Form 42-248(6) 2/14

RECEIVED
DEC 20 2017
DEPT OF WATER RESOURCES
SOUTHERN REGION

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

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.
36-10849	36-16666	36-16970	
36-16658	36-16966		
36-16660	36-16967		
36-16662	36-16968		
36-16664	36-16969		

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

   Farm Service Agency
   98C South 200 West
   Rupert, ID 83350

   Phone (208)-436-4777
   Email

4. Name of Water Right Owner/Claimant(s) Smith Sunrise Livestock LLC

5. Expiration Date of Notification Period December 13, 2057

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

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

   Title, if applicable Farm Loan Manager

SUPPORT DATA
IN FILE # 36-10849

For Office Use Only

Receipted by DM Date 12-21-2017 Receipt No. 5036498 Fee $275-

Processed by AJ Date WR Date

Instrument # 648728
HAILEY, BLAINE, IDAHO
12-14-2017 1:30:24 PM No. of Pages: 16
Recorded for: TITLEONE - TWIN FALLS
JOLYNN DRAGE Fee: $45.00
Ex-Officio Recorder Deputy: JB
Electronically Recorded by Simplifile

ELECTRONICALLY RECORDED
STAMPED FIRST PAGE NOW
INCORPORATED AS PART OF
THE ORIGINAL DOCUMENT.

1729787
1730280

This Mortgage is junior and subordinate to only that mortgage executed by Smith Sunrise Livestock, LLC and delivered to Northwest Farm Credit Services, FLCA, dated 12/14/2017, and recorded as Instrument No. 648727:2017

THIS MORTGAGE IS TO BE FILED AND INDEXED NOT ONLY AS A MORTGAGE BUT ALSO AS A FIXTURE FILING

Position 5

Form Approved – OMB No. 0560-0237

FSA-2029 ID
(12-08-15)

(See Page 8 for Privacy Act and Paperwork Reduction Act Statements)

UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency

MORTGAGE FOR IDAHO

THIS MORTGAGE ("instrument") is made on December 13, 20 17. The mortgagor is Smith Sunrise Livestock, LLC ("Borrower") whose mailing address is 735 N 1050 Ln E Rupert, ID 83350-9483. This instrument is given to the United States of America, acting through the Farm Service Agency, United States Department of Agriculture ("Government") located at 98C S 200 W Rupert, ID 83350-9133.

This instrument secures the following promissory notes, assumption agreements, and/or shared appreciation agreements (collectively called "note"), which have been executed or assumed by the Borrower unless otherwise noted, are payable to the Government, and authorize acceleration of the entire debt upon any default:

Date of Instrument	Principal Amount	Annual Rate of Interest	Due Date of Final Installment
December 13, 2017	$300,000.00	2.50%	December 13, 2057

(The interest rate for any limited resource farm ownership or limited resource operating loans secured by this instrument may be increased as provided in Government regulations and the note.)

By execution of this instrument, Borrower acknowledges receipt of all of the proceeds of the loan or loans evidenced by the above note.

This instrument secures to the Government: (1) payment of the note and all extensions, renewals, and modifications thereof; (2) recapture of any amount due under any Shared Appreciation Agreement entered into pursuant to 7 U.S.C. § 2001; (3) payment of all advances and expenditures, with interest, made by the Government; and (4) the obligations and covenants of Borrower set forth in this instrument, the note, and any other loan agreements.

In consideration of any loan made by the Government pursuant to the Consolidated Farm and Rural Development Act, 7 U.S.C. § 1921 et. seq. as evidenced by the note, Borrower irrevocably mortgages, grants and conveys to the Government the following described property situated in the State of Idaho, County or Counties of Blaine

See attached Exhibit A for legal description.

together with all rights (including the rights to mining products, gravel, oil, gas, coal or other minerals), interests, easements, fixtures, hereditaments, appurtenances, and improvements now or later attached thereto, the rents, issues and profits thereof, revenues and

1729 7987
1730 2880

This Mortgage is junior and subordinate to only that mortgage executed by Smith Sunrise Livestock, LLC and delivered to Northwest Farm Credit Services, FLCA, dated _____, and recorded as Instrument No._____.

