

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

RECEIVED

MAR 30 2020

Department of Water Resources
Eastern Region

Notice of Security Interest in a Water Right
and a request to be notified of a change in ownership or any proposed
or final action to amend, transfer, or otherwise modify the water right(s)

Attach pages with additional information. Incomplete forms will be returned.

1. Water Right/Claim No.	Water Right/Claim No.	Water Right/Claim No.	Water Right/Claim No.
29-4212 <i>OK</i>			
<i>App</i> 29-8170 <i>OK</i>			

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

North Avenue Capital, LLC

816 AIA North, St. 304

Ponte Verda, FL 32082

Phone 866-526-4950

Email jrowell@northavenue.com

4. Name of Water Right Owner/Claimant(s)

Sorensen's Home Hotel, LLC

5. Expiration Date of Notification Period

March 1, 2047

6. Is this a Renewal of Request for Notification?

☐ YES

☒ NO

7. Signature(s) of Security Interest Holder(s)

Title, if applicable

[Signature]

North Avenue Capital, Vice President

For Office Use Only

Received by *C. H.* Date *3/30/2020* Receipt No. *E045780* Fee *\$50.00*
Processed by AJ Date _____ WR *JB* Date *10/2/20*

SUPPORT DATA

FILE # *29-4212*

First American Title - Pocatello

22004821

2020 Mar 24 PM 02:33

Electronically Recorded by Simplifile

FA-871838

**DEED OF TRUST AND ASSIGNMENT OF LEASES AND RENTS, SECURITY
AGREEMENT AND FIXTURE FILING**

**THIS DEED OF TRUST IS TO BE INDEXED NOT ONLY AS A DEED OF TRUST
BUT ALSO AS A FIXTURE FILING.**

THIS DEED OF TRUST AND ASSIGNMENT OF LEASES AND RENTS, SECURITY
AGREEMENT AND FIXTURE FILING is made this 20th day of March, 2020, between:

Grantor: Sorensen's Home Hotel, LLC, an Idaho limited liability company (herein
"Grantor"), whose address is 306 E. Main Street, Lava Hot Springs, ID
83246;

Trustee: First American Title Company (herein "Trustee"); and

Beneficiary: North Avenue Capital, LLC, a Georgia limited liability company (herein
"Beneficiary"), whose address is 816 AIA North, St. 304, Ponte Vedra, FL
32082

Grantor, in consideration of the indebtedness herein recited and the trust herein created,
irrevocably grants and conveys to Trustee, in trust, with power of sale, the real property located
in Bannock County, Idaho and particularly described on *Exhibit 1* consisting of two (2) pages
which is attached hereto and incorporated herein by reference (herein "Real Property").

TOGETHER WITH the building, fixtures, improvements, and appurtenances now or
hereafter erected thereon (Improvements herein);

TOGETHER WITH all appurtenant water rights, including Water Rights 29-4212 and
29-8170, geothermal water rights, easements and rights of way whether or not recorded;

TOGETHER WITH all rents, issues, profits and income derived from the Real Property,
all leases or subleases covering the Real Property or any portion thereof, now or hereafter
existing or entered into, and all right, title and interest of Grantor thereunder; and all right, title
and interest of Grantor, now owned or hereafter acquired, in and to any land lying within the
right of way of any street adjoining the Real Property;

TO HAVE AND TO HOLD all of the foregoing Real Property and Improvements (herein
collectively referred to as the Property) unto the Beneficiary, its successors and assigns.

This Indenture is given to secure:

ONE: Payment to Beneficiary of the indebtedness evidenced by a certain Term Note of
even date, in the principal sum of Two Million Six Hundred Thousand Dollars (\$2,600,000.00)
with a final maturity of April 1, 2047 (hereinafter referred to as the "Note") and interest thereon
according to the terms of the Note with any and all extensions, renewals, modifications or

This is to certify that this
is a true and correct copy of
the original document

FIRST AMERICAN TITLE COMPANY

FA-871838

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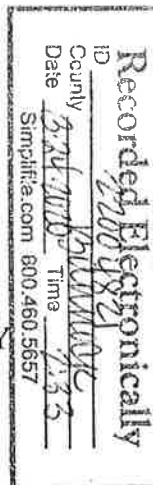
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according to the terms of the Note with any and all extensions, renewals, modifications or



substitutions thereof and each and every debt, liability and obligation of every type and description, which Grantor may now or at any time hereafter owe or be obligated to Beneficiary whether such debt, liability or obligation now exists, is direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, or joint, several, or joint and several.

TWO: Payment of all other moneys herein agreed or provided to be paid by Grantor, including sums advanced or expended by Beneficiary, and interest thereon, pursuant to the provisions hereof, and including specifically, without limitation, sums advanced or expended by Beneficiary for the protection of the Property or for the protection of the interest of Beneficiary in the Property.

THREE: Performance and discharge of each and every obligation, promise and agreement of Grantor herein contained, including without limitation each and every obligation, promise and agreement of Grantor contained at any time subsequent to the date hereof for the purposes of further securing any indebtedness hereby secured, or any part thereof, or any further advancements or further or additional loans of any sums secured or any party thereof or any further advancements or further or additional loans of any sums hereafter made by Beneficiary to Grantor during the continuance of this Deed of Trust and secured hereby or for the purposes supplementing or amending this Deed of Trust.

The Note and all such debts, liabilities and obligations referred to in Paragraphs One, Two and Three above, are all collectively hereinafter referred to as Obligations.

UNIFORM COVENANTS. Grantor and Beneficiary covenant and agree as follows:

1. **PAYMENT AND PERFORMANCE.** Grantor shall promptly pay when due the principal and interest as provided in the Note; all payments received by Beneficiary shall be applied first in payment of amounts due Beneficiary from Grantor under paragraph TWO hereof; then interest payable on the Note, then to the principal of the Note.

2. **WARRANTY OF TITLE.** Grantor is lawfully seized and possessed of good and indefeasible title to the Property, and Grantor hereby warrants the Property to be free and clear of all liens and encumbrances not set out herein, and Grantor will defend the title against any claims by any party at any time during the term of this Deed of Trust.

3. **FULL FORCE AND EFFECT:** The provisions of this Deed of Trust shall remain in full force and effect through any extension of time for payment of the Obligations, and until the Property is reconveyed or released of record.

4. **PROTECTION OF SECURITY:** To protect the security, Grantor shall:

(a) **TAXES AND OTHER CHARGES:** Pay before the same become delinquent all taxes and assessments and other charges against the Property, and in default thereof, Beneficiary may pay the same at the cost of Grantor.

If Beneficiary so elects at any time, Grantor shall provide, at its expenses, a tax service contract for the term of the loan issued by a tax reporting agency acceptable to

Beneficiary. If Beneficiary does not so elect, Grantor shall reimburse Beneficiary for the cost of making annual tax searches throughout the term of the loan.

(b) **PRESERVATION AND MAINTENANCE OF PROPERTY WITHOUT ENCUMBRANCE:** Not commit waste, or authorize the repair or removal of any of the Improvements on the Real Property, or do or permit any act that would result in the creation of a lien upon the land without first obtaining prior written consent of Beneficiary and otherwise to maintain the Property in as good condition as at present. Upon any failure to maintain, Beneficiary, at its option, may cause reasonable repair and maintenance work to be performed at the cost of Grantor.

(c) **COVENANTS:** Comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the Property, or requiring alterations or improvements to be made thereon, and Grantor shall not suffer nor permit any act to be done in or upon the Property in violation thereof. Grantor represents and warrants that prior use of the Property has been in compliance with all applicable laws and regulations.

5. **HAZARDOUS WASTE.** Grantor warrants and certifies to Beneficiary that:

Grantor has duly investigated the present and past uses of the Property and has made due inquiry as to whether the Property or any Property in the immediate vicinity has been or is the site of storage or contamination by any hazardous substances as defined in 42 U.S.C. Section 9601 (14);

Grantor represents that as of the date of execution of this Deed of Trust, Grantor has no knowledge, after due investigation, of any failure to comply with applicable, Local, State or Federal environmental laws, regulations, ordinances, and administrative or judicial orders relating to the generation, recycling, reuse, sale, storage, handling, transport or disposal of any hazardous substances, on or involved in or associated within the use of the Property.

Grantor has no knowledge, after due investigation, of the presence of any hazardous substances or toxic substances or hazardous or toxic emissions, or of any spills, releases, discharge or disposal of any hazardous substances, on or involved in or associated with the use of the Property.

For the purposes of this agreement "hazardous substances", "toxic substances" or "hazardous" or "toxic" emission shall mean any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, hazardous, toxic or radioactive substance or other similar term by any federal, state or local environmental statute, regulation or ordinance presently in effect or that may be promulgated in the future, and shall include petroleum or petroleum based products.

Grantor agrees to immediately notify Beneficiary if Grantor becomes aware of any hazardous substances or other environmental problem related to the Property.

At its own costs, Grantor will take all actions which are necessary or desirable to clean up any hazardous substances effecting the property including removal, containment or other remedial actions.

6. **DEFENSE OF SECURITY.** Beneficiary may appear in and defend any action or proceedings purporting to affect the security hereof, and Grantor shall pay all costs and expenses, including costs of evidence of title and attorney's fees in a reasonable sum as may be allowed by the Court, in such action or proceeding in which Beneficiary may appear.

7. **ABSOLUTE ASSIGNMENT OF LEASES, RENTS AND PROFITS:** Beneficiary shall have the right, power and authority during the continuance of this Deed of Trust to collect the rents, income, issues and profits of the Property with or without taking possession of the Property affected hereby, and Grantor hereby absolutely and unconditionally assigns all such leases, rents, income, issues and profits to Beneficiary. Provided however, Beneficiary consents to Grantor's collection and retention of such rents, income, issues and profits as they accrue and become payable so long as Grantor is not, at such times, in default as hereafter defined. Upon any such default, Beneficiary may at any time, either in person, by agent, or by a receiver to be appointed by a court, without notice and without regard to the adequacy of any security for the indebtedness hereby secured: (a) enter upon and take possession of the Property or any part thereof; and in its own name sue for or otherwise collect such rents, income, 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 and priority as Beneficiary may determine; (b) perform such acts of repair or protection as may be necessary or proper to conserve the value of the Property; and (c) lease the same or any part thereof for such rental, term and upon such conditions as its judgment may dictate, or terminate or adjust the terms and conditions of existing leases. Unless Grantor and Beneficiary agree to otherwise in writing, any application of rents, income, issues or profits to any indebtedness secured hereby shall not extend or postpone the due date of the installment payments as provided in the Note or change the amount of such installments. The entering upon, the taking possession of the Property, the collection of such rents, income, issues and profits, and the application thereof as described herein, shall not waive or cure any default or notice of default hereunder, or invalidate any act done pursuant to such notice.

8. **CONDEMNATION.** Any award of damages, settlement or compensation in connection with any eminent domain action for public use of or any injury to the Real Property, or any part thereof, is hereby assigned by Grantor to Beneficiary and all money so received by Beneficiary may be applied to the indebtedness secured by the Deed of Trust or released by it in the same manner and with the same effect as herein provided for the disposition of the proceeds of insurance. Neither the application nor the release of any such sums shall cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice, nor shall anything in the section affect the liability of Grantor for payment of the entire balance of the Obligations secured hereby.

