

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

RECEIVED

AUG 28 2017

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.
31-62Q <i>OK</i>			
31-63Q <i>OK</i>			
31-2370 <i>OK</i>			
31-2385 <i>OK</i>			
31-11358 <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

D.L. Evans Bank

P.O. Box 64

Rigby, ID 83442

Phone 208-745-8107

Email gboehme@dlevans.com

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

Brent Dalling aka Brent Robert Dalling and Laurel Dalling aka
Laurel Lyn Dalling

5. Expiration Date of Notification Period

01-20-2042

6. Is this a Renewal of Request for Notification?

☐ YES

☒ NO

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

D.L. Evans Bank

Title, if applicable

By:

Grant Boehme

, Sr. Vice President

Grant Boehme

For Office Use Only

Received by DM

Date

8/14/2017

Receipt No.

3036288

Fee

\$125 -

Processed by AJ

Date

WR

Date

8/28/2017

SUPPORT DATA

IN FILE # 31-62Q

RECORDATION REQUESTED BY:

D. L. Evans Bank
 Rigby Branch
 P. O. Box 64
 432 Farnsworth Way, Suite #4
 Rigby, ID 83442

WHEN RECORDED MAIL TO:

D. L. Evans Bank
 Rigby Branch
 P. O. Box 64
 432 Farnsworth Way, Suite #4
 Rigby, ID 83442

SEND TAX NOTICES TO:

Brent Dalling
 Laurel Dalling
 P.O. Box 238
 Hamer, ID 83426

RECEIVED

AUG 14 2017

 DEPT OF WATER RESOURCES
 SOUTHERN REGION
 RECEIVED

AUG 18 2017

 Department of Water Resources
 Eastern Region

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MORTGAGE

THIS MORTGAGE dated June 13, 2017, is made and executed between Brent Dalling and Laurel Dalling, husband and wife (referred to below as "Grantor") and D. L. Evans Bank, whose address is P. O. Box 64, 432 Farnsworth Way, Suite #4, Rigby, ID 83442 (referred to below as "Lender").

GRANT OF MORTGAGE. For valuable consideration, Grantor mortgages, grants, bargains, sells and conveys to Lender all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures, all easements, rights of way, and appurtenances, all water, water rights, watercourses and ditch rights (including stock in utilities with ditch or irrigation rights), and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in Jefferson County, State of Idaho:

TRACT 1:

Township 7 North, Range 36 East of the Boise Meridian, Jefferson County, Idaho.

Section 35: The Northeast Quarter.

EXCEPTING THEREFROM: A triangular tract of land in the Northeast corner East of the Oregon Short Line Railroad, described as follows, to wit: Beginning at a point on the East side of the Oregon Short Line Railroad right-of-way on the North Section line of said Section 35 and running thence East along said North Section line to the Northeast corner of said Section 35; thence South along the East line of said Section 35 to the intersection of said East Section line and the East right-of-way line of said railroad; thence Northwesterly along said East line of said railroad right-of-way to the point of beginning.

ALSO: A strip of land 1 rod wide, the center of which is described as follows:

Commencing 1120 feet West and 530 feet South of the Northwest corner of the Northeast Quarter of said Section 35, to a point which is 12 feet Southwest of the Southwest corner of an irrigation well; running thence N40°13'E 614 feet; thence East 390 feet; thence meandering in a Southerly direction 528 feet to a point which is S80°37'E of the true point of beginning and 300 feet West of the North-South Quarter line of said Section 35; thence East 300 feet to said North-South Quarter line of said Section 35.

ALSO: Commencing at the Northwest corner of the Northeast Quarter of said Section 35 and running thence West 300 feet; thence South 600 feet; thence East 300 feet; thence North 600 feet to the point of beginning.

ALSO: Commencing at a point 300 feet West of the North Quarter of said Section 35 and running thence South 600 feet; thence West 800 feet; thence North 600 feet to the North Section line; thence East 800 feet to the point of beginning.