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See attached Exhibit A for legal description.

together with all rights (including the rights to mining products, gravel, oil, gas, coal or other minerals), interests, easements, fixtures, hereditaments, appurtenances, and improvements now or later attached thereto, the rents, issues and profits thereof, revenues and

Initial MP KS date 12-13-17

income therefrom, all water, water rights, and water stock pertaining thereto, and all payments at any time owing to Borrower by virtue of any sale, lease, transfer, or condemnation of any part thereof or interest therein (collectively called "the property"). This instrument constitutes a security agreement and financing statement under the Uniform Commercial Code and creates a security interest in all items which may be deemed to be personal property, including but not limited to proceeds and accessions that are now or hereafter included in, affixed, or attached to "the property."

Borrower COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to mortgage, grant and convey the property and that the property is unencumbered, except for encumbrances of record. Borrower warrants and will defend the title to the property against all claims and demands, subject to any encumbrances of record.

This instrument combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform mortgage covering real property.

UNIFORM COVENANTS. Borrower COVENANTS AND AGREES as follows:

1. **Payment.** Borrower shall pay promptly when due any indebtedness to the Government secured by this instrument.
2. **Fees.** Borrower shall pay to the Government such fees and other charges that may now or later be required by Government regulations.
3. **Application of payments.** Unless applicable law or Government's regulations provide otherwise, all payments received by the Government shall be applied in the following order of priority: (a) to advances made under this instrument; (b) to accrued interest due under the note; (c) to principal due under the note; (d) to late charges and other fees and charges.
4. **Taxes, liens, etc.** Borrower shall pay when due all taxes, liens, judgments, encumbrances, and assessments lawfully attaching to or assessed against the property and promptly deliver to the Government without demand receipts evidencing such payments.
5. **Assignment.** Borrower grants and assigns as additional security all the rights, title and interest in: (a) the proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or taking by eminent domain or otherwise of any part of the property, or for conveyance in lieu of condemnation; (b) all bonuses, rentals, royalties, damages, delay rentals and income that may be due or become due and payable to the Borrower or Borrower's assigns under any existing or future oil, gas, mining or mineral lease covering any portion of the property; and (c) all rents, issues, profits, income and receipts from the property and from all existing or future leases, subleases, licenses, guaranties and any other agreements for the use and occupancy of any portion of the property, including any extensions, renewals, modifications or substitutions of such agreements. Borrower warrants the validity and enforceability of this assignment.

Borrower authorizes and directs payment of such money to the Government until the debt secured by this instrument is paid in full. Such money may, at the option of the Government, be applied on the debt whether due or not. The Government shall not be obligated to collect such money, but shall be responsible only for amounts received by the Government. In the event any item so assigned is determined to be personal property, this instrument will also be regarded as a security agreement.

Borrower will promptly provide the Government with copies of all existing and future leases. Borrower warrants that as of the date of executing this instrument no default exists under existing leases. Borrower agrees to maintain, and to require the tenants to comply with, the leases and any applicable law. Borrower will obtain the Government's written authorization before Borrower consents to sublet, modify, cancel, or otherwise alter the leases, or to assign, compromise, or encumber the leases or any future rents. Borrower will hold the Government harmless and indemnify the Government for any and all liability, loss or damage that the Government may incur as a consequence of this assignment.

6. **Insurance.** Borrower shall keep the property insured as required by and under insurance policies approved by the Government and, at its request, deliver such policies to the Government. If property is located in a designated flood hazard area, Borrower also shall keep property insured as required by 42 U.S.C. § 4001 et. seq. and Government regulations. All insurance policies and renewals shall include a standard mortgagee clause.
7. **Advances by Government.** The Government may at any time pay any other amounts required by this instrument to be paid by Borrower and not paid by Borrower when due, as well as any cost for the preservation, protection, or enforcement of this lien, as advances for the account of Borrower. Advances shall include, but not be limited to, advances for payments of real property taxes, special assessments, prior liens, hazard insurance premiums, and costs of repair, maintenance, and improvements. All such advances shall bear interest at the same rate as the note which has the highest interest rate. All such advances, with interest, shall be immediately due and payable by Borrower to the Government without demand. No such advance by the Government shall relieve Borrower from breach of Borrower's covenant to pay. Any payment made by Borrower may be applied on the note or any secured debt to the Government, in any order the Government determines.
8. **Protection of lien.** Borrower shall pay or reimburse the Government for expenses reasonably necessary or incidental to the protection of the lien and its priority and the enforcement or compliance with this instrument and the note. Such expenses include, but are not limited to: costs of evidence of title to, and survey of, the property, costs of recording this and other instruments, attorneys' fees, trustees' fees, court costs, and expenses of advertising, selling, and conveying the property.
9. **Authorized purposes.** Borrower shall use the loan evidenced by the note solely for purposes authorized by the Government.

