.

SUBJECT TO Highway District right of way.

ALSO EXCEPT:

Township 13 South, Range 16 East, Boise Meridian, Twin Falls County, Idaho

Section 7: Being all that certain tract or parcel of land situated in the Government Lots 1 and 2 of Section 7, and being more particularly described by metes and bounds as follows, to-wit:

BEGINNING at the Northwest corner of the aforementioned Section 7. Said point being the Northwest corner of the herein described tract;

THENCE South 89°49'50" East 1150.00 feet along and with the section line to the Northeast corner of the herein described tract;

THENCE South 00°01'27" West 1515.14 feet to the Southeast corner of the herein described tract;

THENCE North 89°49'50" West 1150.00 feet to the West section line of the aforementioned Section 7. Said point being the Southwest corner of the herein described tract;

THENCE North 00°01'27" East 1515.14 feet along and with the section line to the POINT OF BEGINNING.

ALSO EXCEPT that portion of said Section 7 deeded to Twin Falls Salmon River Land and Water Company by Deed from Joseph M. Burkett recorded in Book 16 of Deeds, page 226, records of Twin Falls County, Idaho.

AND EXCEPT that portion of said Section 7 deeded to Twin Falls North Side Investment Company, Ltd., by Joseph M. Burkett by Deed recorded as Instrument No. 29033 in Book 18 of Deeds, page 465, records of Twin Falls County, Idaho;

AND ALSO EXCEPT that portion of said Section 7 deeded to Twin Falls Salmon River Land & Water Company by Frederick A. LaShonse by Deed recorded December 6, 1911, as Instrument No. 31433 in Book 21 of Deeds, page 123, records of Twin Falls County, Idaho.

AND

Township 13 South, Range 16 East, Boise Meridian, Twin Falls County, Idaho

Section 18: E1/2NW1/4; Lots 1, 2, 3 and 4

Section 19: Lots 1, 2, 3 and 4; E1/2SW1/4; SW1/4SE1/4; SE1/4NE1/4

SUBJECT TO Highway District right of way.

AND

Township 13 South, Range 15 East, Boise Meridian, Twin Falls County, Idaho

Section 11: SW1/4NE1/4; SE1/4NW1/4; E1/2SW1/4; W1/2SE1/4; E1/2SE1/4

Section 12: NE1/4; E1/2SW1/4; SE1/4

Section 13: ALL

Section 14: E1/2; E1/2NW1/4; SW1/4

Section 24: ALL

SUBJECT TO Highway District right of way.

Together with any and all water, water rights, ditches and ditch rights, permits, licenses, certificates or shares of stock evidencing any such water or ditch rights belonging or in any way appurtenant to the real property described in this Exhibit A, whether now owned or hereafter acquired, and whether now existing or hereafter arising, and all proceeds from the sale or other disposition of any such property, including without limitation the following:

Idaho Department of Water Resources

Number	Source	Priority Date	Diversion Rate	Annual Volume	Total Acres	Use
47-13641	Spring	4/1/51	0.03 CFS			Stockwater
47-13643	Groundwater	4/1/55	0.02 CFS			Stockwater
47-7718	Groundwater	1/17/82	2.66 CFS	595 AF	170	Irrigation
47-8012	Groundwater	7/1/85	4 CFS		264	Irrigation
47-7753	Groundwater	9/15/81	6 CFS		360	Irrigation

Salmon River Canal Company

Certificate No.	Shares
4612	165

Exhibit B

Any and all goods, as-extracted collateral (including without limitation oil, gas and other minerals), fixtures (including without limitation trade fixtures and windmills), equipment (including without limitation all irrigation equipment, pivots, pumps, motors, sprinkler systems, mainlines, wheel lines and all other irrigation equipment used for the production or transportation of water on the real property described in the attached Exhibit A or for the irrigation or drainage thereof), supplies and accounts (including without limitation leases, royalties, subleases, franchises, rents issues and profits) arising out of or in connection with the real property described in the attached Exhibit A, whether now owned or hereafter acquired, and whether now existing or hereafter arising, and all accessions, parts, additions, replacements and substitutions for any of such property, and all proceeds (including without limitation insurance proceeds) from the sale or other disposition of any such property, but excluding farm machinery, vehicles, livestock and crops. Equipment shall include without limitation the following:

U.S. Electric Motor - 50 HP
ID # H006S01R310R047M

Aurora Pump
Serial No. 88-14873-1

Westinghouse Life Line T Motor - 50 HP
ID # 0550H4TBFC-SKB

Aurora Pump
Serial No. 81-029813

GE Induction Motor - 100 HP
Serial No. SK6257XN501C

Peerless Pump - 225 HP
Serial No. 189330

Valmont Pivot
Model No. 4271
Serial No. 33958

Valmont Pivot
Model No. 4271
Serial No. 44129

US Motor - 125 HP Lift Pump
Serial No. 1146374

U.S. Motor - 100 HP Lift Pump
Serial No. DTJ408368

30 HP Boost Pump
25 HP Boost Pump
10 HP Boost Pump

130 ac. Valley Pivot
70 ac. Valley Pivot

1,320 feet of buried 8" mainline
2,600 feet of buried 6" mainline

Together with all allied equipment attached to or used in connection with the above described equipment, including without limitation buried mainline, switch panels, pivot controls, wiring, shafting, tubing, bowls, suction pipe, cones, valves, reducers, end plugs, sprinkler heads and nozzles.

TWIN FALLS COUNTY
RECORDED FOR:
TITLEFACT
2:22:00 pm 12-07-2006
2006-031055

**FIRST MORTGAGE, SECURITY AGREEMENT
AND ASSIGNMENT OF RENTS
(AGRI-ACCESS)**

NO. PAGES: 25 FEE: \$75.00
KRISTINA GLASCOCK
COUNTY CLERK
DEPUTY: CHICE

559105arn

This First Mortgage, Security Agreement and Assignment of Rents (the "Mortgage") is made as of this 12th day of December, 2006, by and among LYN CALLEN and SHELLEY CALLEN, also known as SHELLEY CALLEN, husband and wife, whose address is 2134 East 2200 North, Twin Falls, Idaho 83301 (collectively, "Lyn & Shelley Callen"), DOLPHY R. CALLEN and ERMA LEE CALLEN, husband and wife, whose address is 2120 East 2200 North, Twin Falls, Idaho 83301 (collectively, "Dolphy & Erma Callen," and together with Lyn & Shelley Callen, the "Mortgagor") and MCFINNEY AGRI-FINANCE, LLC, an Idaho limited liability company whose address is 409 Shoshone St. South, Suite 25, Twin Falls, Idaho 83301 (the "Mortgagee");

WITNESSETH:

Each of Lyn & Shelley Callen (with respect to "Parcel 1" described on Exhibit "A" hereto and the water rights and personal property held by such individuals) and Dolphy & Erma Callen (with respect to "Parcel 2" described on Exhibit "A" hereto and the water rights and personal property held by such individuals), for valuable consideration, the receipt of which is hereby acknowledged, and in consideration of and to secure repayment in accordance with the terms of a first mortgage promissory note of even date to it in hand paid (the "Note"), do hereby irrevocably, GRANT, BARGAIN, SELL, CONVEY, MORTGAGE, ASSIGN, PLEDGE, TRANSFER AND SET OVER unto Mortgagee and to its successors and assigns, all the hereinafter described real and personal property and water rights located in the County of Twin Falls, State of Idaho, described in Exhibit "A" and Exhibit "B" attached hereto and by this reference incorporated herein (collectively, the "Property");

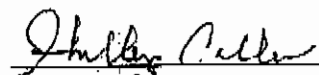
TOGETHER WITH all leasehold estate, right, title and interest of Mortgagor in, to or under all leases (including grazing permits and leases and all oil and gas leases) or subleases covering the Property or any portion thereof during the period in which this Mortgage is in effect, whether now or hereafter existing or entered into, including, without limitation, all cash or security deposits, advance rentals, and deposits or payments of similar nature;

TOGETHER WITH all easements, rights-of-way and rights used in connection therewith or as a means of access thereto, and all tenements, hereditaments and appurtenances thereof and thereto; and all water, water rights, water appropriations, irrigation works, lines, pivots, drip lines, hand lines, wheel lines, pumps, motors, equipment and electric panels of every kind and nature, ditches, canals, wells, franchises upon, leading to or connected with said property, in addition to any replacements, substitutions and additions thereto, and all other rights and privileges now or hereafter owned by Mortgagor, or belonging to, with, leading to, connected with, or usually had or enjoyed in connection with the Property or appurtenant thereto, whether represented by shares of capital stock in any ditch company, irrigation company, irrigation district or water association, by voting or other rights or interests with respect thereto or by actual individual ownership, or which may hereafter be acquired by Mortgagor, during the existence of this Mortgage;

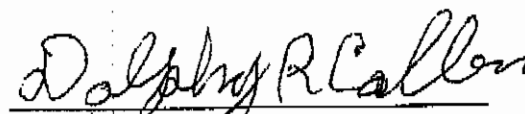
IN WITNESS WHEREOF, Mortgagor has executed this Mortgage as of the day and year first above written.