EXCEPTING THEREFROM: Beginning at the Northwest Corner of the Northeast Quarter of Section 35, Township 7 North, Range 36 East of the Boise Meridian, Jefferson County, Idaho, and running thence South 600 feet; thence West 363 feet; thence North 600 feet more or less to the North Section line of said Section 35; thence East along the Section line 363 feet more or less to the Point of Beginning. **TOGETHER WITH AND SUBJECT TO** a road right of way with the right of ingress and egress across the North 1 rod of the NW 1/4 of Section 35, Township 7 North, Range 36 East of the Boise Meridian, Jefferson County, Idaho.

ALSO: Commencing at a point 20 feet South of the North boundary of the NW 1/4 of the NW 1/4 of said Section 35 on the East side of the highway on the right of way line; thence South 480 feet; thence East 209 feet to the point of beginning; thence East 984 feet; thence North to the South boundary of the County road right of way; thence West along said County road right of way 984 feet; thence South to the point of beginning.

EXCEPTING THEREFROM: Beginning at a point that is South 20 feet and East 209 feet from the intersection of Old U.S. Highway #91 with the North line of the NW 1/4 NW 1/4 of said Section 35 and running thence East 209 feet; thence South 480 feet; thence West 209 feet; thence North 480 feet to the point of beginning.

ALSO: Commencing at the East Quarter corner of said Section 35 and running thence West 2640 feet; along the Quarter Section line to the midpoint of said Section; thence in a straight line in a Southeasterly direction to a point 400 feet South of the East Quarter corner of the East section line; thence 400 feet North to the point of beginning.

TRACT 2:

Township 7 North, Range 36 East of the Boise Meridian, Jefferson County, Idaho.

Section 36: Commencing at the Northwest corner of said Section 36 and running thence South 1100 feet to the South boundary of the railroad right of way, which is the true point of beginning; running thence in a Southeasterly direction to a point on the South Section line 975 feet West of the Southeast corner of Section 36; thence West 4305 feet to the Southwest corner of Section 36; thence North 4180 feet to the true point of beginning.

TRACT 3:

Township 7 North, Range 36 East of the Boise Meridian, Jefferson County, Idaho.

Section 26: All that portion of the Southeast Quarter of said Section 26, lying and being West of the railroad company's right of way.

TRACT 4:

Township 6 North, Range 36 East of the Boise Meridian, Jefferson County, Idaho.

Section 1: Lot 4
 Section 2: Lot 1

Together with the water rights represented by Idaho State Department of Water Resources Water Right No 31-62Q with a claimed priority of October 31, 1917 to 0.54 cfs of irrigation water from groundwater and Water Right No 31-63Q with a claimed priority of May 1, 1928 to 0.22 cfs of irrigation water from groundwater and Water Right No 31-11358 with a claimed priority of April 1, 1935 to 2.22 cfs of irrigation water from groundwater and Water Right No 31-2370 with a claimed priority of January 26, 1959 to 2.65 cfs of irrigation water from groundwater and Water Right No 31-2385 with a claimed priority of December 13, 1960 to 2.09 cfs of irrigation water from groundwater together with any and all other water rights and ditch rights appurtenant to the above described premises.

Together with all irrigation equipment and additions thereto and replacements thereof now owned or hereafter acquired by the borrowers and used in the irrigation of the above premises, especially but not limited to pumps, pipe, casing, motor and electrical panels and accessories to each including but not limited to: G.E. 75 HP Electric Motor and Aurora turbine pump, No Serial Number;

services rendered or material furnished to the Property. Grantor shall maintain the Property free of any liens having priority over or equal to the interest of Lender under this Mortgage, except for those liens specifically agreed to in writing by Lender, and except for the lien of taxes and assessments not due as further specified in the Right to Contest paragraph.