10. **Repair and operation of property.** Borrower shall: (a) maintain improvements in good repair; (b) make repairs required by the Government; (c) comply with all farm conservation practices and farm management plans required by the Government; and (d) operate the property in a good and husbandlike manner. Borrower shall not (e) abandon the property; (f) cause or permit waste, lessening or impairment of the property; or (g) cut, remove, or lease any timber, gravel, oil, gas, coal, or other minerals without the written consent of the Government, except as necessary for ordinary domestic purposes.

11. **Legal compliance.** Borrower shall comply with all laws, ordinances, and regulations affecting the property.

12. **Transfer or encumbrance of property.** Except as provided by Government regulations, the Borrower shall not lease, assign, sell, transfer, or encumber, voluntarily or otherwise, any of the property without the written consent of the Government. The Government may grant consents, partial releases, subordinations, and satisfactions in accordance with Government regulations.

13. **Inspection.** At all reasonable times the Government may inspect the property to ascertain whether the covenants and agreements contained in this instrument are being performed.

14. **Hazardous substances.** Borrower shall not cause or permit the presence, use, disposal, storage, or release of any hazardous substances on or in the property. The preceding sentence shall not apply to the presence, use, or storage on the property of small quantities of hazardous substances that are generally recognized to be appropriate to normal use and maintenance of the property. Borrower covenants that Borrower has made full disclosure of any such known, existing hazardous conditions affecting the property. Borrower shall not do, nor allow anyone else to do, anything affecting the property that is in violation of any Federal, state, or local environmental law or regulation. Borrower shall promptly give the Government written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the property and any hazardous substance or environmental law or regulation of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any hazardous substance affecting the property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with applicable environmental law and regulations. As used in this paragraph, "hazardous substances" are those substances defined as toxic or hazardous substances by environmental law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph, "environmental law" means Federal laws and regulations and laws and regulations of the jurisdiction where the property is located that relate to health, safety or environmental protection.

15. **Adjustment; release; waiver; forbearance.** In accordance with Government regulations, the Government may (a) adjust the interest rate, payment, terms or balance due on the loan, (b) increase the mortgage by an amount equal to deferred interest on the outstanding principal balance, (c) extend or defer the maturity of, and renew and reschedule the payments on the note, (d) release any party who is liable under the note from liability to the Government, (e) release portions of the property and subordinate its lien, and (f) waive any other of its rights under this instrument. Any and all of this can and will be done without affecting the lien or the priority of this instrument or Borrower's liability to the Government for payment of the note secured by this instrument unless the Government provides otherwise in writing. HOWEVER, any forbearance by the Government - whether once or often - in exercising any right or remedy under this instrument, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

16. **Graduation.** If the Government determines that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, upon the Government's request, apply for and accept such a loan in sufficient amount to pay the note secured by this instrument and to pay for stock necessary to be purchased in a cooperative lending agency in connection with such loan.

17. **Forfeiture.** Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in the Government's good faith judgment could result in forfeiture of the property or otherwise materially impair the lien created by this instrument or the Government's security interest. Borrower may cure such default by causing the action or proceeding to be dismissed with a ruling that precludes forfeiture of the Borrower's interest in the property or other material impairment of the lien created by this security instrument or the Government's security interest.

18. **False statement.** Borrower also shall be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to the Government (or failed to provide the Government with any material information) in connection with the loan evidenced by the note.