MORTGAGOR


LYN CALLEN


SHELLEY CALLEN

2134 East 2200 North
Twin Falls, ID 83301


DOLPHY R. CALLEN

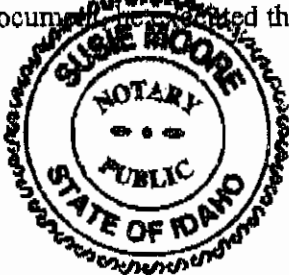

EMMA LEE CALLEN

2120 East 2200 North
Twin Falls, ID 83301

STATE OF IDAHO)

County of Twin Falls) ss.

On this 6th day of December, in the year 2006, before me, a notary public for the State of Idaho, personally appeared LYN CALLEN, known or identified to me to be the person listed above, and acknowledged to me on this day under oath, that, being informed of the contents of this document, she executed the same as his free and voluntary act and deed.



Susie Moore
Notary Public for the State of Idaho
Residing at: Twin Falls
My Commission Expires: 11-28, 2008

STATE OF IDAHO)

County of Twin Falls) ss.

On this 6th day of December, in the year 2006, before me, a notary public for the State of Idaho, personally appeared SHELLEY CALLEN, known or identified to me to be the person listed above, and acknowledged to me on this day under oath, that, being informed of the contents of this document, she executed the same as her free and voluntary act and deed.



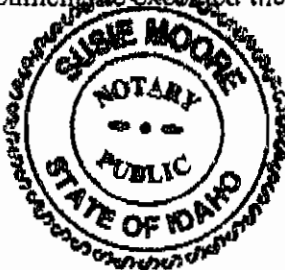
Susie Moore
Notary Public for the State of Idaho
Residing at: Twin Falls
My Commission Expires: 11-28, 2008

STATE OF IDAHO)

: ss.

County of Twin Falls)

On this 6th day of December, in the year 2006, before me, a notary public for the State of Idaho, personally appeared DOLPHY R. CALLEN, known or identified to me to be the person listed above, and acknowledged to me on this day under oath, that, being informed of the contents of this document, he executed the same as his free and voluntary act and deed.



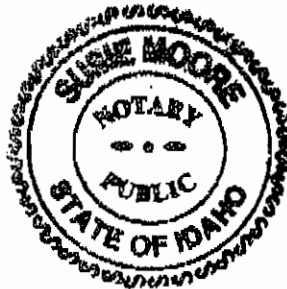
Susie Moore
Notary Public for the State of Idaho
Residing at: Twin Falls
My Commission Expires: 11-28, 2008

STATE OF IDAHO)

: ss.

County of Twin Falls)

On this 6th day of December, in the year 2006, before me, a notary public for the State of Idaho, personally appeared ERMA LEE CALLEN, known or identified to me to be the person listed above, and acknowledged to me on this day under oath, that, being informed of the contents of this document, she executed the same as her free and voluntary act and deed.



Susie Moore
Notary Public for the State of Idaho
Residing at: Twin Falls
My Commission Expires: 11-28, 2008

IDAHO DEPARTMENT OF WATER RESOURCES

Water Right Report 47-13643

WATER RIGHT NUMBER: 47-13643

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	DOLPHY R CALLEN 2120 E 2200 N TWIN FALLS, ID 83301

Priority Date: 04/01/1955

Basis: Decreed

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>Annual Volume</u>
STOCKWATER	1/01 to 12/31	0.020 CFS	
	<u>Total Diversion:</u>	0.020 CFS	

Location of Point(s) of Diversion

GROUND WATER	SW1/4SE1/4NW1/4	Sec. 7, Twp 13S, Rge 16E, B.M.
TWIN FALLS County		

Place of Use

STOCKWATER

Twp	Rge	Sec	NE				NW				SW				SE				
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	Totals
13S	16E	7							X			X							

Conditions of Approval:

1. N13 THE QUANTITY OF WATER UNDER THIS RIGHT SHALL NOT EXCEED 13,000 GALLONS PER DAY.
2. N11 THE QUANTITY OF WATER DECREED FOR THIS WATER RIGHT IS NOT A DETERMINATION OF HISTORICAL BENEFICIAL USE.
3. 800 CATTLE 13S16E072400

Remarks:Comments:

IDAHO DEPARTMENT OF WATER RESOURCES
Water Right Report 47-13643

Water Supply Bank: