

RECEIVED

MAR 16 2017

DEPARTMENT OF
WATER RESOURCESSTATE OF IDAHO
DEPARTMENT OF WATER RESOURCES**Notice of Security Interest in a Water Right****And Request for Notification of a Change in Ownership or Any Proposed
Or Final Action to Amend, Transfer, or Otherwise Modify a Water Right**Please print or type. Attach pages with additional information. Instructions are on the back of this page.
Incomplete forms will be returned.1. Water Right No(s): **36-2065A**

Adjudication Claim No(s): _____

2. The following **REQUIRED** information must be submitted with this form:A) Evidence of the security interest. This may be a copy of a **DEED of TRUST, MORTGAGE, CONTRACT OF SALE** or other legal document indicating your interest in the property and water rights or claims in question, **WITH ATTACHED LEGAL DESCRIPTION.**B) A **FEE** of \$25.00 per water right or adjudication claim.

3. Name and Mailing Address of Person or Company holding Security Interest

D. L. Evans BankP.O. Box 87Twin Falls, ID 83303

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

Dennis Edward Smith & Leah Rae Smith5. Expiration Date of Notification Period 01-30-20376. Is this a Renewal of Request for Notification? ☐ YES ☒ NO

7. Signature(s) (and title if applicable)

Loan Officer**For Office Use Only**

Received by

Received by VL

Processed by

AJ

Date

Date 3/16/17

Date

Fee

Receipt No.

WR

Date

#25.00

C103204

d

3-16-17

RECORDATION REQUESTED BY:

D. L. Evans Bank
Rupert Branch
318 S. Oneida
Rupert, ID 83350

WHEN RECORDED MAIL TO:

D. L. Evans Bank
Rupert Branch
318 S. Oneida
Rupert, ID 83350

SEND TAX NOTICES TO:

Dennis E. Smith
Leah Rae Smith
825 North 200 West
Rupert, ID 83350

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

Instrument # 539446

MINIDOKA COUNTY, RUPERT, IDAHO
02-06-2017 02:04:22 PM No. of Pages: 6
Recorded for: TITLEONE - BURLEY
PATTY TEMPLE Fee: \$25.00
Ex-Officio Recorder Deputy Susan Aston
Electronically Recorded by Simplifile

162 79718
SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MORTGAGE

THIS MORTGAGE dated February 6, 2017, is made and executed between Dennis E. Smith and Leah Rae Smith (referred to below as "Grantor") and D. L. Evans Bank, whose address is 318 S. Oneida, Rupert, ID 83350 (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 Minidoka County, State of Idaho:

PARCEL NO. 1:
TOWNSHIP 7 SOUTH, RANGE 24 EAST OF THE BOISE MERIDIAN,
MINIDOKA COUNTY, IDAHO

Section 30: Lots 1 and 2, NE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$.

SAVE AND EXCEPT the following described:

Part of the NE $\frac{1}{4}$ SW $\frac{1}{4}$, more particularly described as follows:

Beginning at the West $\frac{1}{4}$ Corner of Section 30 said corner marked by a 5/8 inch rebar; Thence North 89°30'07" East along the north line of the SW $\frac{1}{4}$ for a distance of 1748.89 feet to a $\frac{1}{2}$ inch rebar which shall be the Point of Beginning;
Thence North 89°30'07" East along the north line of the SW $\frac{1}{4}$ for a distance of 294.76 feet to a U.S.B.R. iron pipe with brass cap at the Center $\frac{1}{4}$ Corner of Section 30;
Thence South 00°11'42" East along the east line of the SW $\frac{1}{4}$ for a distance of 348.61 feet to a $\frac{1}{2}$ inch rebar;
Thence North 40°32'14" West for a distance of 455.33 feet to the Point of Beginning

PARCEL NO. 2:
TOWNSHIP 7 SOUTH, RANGE 24 EAST OF THE BOISE MERIDIAN,
MINIDOKA COUNTY, IDAHO

Section 30: All that part of the NE $\frac{1}{4}$ NW $\frac{1}{4}$, lying South of the following described line running through said NE $\frac{1}{4}$ NW $\frac{1}{4}$ as follows:

Beginning at the Northwest corner of said NE $\frac{1}{4}$ NW $\frac{1}{4}$; Thence South 16°47' East for 365.6 feet; Thence South 66°53' East for 1323.0 feet to a point on the East boundary line of said NE $\frac{1}{4}$ NW $\frac{1}{4}$, which point is 871.2 feet South of the Northeast corner of said NE $\frac{1}{4}$ NW $\frac{1}{4}$.