19. **Cross collateralization.** Default under this instrument shall constitute default under any other security instrument held by the Government and executed or assumed by Borrower. Default under any other such security instrument shall constitute default under this instrument.

20. **Highly erodible land; wetlands.** Any loan secured by this instrument will be in default if Borrower uses any loan proceeds for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity as provided in 7 C.F.R. part 1940, subpart G, or any successor Government regulation.

21. **Non-discrimination.** If any part of the loan for which this instrument is given shall be used to finance the purchase, construction or repair of property to be used as an owner-occupied dwelling (herein called "the dwelling") and if Borrower intends to sell or rent the dwelling and has obtained the Government's consent to do so (a) neither Borrower nor anyone authorized to act for Borrower will, after receipt of a bona fide offer, refuse to negotiate for the sale or rental of the dwelling or will otherwise make unavailable or deny the dwelling to anyone because of race, color, religion, sex, national origin, disability, familial status or age, and (b) Borrower recognizes as illegal and hereby disclaims, and will not comply with or attempt to enforce any restrictive covenants on the dwelling relating to race, color, religion, sex, national origin, disability, familial status or age.

22. **Notices.** Notices given under this instrument shall be sent by certified mail unless otherwise required by law. Such notices shall be addressed, unless and until some other address is designated in a notice, in the case of the Government to the State Executive Director of the Farm Service Agency at the mailing address shown above, and in the case of Borrower at the address shown in the Government's Finance Office records (which normally will be the same as the mailing address shown above).

23. **Governing law; severability.** This instrument shall be governed by Federal law. If any provision of this instrument or the note or its application to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this instrument or the note which can be given effect without the invalid provision or application. The provisions of this instrument are severable. This instrument shall be subject to the present regulations of the Government, and to its future regulations not inconsistent with the express provisions hereof. All powers and agencies granted in this instrument are coupled with an interest and are irrevocable by death or otherwise; and the rights and remedies provided in this instrument are cumulative to remedies provided by law.

24. **Successors and assigns; joint and several covenants.** The covenants and agreements of this instrument shall bind and benefit the successors and assigns of Government and Borrower. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this instrument but does not execute the note: (a) is co-signing this instrument only to mortgage, grant and convey that Borrower's interest in the property under this instrument; (b) is not personally obligated to pay the sums secured by this instrument; and (c) agrees that the Government and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this instrument or the note without that Borrower's consent.

25. **No merger.** If this instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the property, the leasehold and the fee title shall not merge unless the Government agrees to the merger in writing. If the property is conveyed to the Government, title shall not merge (unless the Government elects otherwise) and the lien provided under this instrument shall not be affected by such conveyance.

26. **Time is of the essence.** Time is of the essence in the Borrower's performance of all duties and obligations under this instrument.

NON-UNIFORM COVENANTS. Borrower further COVENANTS AND AGREES as follows:

27. **Default; death; incompetency; bankruptcy.** Should default occur in the performance or discharge of any obligation in this instrument or secured by this instrument, or should the Borrower die or be declared incompetent, or should the Borrower be discharged in bankruptcy or declared an insolvent or make an assignment for the benefit of creditors, the Government, at its option, with or without notice, may: (a) declare the entire amount unpaid under the note and any debt to the Government hereby secured immediately due and payable, (b) for the account of Borrower incur and pay reasonable expenses for repair or maintenance of, and take possession of, operate or rent the property, (c) upon application by it and production of this instrument, without other evidence and without notice of hearing of said application, have a receiver appointed for the property, with the usual powers of receivers in like cases, (d) foreclose this instrument and sell the property as prescribed by law, and (e) enforce any and all other rights and remedies provided herein or by present or future law.

28. **State law.** Borrower agrees that the Government will not be bound by any present or future State laws (a) providing for valuation, appraisal, homestead or exemption of the property, (b) prohibiting maintenance of any action for a deficiency judgment or limiting the amount thereof or the time within which such action must be brought, (c) prescribing any other statute of limitations, (d) allowing any right of redemption or possession following any foreclosure sale, or (e) limiting the conditions which the Government may by regulation impose, including the interest it may charge, as a condition of approving a transfer of the property to a new Borrower. Borrower expressly waives the benefit of any such State laws.

29. **Assignment of lease and rents.** Borrower agrees that the assignment of leases and rents in this instrument is immediately effective on the recording of this instrument. Upon default, the Borrower will receive any rents in trust for the Government, and Borrower will not commingle the rents with any other funds. Any amounts collected shall be applied at the Government's discretion first to costs of managing, protecting and preserving the property, and to any other necessary related expenses. Any remaining amounts shall be applied to reduce the debt evidenced by the note. Borrower agrees that the Government may demand that Borrower and Borrower's tenants pay all rents due or to become due directly to the Government if the Borrower defaults and the Government notifies Borrower of the default. Upon such notice, Borrower will endorse and deliver to the Government any payments of rents. If the Borrower becomes subject to a bankruptcy, then Borrower agrees that the Government is entitled to receive relief from the automatic stay in bankruptcy for the purpose of enforcing this assignment.

30. **Application of foreclosure proceeds.** The proceeds of foreclosure sale shall be applied in the following order to the payment of: (a) costs and expenses incident to enforcing or complying with this instrument, (b) any prior liens required by law or a competent court to be so paid, (c) the debt evidenced by the note and all other debt to the Government secured by this instrument, (d) inferior liens of record required by law or a competent court to be so paid, (e) at the Government's option, any other debt of Borrower to the Government, and (f) any balance to Borrower. If the Government is the successful bidder at foreclosure or other sale of all of any part of the property, the Government may pay its share of the purpose price by crediting such amount on any debts of Borrower owing to the Government in the order prescribed above.

By signing below, Borrower accepts and agrees to the terms and covenants contained in this instrument and in any rider executed by Borrower and recorded with this instrument.

_____ (SEAL)

_____ (SEAL)

X _____ (SEAL)
Smith Sunrise Livestock, LLC

By Gavin A. Smith, Member (SEAL)

ACKNOWLEDGMENTS

STATE OF IDAHO
COUNTY OF Minidoka } *ss.* (Individual)

On this 13 day of December 2017 before me personally appeared Gavin A. Smith _____, to be known to me to be the same person(s) whose name is subscribed to the foregoing instrument, and acknowledged that (he or she) signed and delivered the instrument as (his or her) free and voluntary act, for the uses and purposes set forth.

My commission expires:
8/2/2020

TERRI L. SMITH
NOTARY PUBLIC
STATE OF IDAHO

_____
NOTARY PUBLIC
Residing: Burley, Id

Notes: Page 6 of 8, and page 7 of 8 apply to entities and will not be recorded for individuals.
Page 8 of 8 contains the privacy act paperwork reduction act, and USDA nondiscrimination statements and will not be recorded.

STATE OF IDAHO

COUNTY OF _____ } *ss.* (Corporation)

The foregoing instrument was acknowledged before me this _____ day of _____, by _____, President and _____ Secretary of _____, a _____ corporation, on behalf of the corporation.

My commission expires:

_____ _____

NOTARY PUBLIC

STATE OF IDAHO

COUNTY OF _____ } *ss.* (Partnership)

The foregoing instrument was acknowledged before me this _____ day of _____, by _____, Partners, on behalf of the _____, a _____ partnership.

My commission expires:

_____ _____

NOTARY PUBLIC

Initial MS KS date 12-13-17

STATE OF IDAHO

COUNTY OF Minidoka } ss. (Limited Liability Company)

On this 13th day of December, in the year of 20 17, personally appeared before me, Gavin A. Smith, known or identified to me to be the manager or a member of the limited liability company that executed the instrument or the person who executed the instrument on behalf of said limited liability company and acknowledged to me that such limited liability company executed the same.