9. **INSURANCE.** Grantor will keep the Improvements insured against loss or damage by fire, standard extended coverage perils and such other hazards as Beneficiary shall from time to time require, in amounts approved by Beneficiary which amounts shall in no event be less than the outstanding principal balance of the Note or exceed in the aggregate, 100% of the full insurance value of the Improvements and shall at all times be sufficient to meet all applicable co-insurance requirements. All policies of insurance (hereinafter referred to as the

"Policies") shall be issued by an insurer lawfully doing business in Idaho and acceptable to Beneficiary and shall contain the standard mortgages non-contribution clause endorsement or an equivalent endorsement satisfactory to Beneficiary naming Beneficiary as the person to which all payments by such insurance company shall be paid. Grantor shall pay the premiums for the Policies as the same become due and payable. At the request of Beneficiary, Grantor will deliver certificates of insurance evidencing the insurance coverage required by this paragraph to Beneficiary. Not later than thirty (30) days prior to the expiration date of each of the Policies, Grantor will deliver to Beneficiary a renewal policy or policies marked "premium paid" or other evidence of payment of premium reasonably satisfactory to Beneficiary. If at any time Beneficiary is not in receipt of written evidence that all insurance required hereunder is in force and effect, Beneficiary shall have the right without notice to Grantor to take such action as Beneficiary deems necessary to protect its interest in the Property, including, without limitation, the obtaining of such insurance coverage as Beneficiary, in its sole discretion, deems appropriate, and all expenses incurred by Beneficiary in connection with such action or in obtaining such insurance and keeping it in effect shall be paid by Grantor to Beneficiary upon demand. If the Property shall be damaged or destroyed, in whole or in part, by fire or other casualty, Grantor shall give prompt notice thereof to Beneficiary. Sums paid to Beneficiary by any insurer may be retained and applied by Beneficiary toward payment of Obligations whether or not then due and payable in such priority and proportions as Beneficiary in its discretion shall deem proper or, at the discretion of Beneficiary, the same may be paid, either in whole or in part, to Grantor for such purposes as Beneficiary shall designate. If Beneficiary shall receive and retain such insurance proceeds, the lien of this Deed of Trust shall be reduced only by the amount thereof received and retained by Beneficiary and actually applied by Beneficiary in reduction of the Obligations.

10. **PARTIAL PAYMENTS.** Acceptance by Beneficiary of any sum in payment or part payment of any portion of the Obligations after the same is due shall not constitute a waiver of Beneficiary's right to require prompt payment when due of the remainder of the Obligations, nor shall such acceptance cure or waive any remaining default or waive any subsequent default or prejudice any of the rights of Beneficiary under this Deed of Trust.

11. **ACTIONS BY BENEFICIARY.** Without affecting the liability of Grantor, for the payment of the Obligations, and without affecting the lien of this Deed of Trust for the full amount of the Obligations remaining unpaid upon the Property, Beneficiary is authorized and empowered at any time and from time to time, either before or after the maturity of the Note, and without notice, to: (a) accept additional security thereof of any kind or (b) release any Property, securing the Obligations.

12. **SECURITY AGREEMENT AND FIXTURE FILING:** This Indenture constitutes both a Deed of Trust and a Security Agreement, within the meaning of the Idaho Uniform Commercial Code. With respect to the Security Agreement, the Grantor shall mean the Debtor and the Beneficiary shall mean the Secured Party.

Grantor grants to Beneficiary a Security Interest in all furniture, fixtures and equipment but NOT inventory used in the Grantor's hotel at 306 E. Main Street, Lava Hot Springs, Idaho legally described on the attached Exhibit 1, including the specific items listed on the attached **Exhibit A** and all assets now owned or hereafter acquired by Grantor and wherever

located as well as proceeds from the sale of those assets and all replacements of those assets or additions thereto.

Grantor acknowledges that certain items of equipment, actually and as a matter of law, are fixtures and are deemed a part of the Real Property, and this Deed of Trust shall constitute a security agreement and the related UCC-1 financing statement and each shall be filed as a fixture filing in the records of Bannock County, State of Idaho against the Grantor's Real Property, as to all fixtures, whether now owned or hereafter acquired, including the described on the attached ***Exhibit A*** and all replacements of those assets or additions thereto.

Except for the purpose of making replacements of the fixtures which Grantor now has or hereafter acquires which are affixed to the buildings upon the Real Property, Grantor will not sell or dispose of any of said fixtures, nor part with possession of any of the same, nor permit any of the fixtures to be removed from the Real Estate, while this Deed of Trust shall remain in force and effect, without the written consent of the Beneficiary.

Grantor will take adequate care of the collateral; insure the collateral for such hazards and in such amounts as required by the Loan Agreement; pay all costs necessary to obtain, preserve, and enforce this security interest, collect the obligation, and preserve the collateral, and including (but not limited to) taxes, assessments, insurance premiums, repairs, attorneys' fees and legal expenses, rent, storage costs, and expense of sale; furnish Beneficiary with any information on the collateral reasonably requested by Beneficiary; allow Beneficiary to inspect the collateral upon reasonable notice and at reasonable times, and inspect and copy all records relating to the collateral and the obligations; sign any papers furnished by Beneficiary that are necessary to obtain and maintain this security interest; notify Beneficiary of any change occurring in or to the collateral, or in any fact of circumstance warranted or represented by Grantor in this agreement of furnished to Beneficiary, or in any event of default occurs.

Grantor will not (without Beneficiary's consent): remove the collateral from the locations specified herein.

Grantor warrants no financing statement has been filed with respect to the collateral, other than relating to this security interest; Grantor is absolute owner of the collateral, and it is not encumbered other than by this security interest except by written agreement (and the same will be true of collateral acquired hereafter when acquired).

Grantor hereby authorizes the Beneficiary to prepare and file where appropriate any financing statement necessary to perfect the security interest herein granted to the Beneficiary.

13. ***EVENTS OF DEFAULT.*** Any of the following events shall be deemed an Event of Default hereunder:

(a) Grantor shall fail to pay the principal or interest of the Obligations when due;

(b) Grantor seeks relief pursuant to bankruptcy laws, Title 11 U.S. Code, or is made a defendant in a bankruptcy or receivership proceeding;

(c) A writ of execution or attachment or any similar process shall be entered against Grantor which shall become a lien on the Property, or any portion thereof or interest therein and such execution, attachment or similar process of judgment is not released, bonded, satisfied, vacated or stayed within sixty (60) days after its entry or levy;

(d) Grantor fails to perform any terms, conditions, covenants or agreements which are part of this Deed of Trust, the Note, the Loan Agreement executed between the parties, and any other loan document executed in connection herewith (collectively, the "Loan Documents").

14. **ACCELERATION, REMEDIES.** Upon the occurrence of an Event of Default, Beneficiary may require immediate payment in full of all sums secured by this Deed of Trust without further demand, and/or immediately foreclose this Deed of Trust or pursue any other available legal remedy. In the event of any action by Beneficiary to enforce collection of any of the Obligations, Grantor agrees that any expense incurred in connection therewith or incurred to procure a foreclosure report or Trustee's Sale Guaranty from Trustee or other title insurance company shall, when incurred or paid by Beneficiary, become a part of the Obligation and shall be paid by Grantor together with all of the foreclosure costs.

(a) **Foreclosure by Notice of Sale.** In the event of default, Beneficiary may execute or cause the Trustee to execute a written Notice of such default of its election to cause to be sold the Property to satisfy the Obligations hereof and shall cause such notice to be recorded in the office of the County Recorder of Bannock County, Idaho.

Notice of sale having been given as then required by law, and not less than the time then required by law having elapsed, Trustee, shall sell said Property at the time and place fixed by it in said notice of sale, at public auction to the highest bidder for cash in lawful money of the United States, payable at the time of sale. Trustee shall deliver to purchaser its deed conveying the Property without any covenant or warranty expressed or implied. The recitals in such Deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Grantor, Trustee, or Beneficiary, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee, including costs of a foreclosure report or trustee sale guaranty incurred and reasonable counsel fees in connection with the foreclosure, Trustee shall apply the net proceeds of sale to payment of all Obligations due Beneficiary and the remainder, if any, to the person or persons legally entitled thereof.

Trustee may, in accordance with the laws of the State of Idaho, postpone sale of the Property by public announcement at such time and place of sale, and from time to time fixed by the preceding postponement or subsequently noticed, sale, without further notice make such sale at the time fixed by the last postponement, or may, in its discretion, give a new notice of sale.

(b) **Foreclosure as a Mortgage.** In the event of default, Beneficiary may elect to foreclosure the Deed of Trust as a Mortgage pursuant to law. In the event any action is

brought to foreclose this Deed of Trust as a Mortgage, the court may appoint and Grantor hereby consents to the appointment of a receiver to take possession of the Property to collect and receive the rents, income, issues and profits arising therefrom, and from any moneys so collected, to pay taxes, provided insurance, make needed repairs to Improvements upon the Real Property, and make any other expenditures authorized by the Court, and apply any sum remaining after the payment of such authorized expenditures to the Obligations.

15. **REMEDIES NOT EXCLUSIVE.** Beneficiary shall be entitled to enforce payment of the Obligations and to exercise all rights and powers under this Deed of Trust, the Note, or the Loan Documents under any laws now or hereafter in the force. No remedy herein conferred upon or reserved to Beneficiary is intended to be exclusive of any other remedy herein or by law provided or permitted, but shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy provided under this Deed of Trust to Beneficiary or to which it may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Beneficiary and Beneficiary may pursue inconsistent remedies. Nothing herein shall be construed as prohibiting Beneficiary from seeking a deficiency judgment against Grantor to the extent such action is permitted by law.

16. **NO IMPLIED WAIVER.** The failure of Beneficiary promptly to exercise any right, power or remedy provided herein or at law or in equity shall not constitute a waiver of the same, nor shall Beneficiary be estopped from later exercising such right, power or remedy.

17. **NOTICE:** Except for any notices, demands, requests or other communications required under applicable law to be given in another manner, whenever Grantor or Beneficiary give or serve any notice, demands, requests or other communication with respect to this Deed of Trust, each such notice, demand, request or other communication shall be in writing and shall be effective only if the same is delivered by personal service or is mailed by regular mail, postage prepaid, to the respective addresses set forth hereinabove. Any party may at any time change its address for such notices by delivering or mailing to the other party hereto, as aforesaid, a notice of such change. Any notice hereunder shall be deemed to have been given to Grantor or Beneficiary, when given in the manner designated herein.

18. **INSPECTION.** Grantor agrees to permit Beneficiary and/or its agents, at reasonable times without notice to inspect the Property for the purpose of determining whether Grantor is in compliance with the provisions of the Note, this Deed of Trust and the other Loan Documents.

19. **ATTORNEY'S FEES.** Grantor agrees to pay all costs of collection, including reasonable attorney's fees and all costs of suit and appeal (the "Costs") in the event that: (a) there shall occur an Event of Default under this Deed of Trust; (b) it becomes necessary to project the security for the indebtedness secured hereby, or for the foreclosure by the Beneficiary of this Deed of Trust; (c) the Beneficiary is made party to any litigation or administrative action merely because of existence of this Deed of Trust; or (d) it becomes necessary by reason of acts or omissions of Grantor for the Beneficiary to seek the advice of counsel with respect to the Note or Deed of Trust. Costs shall be paid whether suit be brought or not, and whether they are incurred through courts of original jurisdiction, through courts of appellate jurisdiction, or through a bankruptcy court or through other legal proceedings.

20. **PROTECTION OF BENEFICIARY'S SECURITY.** If Grantor fails to perform the covenants and agreements contained in this Deed of Trust, or if any action or proceeding is commenced which materially affects Beneficiary's interest in the Property, including, but not limited to, eminent domain, insolvency, or arrangements or proceedings involving a bankruptcy or decedent, then Beneficiary, at Beneficiary's option, upon notice to Grantor, may make such appearances, disburse such sums and take such action as is necessary to protect Beneficiary's interest, including, but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs.

Any amounts disbursed by Beneficiary pursuant to Paragraph 20, with interest thereon, shall become an additional Obligations of Grantor secured by this Deed of Trust. Unless Grantor and Beneficiary agree to other terms of payment, such amounts shall be payable upon notice from Beneficiary to Grantor requesting payment hereof, and shall bear interest from the date of disbursement at the effective interest rate on the Note. Nothing contained in this Paragraph 20 shall require Beneficiary to incur any expense or take any action hereunder.

21. **ENTIRE AGREEMENT.** This Deed of Trust, together with the Note and the Loan Agreement between Grantor and Beneficiary as well as the Deed of Trust and Assignment of Leases and rents for Beneficiary's additional collateral in the State of Utah constitutes and sets forth the entire understanding and agreement between the parties, and no party hereto has relied upon any representations, agreements, or understandings, verbal or written, not set forth herein or in the Note, whether made by any party hereto or by any agent, employee or representative of any party hereto.

22. **BINDING AGREEMENT.** This Deed of Trust inures to the benefit of, and binds all parties hereto and their successors and assigns. The term Beneficiary shall mean the owner and holder of the Note described above, whether or not named as Beneficiary herein.

23. **GOVERNING LAW.** This Deed of Trust and each instrument securing it shall be governed by and construed according to the laws of the State of Idaho.

24. **SEVERABILITY.** In the event any one or more of the provisions contained in this Deed of Trust or the Note shall for any reason be held to be invalid or unenforceable in any respect, such invalidity or unenforceability shall, at the option of Beneficiary, not affect any other provisions of this Deed of Trust, but same shall be construed as if such invalid, or unenforceable provision had never been contained herein or therein.

25. **RECONVEYANCE.** Upon payment of all sums secured by this Deed of Trust, Beneficiary shall request Trustee to reconvey the Property and shall surrender this Deed of Trust and the Note to the Trustee. Upon payment of its reconveyance fee, Trustee shall reconvey the Property without warranty to the person or persons legally entitled thereto. Such person or persons shall pay all costs of recordation, if any.

26. **SUBSTITUTE TRUSTEE.** Beneficiary, at Beneficiary's option, may from time to time remove Trustee and appoint a successor Trustee. Without conveyance of the Property,

the successor Trustee shall succeed to all the title, power and duties conferred upon the Trustee herein.

27. **DUE ON SALE.** The financial stability and business ability of the Guarantors of the Note and the Members/Managers of Grantor is a substantial and material consideration to Beneficiary in their agreement to make the Loan to Grantor secured by this instrument. Therefore, in order to induce Beneficiary to make its loan, Grantor agrees that, in the event of any transfer of the Property without the prior written consent of Beneficiary, Beneficiary shall have the absolute right at their option, to declare all sums secured hereby immediately due and payable. Beneficiary may grant or deny such consent in their sole discretion and, if consent should be given, any such transfer shall be subject to this Deed of Trust, and any such transferee shall assume all obligations hereunder and agree to be bound by all provisions contained herein. Such assumption shall not, however, release Grantor from any liability thereunder. As used herein, "transfer" includes the sale, agreement to sell, transfer or conveyance of the Property, or any portion thereof or interest therein, whether voluntary, involuntary, by operation of law, or otherwise.

If Beneficiary exercises the option to require immediate payment in full, Beneficiary shall give Grantor notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed to the Grantor's address set forth above, within which Grantor must pay all sums secured by this Deed of Trust without further notice or demand on Grantor.


IN WITNESS WHEREOF, Maker intending to be legally bound, has caused this Note to be executed under seal by its duly authorized officers, as of the date first above written.

MAKER:

SORENSEN'S HOME HOTEL, LLC, an Idaho
Limited Liability Company

By its sole Member
BEAR RIVER STORAGE, LLC

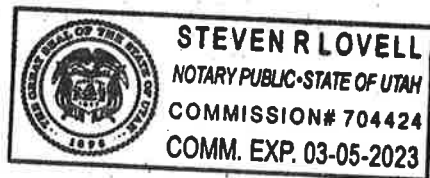
By: 
Deborah Sorensen, Member/Manager

By: 
Dix Sorensen, Member/Manager

STATE OF ^{UTAH}~~IDAHO~~)
County of ^{SALT LAKE}~~Bannock~~ :SS)

This record was acknowledged before me on 20 day of March 2020 by Deborah Sorensen and Dix Sorensen, the Members/Managers of Bear River Storage, LLC, the sole member of Sorensen's Home Hotel, LLC.

(SEAL)




NOTARY PUBLIC - STATE OF ~~IDAHO~~ ^{UTAH}
My Commission Expires: 3.5.2023

EXHIBIT 1

REAL ESTATE LEGAL DESCRIPTION

PARCEL 1:

A TRACT OF LAND LOCATED IN THE SE¼ SE¼ OF SECTION 21, TOWNSHIP 9 SOUTH, RANGE 38 EAST, BOISE MERIDIAN, BANNOCK COUNTY, IDAHO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT 50 FEET EAST FROM THE SOUTHEAST CORNER OF BLOCK 1, HALL'S FIRST ADDITION TO HALL CITY, ACCORDING TO THE PLAT THEREOF, RECORDED IN BOOK 1 OF PLATS, PAGE 48, RECORDS OF BANNOCK COUNTY, IDAHO, THENCE EAST ALONG THE NORTH BOUNDARY LINE OF MAIN STREET, 150 FEET; THENCE IN A NORTHERLY DIRECTION AT RIGHT ANGLES TO LAST DESCRIBED LINE A DISTANCE OF 110 FEET; THENCE IN A WESTERLY DIRECTION AT RIGHT ANGLES TO LAST DESCRIBED LINE TO EASTERLY BOUNDARY LINE OF THIRD AVENUE A DISTANCE OF 150 FEET; THENCE IN A SOUTHERLY DIRECTION ALONG EAST BOUNDARY LINE OF THIRD AVENUE EAST, 110 FEET TO THE POINT OF BEGINNING.