Right to Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and reasonable attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Evidence of Payment. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

Notice of Construction. Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialman's lien, or other lien could be asserted on account of the work, services, or materials and the cost exceeds 1,000.00. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Mortgage:

Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Grantor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Lender being named as additional insureds in such liability insurance policies. Additionally, Grantor shall maintain such other insurance, including but not limited to hazard, business interruption and boiler insurance as Lender may require. Policies shall be written by such insurance companies and in such form as may be reasonably acceptable to Lender. Grantor shall deliver to Lender certificates of coverage from each insurer containing a stipulation that coverage will not be cancelled or diminished without a minimum of fifteen (15) days' prior written notice to Lender and not containing any disclaimer of the insurer's liability for failure to give such notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Real Property be located in an area designated by the Administrator of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood Insurance, if available, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property if the estimated cost of repair or replacement exceeds 1,000.00. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at Lender's election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default under this Mortgage. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Mortgage, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the indebtedness. If Lender holds any proceeds after payment in full of the indebtedness, such proceeds shall be paid to Grantor as Grantor's interests may appear.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Grantor fails to comply with any provision of this Mortgage or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Mortgage or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note, or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Mortgage also will secure payment of those amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Mortgage:

Title. Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Mortgage, and (b) Grantor has the full right, power, and authority to execute and deliver this Mortgage to Lender.

Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Lender under this Mortgage, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

Compliance With Laws. Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Mortgage shall survive the execution and delivery of this Mortgage, shall be continuing in nature, and shall remain in full force and effect until such time as Borrower's indebtedness shall be paid in full.

CONDEMNATION. The following provisions relating to condemnation proceedings are a part of this Mortgage:

Proceedings. If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments and documentation as may be requested by Lender from time to time to permit such participation.

Application of Net Proceeds. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees incurred by Lender in connection with the condemnation.

IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES. The following provisions relating to governmental taxes, fees and charges are a part of this Mortgage:

Current Taxes, Fees and Charges. Upon request by Lender, Grantor shall execute such documents in addition to this Mortgage and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Grantor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Mortgage, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Mortgage.

Taxes. The following shall constitute taxes to which this section applies: (1) a specific tax upon this type of Mortgage or upon all or any part of the indebtedness secured by this Mortgage, (2) a specific tax on Borrower which Borrower is authorized or required to deduct

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Judicial Foreclosure. Lender may obtain a judicial decree foreclosing Grantor's interest in all or any part of the Property.

Nonjudicial Sale. If permitted by applicable law, Lender may foreclose Grantor's interest in all or in any part of the Personal Property or the Real Property by non-judicial sale.

Deficiency Judgment. If permitted by applicable law, Lender may obtain a judgment for any deficiency remaining in the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this section.

Tenancy at Sufferance. If Grantor remains in possession of the Property after the Property is sold as provided above or Lender otherwise becomes entitled to possession of the Property upon default of Borrower or Grantor, Grantor shall become a tenant at sufferance of Lender or the purchaser of the Property and shall, at Lender's option, either (1) pay a reasonable rental for the use of the Property, or (2) vacate the Property immediately upon the demand of Lender.

Other Remedies. Lender shall have all other rights and remedies provided in this Mortgage or the Note or available at law or in equity.

Sale of the Property. To the extent permitted by applicable law, Borrower and Grantor hereby waive any and all right to have the Property marshalled. In exercising its rights and remedies, Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property.

Notice of Sale. Lender shall give Grantor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition. Any sale of the Personal Property may be made in conjunction with any sale of the Real Property.

Election of Remedies. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Mortgage, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies. Nothing under this Mortgage or otherwise shall be construed so as to limit or restrict the rights and remedies available to Lender following an Event of Default, or in any way to limit or restrict the rights and ability of Lender to proceed directly against Grantor and/or Borrower and/or against any other co-maker, guarantor, surety or endorser and/or to proceed against any other collateral directly or indirectly securing the Indebtedness.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Mortgage, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees and title insurance, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

NOTICES. Any notice required to be given under this Mortgage, including without limitation any notice of default and any notice of sale shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Mortgage. All copies of notices of foreclosure from the holder of any lien which has priority over this Mortgage shall be sent to Lender's address, as shown near the beginning of this Mortgage. Any party may change its address for notices under this Mortgage by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Mortgage:

Amendments. This Mortgage, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Mortgage. No alteration of or amendment to this Mortgage shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Annual Reports. If the Property is used for purposes other than Grantor's residence, Grantor shall furnish to Lender, upon request, a certified statement of net operating income received from the Property during Grantor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

Caption Headings. Caption headings in this Mortgage are for convenience purposes only and are not to be used to interpret or define the provisions of this Mortgage.