TERRI L. SMITH
NOTARY PUBLIC
(SEAL) STATE OF IDAHO

NOTARY PUBLIC

Residing at Burley, ID

My commission expires: 8/2/2020

Initial GS date 12-13-17

KS

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 U.S.C. 552a - as amended). The authority for requesting the information identified on this form is the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1921 et. seq.). The information will be used to determine eligibility and feasibility for loans and loan guarantees, and servicing of loans and loan guarantees. The information collected on this form may be disclosed to other Federal, State, and local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in the applicable Routine Uses identified in the System of Records Notice for USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information may result in a denial for loans and loan guarantees, and servicing of loans and loan guarantees. The provisions of criminal and civil fraud, privacy, and other statutes may be applicable to the information provided.*

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0560-0237. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

Initial MO KS date 12-13-17

EXHIBIT A
SMITH SUNRISE LIVESTOCK, LLC

Legal Description:

Parcel I

TOWNSHIP 8 SOUTH RANGE 26 EAST, BOISE MERIDIAN, BLAINE COUNTY, IDAHO

Section 9: W1/2E1/2SW1/4

Parcel II

TOWNSHIP 8 SOUTH RANG 26 EAST, BOISE MERIDIAN, BLAINE COUNTY, IDAHO

Section 18: A portion of the East half, more particularly described as follows:

Commencing at the Northeast corner of said Section 18, marked by a 5/8" rebar; thence
Along the East line therefrom South 00°28'38" East , 2,685.90 feet to a 1/2" rebar and the TRUE POINT OF BEGINNING; thence
Continuing along said East line South 00°28'38" East, 1,266.24 feet to a 1/2" rebar; thence
South 83°45'11" West, 98.17 feet to a ½" rebar; thence
South 87°31'36" West, 178.66 feet to a ½" rebar; thence
North 89°02'32" West, 260.26 feet to A ½" rebar; thence
South 89°53'44" West, 1,029.70 feet to a ½" rebar;
thence South 00°39'13" West, 148.16 feet to a ½" rebar;
thence North 85°49'24" West, 366.32 feet to a ½" rebar;
thence North 00°29' 45" East, 112.19 feet to a ½" rebar;
thence South 89°31'42" West, 207.42 feet to a ½" rebar;
thence North 00°36'49" West, 339.39 feet to a ½" rebar;
thence South 87°15'37" East, 106.87 feet to a ½" rebar;
thence North 02°40'32" East, 435.67 feet to a ½" rebar;
thence North 05°37'21" East, 190.62 feet; thence
North 00°52'28" East, 436.79 feet to a ½" rebar; thence
South 88°08'50" East, 1,534 .28 feet to a ½" rebar; thence
South 82°03'29" East, 146.06 feet to a ½" rebar; thence
South 66°25'50" East, 10.42 feet to a ½" rebar; thence
South 79°27'37" East, 101.01 feet to a ½" rebar; thence
South 86°55'49" East, 193.42 feet to the TRUE POINT OF BEGINNING.

Also known as Tax Lot 8128

TOGETHER WITH:

Dwelling – 4,718 sq. ft. 4 Bedroom, 4 Bath

All out buildings including, but not limited to:
- Shop – 2,560 sq. ft. steel construction
- Quonset – 5,000 sq. ft.
- Grain Bin – 10,000 bu. Capacity

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EXHIBIT A (CONTINUED)

4- Wheel Lines
1- 150 hp irrigation pump on a shared well
1- Submersible irrigation pump
Hand Lines and approximately 2,500" of buried mainline
SEE ATTACHED JOINT WELL USE AGREEMENT AND GRANT OF EASEMENT

And all irrigation equipment of every kind and character attached to the properties described above. Including but not limited to, pumps, motors and mainline. All hand lines, wheel lines and pivots, together with substitutions, replacements and any irrigation equipment acquired hereafter.

All water and water rights, ditches and ditch rights used thereon or appurtenant thereto. Including the following Idaho Department of Water Resource water right numbers:
36-16970
36-16966
36-16968
36-16967
36-16969
36-16662
36-16658
36-16664
36-16660
36-16666
36-10849

Date 12-13-17 Initial MO KS

After recording send to:

Northwest Farm Credit Services
1408 Pomerelle Ave Suite B
Burley, Idaho 83318

Recording Information

JOINT WELL USE AGREEMENT AND GRANT OF EASEMENT

THIS AGREEMENT made and entered into this 13 day of November, 2017 by and between Smith Sunrise Livestock LLC ("Grantee") of Rupert, Minidoka, Idaho, and Triangle P, LLC ("Grantor") of Rupert, Minidoka, Idaho.