PARCEL 2:

A TRACT OF LAND LOCATED IN THE SE¼ SE¼ SECTION 21, TOWNSHIP 9 SOUTH, RANGE 38 EAST, BOISE MERIDIAN, BANNOCK COUNTY, IDAHO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT 200 FEET EAST OF SOUTHEAST CORNER OF BLOCK 1 OF HALL'S FIRST ADDITION TO HALL CITY, WITHIN CITY LIMITS OF INCORPORATED VILLAGE OF LAVA HOT SPRINGS, COUNTY OF BANNOCK, STATE OF IDAHO, AS THE SAME APPEARS ON THE OFFICIAL PLAT OF SAID FIRST ADDITION TO HALL CITY, FILED AND RECORDED IN THE OFFICE OF THE COUNTY RECORDERS OF SAID BANNOCK COUNTY; RUNNING THENCE EAST 60 FEET, FOLLOWING NORTH SIDE OF MAIN STREET WHEN CONTINUED; THENCE AT RIGHT ANGLES NORTH 110 FEET; THENCE AT RIGHT ANGLES WEST 60 FEET; THENCE AT RIGHT ANGLES SOUTH 110 FEET TO THE POINT OF BEGINNING.

PARCEL 3:

A TRACT OF LAND IN SECTION 21, TOWNSHIP 9 SOUTH, RANGE 38 EAST, BOISE MERIDIAN, BANNOCK COUNTY, IDAHO MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT 50 FEET EAST AND 130 FEET NORTH OF THE SOUTHEAST CORNER OF BLOCK 1 OF HALL'S FIRST ADDITION TO HALL CITY, RECORDED IN THE OFFICE OF THE COUNTY RECORDER IN BANNOCK COUNTY, IDAHO;

THENCE EAST 261.6 FEET TO THE LEFT BANK OF THE PORTNEUF RIVER;

THENCE NORTH 78°30' WEST 72.8 FEET;

THENCE NORTH 21°30' WEST 78.5 FEET TO THE EAST POINT OF THE ISLAND IN PORTNEUF RIVER;

THENCE ALONG NORTH BANK OF SAID ISLAND IN A NORTHWESTERLY AND SOUTHWESTERLY DIRECTION 300 FEET, MORE OR LESS, TO A POINT DUE NORTH TO THE PLACE OF BEGINNING;

THENCE SOUTH 71.5 FEET TO THE PLACE OF BEGINNING.

ALSO: THAT PORTION OF THIRD AVENUE EAST IN THE VILLAGE OF LAVA, COUNTY OF BANNOCK, STATE OF IDAHO, VACATED BY ORDINANCE 1962-4 AND RECORDED DECEMBER 17, 1962 AS INSTRUMENT NO. 386985, MORE PARTICULARLY DESCRIBED AS FOLLOWS:
A TRACT OF LAND IN THE SOUTHEAST QUARTER OF SECTION 21, TOWNSHIP 9 SOUTH, RANGE 38 EAST OF THE BOISE MERIDIAN, DESCRIBED AS FOLLOWS:
BEGINNING AT A POINT 50 FEET EAST AND 130 FEET NORTH OF THE SOUTHEAST CORNER OF BLOCK 1 OF HALL'S FIRST ADDITION TO HALL CITY;
THENCE NORTH ALONG THE EASTERLY LINE OF THIRD AVENUE EAST 104.5 FEET, MORE OR LESS, TO THE SOUTH BANK OF THE PORTNEUF RIVER;
THENCE WESTERLY ALONG SAID SOUTH BANK 4.20 FEET;
THENCE SOUTH 104.5 FEET;
THENCE EAST 4.20 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING.

EXHIBIT A

LIST OF PERSONAL PROPERTY AND FIXTURES

All of the following property of the Debtor, whether now owned or hereafter acquired or arising, including without limitation, on the real property more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof:

1. All rights of the Debtor to payment for goods sold or leased, or to be sold or to be leased, or for services rendered, howsoever evidenced or incurred, including, without limitation, all accounts, instruments, chattel paper and general intangibles, all returned or repossessed goods and all books, records, computer tapes, programs, and ledger books arising therefrom or relating thereto, whether now owned or hereafter acquired or arising.
2. All equipment of the Debtor, including, without limitation, all machinery, furniture, furnishings, leasehold improvements, fixtures, forklifts, dies and tools and personal property of any kind of Debtor, together with all accessories and attachments thereto, all replacements and substitutes used or useful in the Debtor's business, whether now owned or hereafter acquired or arising. Some of the foregoing are or may become fixtures affixed to the real property described herein.
3. All of Debtor's present and future right, title and interest in and to all contracts, agreements, plans, governmental authorizations, consents, licenses, approvals, permits and other documents that concern or relate to the Land or the business of the Debtor and/or the construction of improvements on the Land.
4. All property of Debtor left with Secured Party or in its possession now or hereafter and any balance or deposit account of Debtor and all drafts, checks and other items deposited in or with Lender by Debtor for collection or safekeeping, with full authority given Secured Party, upon the occurrence of any Event of Default as set forth in the various loan documents between Debtor and Secured Party, to charge any or all such indebtedness of Debtor without notice or demand against any obligation secured hereby.
5. All general intangibles now owned or hereafter acquired by the Debtor.
6. This Financing Statement also covers:
 - (a) All buildings, structures and improvements of every nature whatsoever now or hereafter situated on that certain real property more particularly described in Exhibit "A" (hereinafter referred to as the "Land") and all gas and electric. fixtures, radiators, heaters, engines and machinery, boilers, ranges, elevators and motors, plumbing and heating fixtures, carpeting and other floor coverings, fire extinguishers and any other safety equipment required by governmental regulation or law, washers, dryers. water heaters, mirrors, mantels, air conditioning apparatus, refrigerating plans, refrigerators, cooking apparatus and appurtenances, window screens, awning and storm sashes, which are or shall be attached to said buildings, structures or improvements and all other fixtures of every kind and nature whatsoever now or hereafter owned by Debtor and located in, on or about, or used or intended to be used with or in connection with the use, operation or enjoyment of the Land, including all extensions, additions,