Governing Law. This Mortgage will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Idaho without regard to its conflicts of law provisions. This Mortgage has been accepted by Lender in the State of Idaho.

Choice of Venue. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of Cassia County, State of Idaho.

Joint and Several Liability. All obligations of Borrower and Grantor under this Mortgage shall be joint and several, and all references to Grantor shall mean each and every Grantor, and all references to Borrower shall mean each and every Borrower. This means that each Grantor signing below is responsible for all obligations in this Mortgage.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Mortgage unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Mortgage shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Mortgage. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Mortgage, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Severability. If a court of competent jurisdiction finds any provision of this Mortgage to be illegal, invalid, or unenforceable as to any person or circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other person or circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Mortgage. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Mortgage shall not affect the legality, validity or enforceability of any other provision of this Mortgage.

Merger. There shall be no merger of the interest or estate created by this Mortgage with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Successors and Assigns. Subject to any limitations stated in this Mortgage on transfer of Grantor's interest, this Mortgage shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Mortgage and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Mortgage or liability under the Indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Mortgage.

Waive Jury. All parties to this Mortgage hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any

FIRST AMERICAN TITLE

618599-RI

RECORDATION REQUESTED BY:

D. L. Evans Bank
Rigby Branch
P. O. Box 64
432 Farnsworth Way, Suite #4
Rigby, ID 83442

WHEN RECORDED MAIL TO:

D. L. Evans Bank
Rigby Branch
P. O. Box 64
432 Farnsworth Way, Suite #4
Rigby, ID 83442

SEND TAX NOTICES TO:

Brent Dalling
Laurel Dalling
P.O. Box 238
Hamer, ID 83426

Instrument # 430682

RIGBY, JEFFERSON, IDAHO
06-16-2017 11:01:58 AM No. of Pages: 6
Recorded for: FIRST AMERICAN TITLE - RIGBY
COLLEEN C POOLE Fee \$25.00
Ex-Officio Recorder Deputy LK
Inns to MORIGAGE
Electronically Recorded by Smptfile

RECEIVED**AUG 14 2017****DEPT OF WATER RESOURCES
SOUTHERN REGION***- Copy Only -*

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MORTGAGE

THIS MORTGAGE dated June 13, 2017, is made and executed between Brent Dalling and Laurel Dalling, husband and wife (referred to below as "Grantor") and D. L. Evans Bank, whose address is P. O. Box 64, 432 Farnsworth Way, Suite #4, Rigby, ID 83442 (referred to below as "Lender").

GRANT OF MORTGAGE. For valuable consideration, Grantor mortgages, grants, bargains, sells and conveys to Lender all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures, all easements, rights of way, and appurtenances; all water, water rights, watercourses and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in Jefferson County, State of Idaho:

TRACT 1:

Township 7 North, Range 36 East of the Boise Meridian, Jefferson County, Idaho.

Section 35: The Northeast Quarter.

EXCEPTING THEREFROM: A triangular tract of land in the Northeast corner East of the Oregon Short Line Railroad, described as follows, to wit: Beginning at a point on the East side of the Oregon Short Line Railroad right-of-way on the North Section line of said Section 35 and running thence East along said North Section line to the Northeast corner of said Section 35; thence South along the East line of said Section 35 to the intersection of said East Section line and the East right-of-way line of said railroad; thence Northwest along said East line of said railroad right-of-way to the point of beginning.

ALSO: A strip of land 1 rod wide, the center of which is described as follows:

Commencing 1120 feet West and 330 feet South of the Northwest corner of the Northeast Quarter of said Section 35, to a point which is 12 feet Southwest of the Southwest corner of an irrigation well running thence N40°13'E 614 feet; thence East 390 feet; thence meandering in a Southerly direction 328 feet to a point which is S80°37'E of the true point of beginning and 300 feet West of the North-South Quarter line of said Section 35; thence East 300 feet to said North-South Quarter line of said Section 35.

ALSO: Commencing at the Northwest corner of the Northeast Quarter of said Section 35 and running thence West 300 feet; thence South 600 feet; thence East 300 feet; thence North 600 feet to the point of beginning.