Grantee has applied to Lender ("Northwest Farm Credit Services, FLCA") for a loan to be secured by certain real property owned by Grantee and described in mortgage dated November __, 2017, and recorded on November __, 2017, in the records of Blaine County, State of Idaho, Instrument No. _____, which real property is hereinafter referred to as the Grantee's real property, and said loan conditioned on Grantee obtaining the joint well agreement and grant of easement described below.

JOINT WELL USE AGREEMENT

WHEREAS, Grantors are the owners of certain real property described in Exhibit "A" attached hereto; and

WHEREAS, Grantee is the owner of certain real property described on Exhibit "B" attached hereto, which is adjacent to Grantors' real property more fully described in Exhibit "A"; and

WHEREAS, Grantor is the owner of a certain well, casing, pump, motor, panels and other apparatus, which is located on certain real property described in Exhibit "A" attached hereto; and

WHEREAS, the parties hereto desire to provide the terms and conditions by which said well, casing, pump, motor, panels and other necessary apparatus owned by Grantors shall be jointly operated, used and maintained with the Grantee for the irrigation of the lands described in Exhibits "A" and "B"; and

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained and the agreements herein made, the parties do hereby stipulate, covenant and agree as

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follows:

1. Each of the parties to this agreement shall be responsible for the operation, maintenance and repair of the well, casing, pump, motor, panels and other necessary apparatus. Each of the parties shall cooperate with the other to accommodate the prompt repair by either party of that portion of the irrigation system owned and operated by the other party, including the free access to the pump and motor at all times for the purposes of carrying out the terms of this agreement.

2. This agreement shall be recorded in the office of the County Recorder of the County of Blaine, State of Idaho, and when so recorded, the agreement shall be fully operative and binding on the parties.

3. This agreement shall be deemed a covenant running with the land and shall be for the benefit of the lands to which water from the well is appurtenant, and shall be binding on the parties, their successors and assigns.

4. Neither party shall assign, transfer, hypothecate or otherwise encumber this agreement without the consent of the other, after the date of this agreement. It is further understood and agreed that this provision shall not be construed as prohibiting the respective parties from selling the lands to which the water is appurtenant, together with the water rights appurtenant thereto.

GRANT OF EASEMENT

WHEREAS the parties desire to create an easement by which Grantee may access Grantor's well for the benefit of irrigating his real property adjacent to Grantors' well, casing, pump, motor, panels and other necessary apparatus required to operate Grantors' well; and

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained and the agreements herein made, the parties do hereby stipulate, covenant and agree as follows:

1) Grantors, for value received, do hereby grant unto Grantee, agents, heirs, successors and assigns, a perpetual thirty-five (35) foot easement for ingress and egress across Grantors' servient estate lying and being a portion of the land described in Exhibit "A", in favor of Grantee's land more particularly described in Exhibit "B" for access to irrigation equipment and Grantors' well, casing, pump, motor, panels and other necessary apparatus for use, repair and transfer of water across said property; and

2) The easement and right-of-way herein granted covers a strip of land not to exceed thirty-five (35) feet in width over and across the above-described lands. The easement and right-of-way covers a strip of land running from the Grantors' well to the Grantee's irrigation

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mainline directly north of Grantors' well; described as: Beginning at the existing well site located in the N1/2NE1/4NW1/4 of Section 16, Township 8 South, Range 26 East, Boise Meridian, and running in a Northerly direction, along the existing pipeline to a point that intersects the Southerly boundary of the W1/2E1/2SW1/4 of Section 9, Township 8 South, Range 26 East, Boise Meridian.

3) The Grantee, his agents, heirs, successors and assigns shall have the right to perform any maintenance he may deem necessary or wish to exercise in connection with the aforesaid easement and shall have access thereto for that purpose.

4) Grantors do hereby covenant with Grantee that Grantors are lawfully seized and possessed of the real estate above described, that Grantors have good and lawful right to convey it, or any part hereof, that it is free from all encumbrances, and that Grantors will forever warrant and defend the title thereto against the lawful claims of all persons whomsoever.