improvements, betterments, after-acquired property, renewals, replacements and substitutions, or proceeds from a permitted sale of any of the foregoing, and all the right, title and interest of Debtor in any such fixtures subject to or covered by any prior security agreement, conditional sales contract, chattel mortgage or similar lien or claim, together with the benefit of any deposits or payment now or hereafter made by Debtor or on behalf of Debtor, any property acquired with cash proceeds of any of the fixtures described hereinabove; all of which are hereby declared and shall be deemed to be fixtures and accessions to the Land and a part of the Land as between the parties hereto and all persons claiming by, through or under them. The location of the above-described collateral is also the location of the Land.

- (b) All easements, rights-of-way, strips and gores of land, vaults, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, minerals, flowers, shrubs, crops, trees, timber and other emblements now or hereafter located on the Land or under or above the same or any part or parcel thereof, and all estates, rights, titles, interest, privileges, liberties, tenements, hereditaments and appurtenances, reversion and reversions, remainder and remainders, whatsoever, in any way belonging, relating or appertaining to the Land or any part thereof, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by Debtor.
 - (c) All income, rents, issues, profits and revenues of the Land from time to time accruing (including without limitation all payments under leases or tenancies, proceeds of insurance, condemnation payments, tenant security deposits whether held by Debtor or in a trust account, and escrow funds), and all the estate, right, title, interest, property, possession, claim and demand whatsoever at law, as well as in equity, of Debtor of, in and to the same.
7. All products and proceeds (including insurance proceeds, pre-petition and post-petition bankruptcy proceeds) arising from or in any way relating to any or all of the collateral described above.

1) Guest Units:

a. Hotel

441, 442, 444, 445, 446, 447 & 448 all have the following items:

A king-sized Serta bed, night stand, two lamps, a desk or table with a desk lamp, a chair, an a/c unit, a hair dryer, a mini-fridge, a microwave, a small chest of drawers under the tv, a Samsung tv, art, mirror (in addition to bathroom mirror), alarm clock and charging station. Luggage rack.

Exceptions: 441 no microwave. 445 a/c unit is downstairs in the basement --when 445's windows were recently replaced the a/c unit was taken out and stored downstairs. 445 does not have a mirror in addition to the bathroom mirror.

443: A queen-sized Serta bed, one night stand, one lamp, one bench, mini-fridge (no microwave), hair dryer, a/c unit, art and mirror (in addition to bathroom mirror), Samsung TV, alarm clock and charging station. Luggage stand.

440: Two queen-sized Serts beds, three night stands, three lamps, one desk, two chairs, two a/c units, two Samsung Tvs, two alarm clocks and charging units, one hair dryer. Art and mirror (in addition to bathroom mirror), one mini-fridge (no microwave). Luggage stand.

b. Motel

105 - 112 all have two queen-sized Serta beds, night stand, lamps, desk or table, chair, microwave and mini-fridge, a/c unit, art and mirror, alarm and charging station and Samsung tv. Luggage stand.

101 has one queen-sized Serta bed and a bunk-bed with a full and twin combo. Two Samsung tvs, two a/c units, love seat, small kitchen table with four chairs, rolling baker's stand, full-sized fridge, apartment-sized stove with oven, microwave, coffee maker, dishes, glasses and utensils for six, pans and pots. Art, alarm and charging station. Two side tables. Small chest of drawers.

102: A king-sized Serta bed, night stand, two lamps, a table with a desk lamp, a chair, an a/c unit, a hair dryer, a mini-fridge, a microwave, a Samsung tv, art, alarm clock and charging station. Luggage rack.

103: two queen-sized Serta beds, two night stands, lamps, table, chair, microwave and mini-fridge, a/c unit, art, alarm and charging station and Samsung tv. Luggage stand. Sofa table with drawers.

104: A queen-sized Serta bed, three night stands, one chair, two lamps, mini-fridge and microwave, hair dryer, a/c unit, art and mirror (in addition to bathroom mirror), Samsung TV, alarm clock and charging station. Luggage stand.

144: A queen-sized Serta bed, one night stand, one desk, one chair, two lamps, mini-fridge and microwave, hair dryer, a/c unit, art and mirror, Samsung TV, alarm clock and charging station. Luggage stand.

113-116: A queen-sized Serta bed, a night stand, one chair, two lamps, mini-fridge and microwave, hair dryer, a/c unit, art, Samsung TV, alarm clock and charging station. Luggage stand. 114 & 116 also have mirrors in addition to the mirror in bathroom.

c. Guest House

One queen-sized Serta bed and two full-sized beds and a twin roll-away, two night stands, one dresser, two mirrors in addition to the bathroom mirror, five lamps, one couch, two chairs, coffee table, two end tables, one Samsung tv with dvd player. One small kitchen table, six chairs, one full fridge, one full sized stove with oven, microwave, coffee maker, toaster, dishes, glasses and utensils for six, pans and pots. Art, two alarms, two charging stations. (central heating/cooling)

2) Storage Areas:

a. The Garage:

Grill with grill tools, 3 propane tanks, leaf blower, 5 gallon shop vac, ice-melt spreader, work table, three snow shovels, one metal shovel, lawn mower, two portable room heaters, John deere mini-tractor snow blade and fork lift assembly (tractor itself listed separately under vehicles).

b. Storage Tunnel:

Lengths of pvc pipe for plumbing needs, air compressor, Generac portable generator, one spare toilet and toilet tank

c. Hotel Basement:

2.c.1 Tool room major items: DeWalt miter Saw with stand, cordless circular hand saw, circular hand saw with cord, one handheld orbital jig saw with cord, one reciprocating saw with cord, one 7" wet tile saw, two cordless drills, new Samsung 40" tv in box, one full motion tv wall mount 37-80", one full motion tv wall mount 22 -55", one 2.5 gallon shop vac, One Grundfos 2 HP submersible pump, One Grundfos submersible 3 HP motor, one Bosch hand held belt sander with cord, one multimate rotary tool, 36", 24" and 18" pipe wrenches, small handheld nail gun to be used with air compressor in the Tunnel, 7 backstocked small charging stations for rooms, three backstocked alarm clocks, various plumbing supplies for sink and showers. Library of pex plumbing parts. 97 piece and 13 piece socket wrench set. small Pro-heat gun, portable forced air heater (uses propane). Several used ac/units

2c2. A Supplies Storage Area: Various hotel room amenities including soaps, shampoos, lotions, toilet tissue, backstock of hair dryers, towels, cleaning supplies, light bulbs, Dish network tv remotes, one wall mount decorative room heater, two new 10k btu ac units, one new 8K btu ac unit.

2c3. A General Storage Area

One Rug Doctor carpet shampooer, backstock of five queen Serta mattresses, three queen box-springs, one king mattress and one king box spring set. One backstock mini-fridge and microwave, 4 dvd players, various coffee station supplies, two portable room heaters new in box, five unboxed.

2c4. Laundry Room

One LG top loader washing machine
Two Samsung Front Loading washing machine
One Maytag front loading washing machine
One Milnor Commercial Grade Dryer
One Manitowac Ice Machine
Mini Fridge
Microwave
Shelving with extra bedding and cleaning supplies

3) Vehicles

- a. White Dodge Van aka "Laundry Van" (parked in hotel parking lot)
- b. John Deere Mini Tractor (parked in Guest House garage)

4) Lobby

One 1960's Dr. Pepper soda vending machine, one love seat (custom made by Dutch Crafters in 2018 to match the lobby rocking chairs). Two rocking antique rocking chairs (one of which is pictured in the photograph of the lobby taken in 1927, hanging on the lobby wall). One end table. One coffee counter. Art.

5) Admin Areas

- a. Reservation office: one desk chair made by Dutch Crafters in 2018 to match the lobby chairs. Another chair. One Ricoh Afficio MP 301 high volume laser printer (this is not leased, but was bought outright in 2018). One POS X cash drawer with Epson thermal receipt printer. HP Envy 27" computer, ATT 2 Line Phone Set with head set, black two drawer filing cabinet, Antique Small wood Roll-Top. Desk, Underwood Standard 1936 manual typewriter, Small Ice Chest, Portable AC unit.
- b. Business Office: portable ac unit, small safe, mini-fridge, Small Cannon MF249 printer, Samsung TV, small Staples 15 sheet shredder, desk two chairs, one three drawer filing cabinet, two X two drawer filing cabinets, rolling stand.



Brad Little
Governor

State of Idaho

DEPARTMENT OF WATER RESOURCES

Eastern Region • 900 N SKYLINE DR STE A • IDAHO FALLS, ID 83402-1718

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

Gary Spackman
Director

June 02, 2020

CAMPBELL INC
PO BOX 343
LAVA HOT SPRINGS ID 83246

NORTH AVE CAPITAL LLC
816 A1A N STE 304
PONTE VEDRA FL 32082-3219

RE: Notice of Security Interest for Water Right/Permit No(s): 29-4212

Dear Security Interest Holder:

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

Updating the ownership record for a water right does not reconfirm the validity of the right. When processing a Notice of Security Interest, the Department does not review the history of water use to determine if the right has been forfeited or deliberately abandoned 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 Idaho Code §§ 42-222 and 42-223.

If you have any questions concerning the enclosed information, please contact me at (208) 497-3787.

Sincerely,

Jonie Barg
Technical Records Specialist 1

Enclosure(s)

cc: SORENSON'S HOME HOTEL LLC

BEARD ST CLAIR GAFFNEY



Thomas J. Holmes
203 S Garfield ■ Pocatello, ID 83204
Phone (208) 232-5911 ■ Fax (208) 232-5962
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March 25, 2020

IDWR Eastern Region
900 N. Skyline Dr. Ste. A
Idaho Falls, ID 83402-1718

RECEIVED
MAR 30 2020
Department of Water Resources
Eastern Region

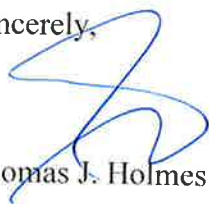
RE: Notice of Security Interest

Dear Ladies and Gentlemen:

Enclosed please find a Notice of Security Interest in a Water Right with attached recorded Deed of Trust and a check from the Title Company for \$50.00 for the filing fee for the two Water Rights governed by this Notice.

Please call if you have any questions.

Sincerely,



Thomas J. Holmes

TJH/lk
northavenuecapital032520.ltr

Enclosures

Attorneys licensed in					
Idaho	Colorado	Montana	North Dakota	Washington	Wyoming Utah
Jared W. Allen	John M. Avondet	Michael W. Brown	Jeffrey D. Brunson	Gregory C. Calder	
Dan C. Dummar	Joseph D. Fairbank	Jarin O. Hammer	Herbert J. Heimerl III	Melissa O. Heimerl	
Thomas J. Holmes	Megan J. Hopper	Lindsay M. Lofgren	Kristopher D. Meek	Lance J. Schuster	
Michael D. Gaffney of Counsel	E. Scott Lee of Counsel	Jack H. Robison of Counsel	John G. St. Clair of Counsel	Julie Stomper of Counsel	