ALSO: Commencing at a point 300 feet West of the North Quarter of said Section 35 and running thence South 600 feet; thence West 800 feet; thence North 600 feet to the North Section line; thence East 800 feet to the point of beginning.

EXCEPTING THEREFROM: Beginning at the Northwest Corner of the Northeast Quarter of Section 35, Township 7 North, Range 36 East of the Boise Meridian, Jefferson County, Idaho, and running thence South 600 feet; thence West 363 feet; thence North 600 feet more or less to the North Section line of said Section 35; thence East along the Section line 363 feet more or less to the Point of Beginning. **TOGETHER WITH AND SUBJECT TO** a road right of way with the right of ingress and egress across the North 1 rod of the NW 1/4 of Section 35, Township 7 North, Range 36 East of the Boise Meridian, Jefferson County, Idaho.

ALSO: Commencing at a point 20 feet South of the North boundary of the NW 1/4 of the NW 1/4 of said Section 35 on the East side of the highway on the right of way line; thence South 480 feet; thence East 209 feet to the point of beginning; thence East 984 feet; thence North to the South boundary of the County road right of way; thence West along said County road right of way 984 feet; thence South to the point of beginning.

EXCEPTING THEREFROM: Beginning at a point that is South 20 feet and East 209 feet from the intersection of Old U.S. Highway #91 with the North line of the NW 1/4 NW 1/4 of said Section 35 and running thence East 209 feet; thence South 480 feet; thence West 209 feet; thence North 480 feet to the point of beginning.

ALSO: Commencing at the East Quarter corner of said Section 35 and running thence West 2540 feet; along the Quarter Section line to the midpoint of said Section; thence in a straight line in a Southeasterly direction to a point 400 feet South of the East Quarter corner of the East section line; thence 400 feet North to the point of beginning.

TRACT 2:

Township 7 North, Range 36 East of the Boise Meridian, Jefferson County, Idaho.

Section 36: Commencing at the Northwest corner of said Section 36 and running thence South 1100 feet to the South boundary of the railroad right of way, which is the true point of beginning; running thence in a Southeasterly direction to a point on the South Section line 975 feet West of the Southwest corner of Section 36; thence West 4305 feet to the Southwest corner of Section 36; thence North 4180 feet to the true point of beginning.

TRACT 3:

Township 7 North, Range 36 East of the Boise Meridian, Jefferson County, Idaho.

Section 26: All that portion of the Southeast Quarter of said Section 26, lying and being West of the railroad company's right of way.

TRACT 4:

Township 6 North, Range 36 East of the Boise Meridian, Jefferson County, Idaho.

Section 1: Lot 4

Section 2: Lot 1

Together with the water rights represented by Idaho State Department of Water Resources Water Right No 31-620 with a claimed priority of October 31, 1917 to 0.54 cfs of irrigation water from groundwater and Water Right No 31-630 with a claimed priority of May 1, 1928 to 0.22 cfs of irrigation water from groundwater and Water Right No 31-11358 with a claimed priority of April 1, 1935 to 2.22 cfs of irrigation water from groundwater and Water Right No 31-2370 with a claimed priority of January 28, 1959 to 2.65 cfs of irrigation water from groundwater and Water Right No 31-2385 with a claimed priority of December 13, 1960 to 2.09 cfs of irrigation water from groundwater together with any and all other water rights and ditch rights appurtenant to the above described premises.

Together with all irrigation equipment and additions thereto and replacements thereof now owned or hereafter acquired by the borrowers and used in the irrigation of the above premises, especially but not limited to pumps, pipe, casing, motor and electrical panels and accessories to each including but not limited to: G.E. 75 HP Electric Motor and Aurora turbine pump, No Serial Number;



State of Idaho

DEPARTMENT OF WATER RESOURCES

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

Phone: (208) 525-7161 FAX: (208) 525-7177 www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

August 31, 2017

D L Evans Bank
PO Box 64
Rigby ID 83442

RE: Change of Ownership for Water Right No(s). 31-62Q, 31-63Q, 31-2370, 31-2385 & 31-11358

Dear Water Right Holder(s):

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

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

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

Sincerely,

Jonie Barg
Technical Records Specialist

Enclosure

cc: Brent Dalling
Laurel Dalling