Triple P, LLC, a Limited Liability Company

By: Sherma F. Poteet

Sherma F Poteet, Managing Member, Grantor

Smith Sunrise Livestock LLC, a Limited Liability Company

By: _____

Gavin A Smith, Member, Grantee

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STATE OF IDAHO)
) ss.
County of Cassia)

On this 13 day of November, 2017, before me, the undersigned, a Notary Public in and for said State, personally appeared Sherma F Poteet, known to me to be the Managing Member of the Limited Liability Company which executed the within instrument, and acknowledged that he/she executed the same as the Managing Member of Triple P, LLC and in the limited liability company name freely and voluntarily.

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

(SEAL) RILEY GRIFFIN NOTARY PUBLIC STATE OF IDAHO

Notary Public for Idaho
Residing at: Rupert
My Commission expires: 05-27-2020

STATE OF IDAHO)
) ss.
County of Cassia)

On this 13 day of November, 2017, before me, the undersigned, a Notary Public in and for said State, personally appeared Gavin A Smith, known to me to be the Member of the Limited Liability Company which executed the within instrument, and acknowledged that he/she executed the same as the Member of Smith Sunrise Livestock LLC and in the limited liability company name freely and voluntarily.

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

(SEAL) RILEY GRIFFIN NOTARY PUBLIC STATE OF IDAHO

Notary Public for Idaho
Residing at: Rupert
My Commission expires: 05-27-2020

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EXHIBIT "A"

TOWNSHIP 8 SOUTH RANGE 26 EAST, BOISE MERIDIAN, BLAINE COUNTY, IDAHO

The N 1/2 of the NE 1/4 of the NW 1/4 of section 16 of township 85, Range 26 E

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EXHIBIT "B"

TOWNSHIP 8 SOUTH RANGE 26 EAST, BOISE MERIDIAN, BLAINE COUNTY, IDAHO

Section 9: W½E½SW¼

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KS

State of Idaho
DEPARTMENT OF WATER RESOURCES
Southern Region • 650 Addison Ave W, Suite 500 • Twin Falls, Idaho 83301-5858
Phone: (208) 736-3033 • Fax: (208) 736-3037 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

January 25, 2018

USDA FARM SERVICE AGENCY
98C S 200 W
RUPERT ID 83350

Re: Notice of Security Interest in a Water Right for Water Right 36-10849, 36-16658, 36-16660, 36-16662, 36-16664, 36-16666, 36-16966, 36-16967, 36-16968, 36-16969 and 36-16970
Smith Sunrise Livestock LLC

Dear Party Holding Security Interest:

The Department of Water Resources acknowledges receipt of the Notice of Security Interest in a Water Right you recently submitted on the above water rights. The Department has modified its records to reflect the security interest and has enclosed a computer-generated report for your records.

Please note that as of July 1, 1996, water right owners are required to report any change of water right ownership and any change of mailing address of the owners of a water right to the Department. Notice of the change must be provided to the Department within 120 days of the change. Change reporting forms are available from any office of the Department or on the Department's website.

Please feel free to contact this office with any questions you may have.

Sincerely,

Trish Fawcett
Technical Records Specialist

Enclosures

Cc: TitleOne (17302880)
Smith Sunrise Livestock LLC

RECEIVED
DEC 20 2017
DEPT OF WATER RESOURCES
SOUTHERN REGION

TitleOne
a title & escrow co.

12/19/2017

Idaho Department of Water Resources
650 Addison Avenue West, Suite 500
Twin Falls, ID. 83301

RE: TitleOne File No. 17302880

To whom it may concern;

Enclosed is TitleOne Corporations Trust Account Check No. 12911 for the amount of $275.00 payable to Idaho Department of Water Resources for Notice of Security Interest (Farm Service Agency).

Along with above referenced check, I am enclosing the originals of the following documents..

- Notice of Security Interest for Farm Service Agency.

Also Enclosed are Copies of the following Documents..

- Mortgage (Recorded - 648728)

Should you have any questions, or if TitleOne may be of any assistance, please do not hesitate to contact our office.

Thank you,
TITLEONE

Jess Davies
Escrow Assistant – Ag Team

AR/jd
Encl.
FedEx Overnight