PARCEL NO. 3:
TOWNSHIP 7 SOUTH, RANGE 24 EAST OF THE BOISE MERIDIAN,
MINIDOKA COUNTY, IDAHO

Section 30: All that part of N $\frac{1}{2}$ NE $\frac{1}{4}$, lying South of the following described line running through said N $\frac{1}{2}$ NE $\frac{1}{4}$ as follows:

Beginning at the North $\frac{1}{4}$ corner of the NE $\frac{1}{4}$ of said Section 30; Thence south along the West boundary line of said NE $\frac{1}{4}$ for 871.2 feet, which point shall be known as the True Point of Beginning;
Thence South 66°53' East for 148.5 feet;
Thence North 45°31' East for 402.6 feet;
Thence South 78°50' East for 2259.1 feet to a point on the East boundary line of said NE $\frac{1}{4}$, which point is 1114.7 feet South of the Northeast corner of said Section 30.

PARCEL NO. 4:
TOWNSHIP 7 SOUTH, RANGE 24 EAST OF THE BOISE MERIDIAN,
MINIDOKA COUNTY, IDAHO

Section 30: That part of Lots 3 and 4 and part of the SE $\frac{1}{4}$ SW $\frac{1}{4}$ more particularly described as follows:

Beginning at the Northwest corner of said Lot 3, which point shall be known as the True Point of Beginning;
Thence South for 1290.0 feet;
Thence 63°17' East for 320.0 feet;
Thence South 40°27' East for 713.0 feet;
Thence South 88° East for 548.0 feet;
Thence North 87°32' East for 581.0 feet;
Thence South 62°47' East for 228.0 feet;
Thence North for 756.0 feet;
Thence South 89°47' West for 1320.0 feet;
Thence North for 1320.0 feet;
Thence South 89°41' West for 740.0 feet to the True Point of Beginning.

Together with the water rights represented by Idaho State Department of Water Resources Water Right No. 36-2065A with a claimed priority of March 1, 1948 to 5.2 cfs of irrigation from ground water, together with any and all other water rights and ditch rights appurtenant to the above described premises.

The Real Property or its address is commonly known as See Legal Description, Rupert, ID 83350. The Real Property tax identification number is RP07S24E301200.

Grantor presently assigns to Lender all of Grantor's right, title, and interest in and to all present and future leases of the Property and all Rents from the Property. In addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.

THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE NOTE, THE RELATED DOCUMENTS, AND THIS MORTGAGE. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

[Signature]
LRS

RECORDATION REQUESTED BY:

D. L. Evans Bank
Rupert Branch
318 S. Oneida
Rupert, ID 83350

WHEN RECORDED MAIL TO:

D. L. Evans Bank
Rupert Branch
318 S. Oneida
Rupert, ID 83350

SEND TAX NOTICES TO:

Dennis E. Smith
Leah Rae Smith
825 North 200 West
Rupert, ID 83350

142 79718
SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MORTGAGE

THIS MORTGAGE dated February 6, 2017, is made and executed between Dennis E. Smith and Leah Rae Smith (referred to below as "Grantor") and D. L. Evans Bank, whose address is 318 S. Oneida, Rupert, ID 83350 (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 Minidoka County, State of Idaho:

PARCEL NO. 1:
TOWNSHIP 7 SOUTH, RANGE 24 EAST OF THE BOISE MERIDIAN,
MINIDOKA COUNTY, IDAHO

Section 30: Lots 1 and 2, NE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$

SAVE AND EXCEPT the following described:

Part of the NE $\frac{1}{4}$ SW $\frac{1}{4}$, more particularly described as follows:

Beginning at the West $\frac{1}{4}$ Corner of Section 30 said corner marked by a 5/8 inch rebar; Thence North 89°30'07" East along the north line of the SW $\frac{1}{4}$ for a distance of 1748.89 feet to a $\frac{1}{2}$ inch rebar which shall be the Point of Beginning;

Thence North 89°30'07" East along the north line of the SW $\frac{1}{4}$ for a distance of 294.76 feet to a U.S.B.R. iron pipe with brass cap at the Center $\frac{1}{4}$ Corner of Section 30;

Thence South 00°11'42" East along the east line of the SW $\frac{1}{4}$ for a distance of 348.61 feet to a $\frac{1}{2}$ inch rebar;

Thence North 40°32'14" West for a distance of 455.33 feet to the Point of Beginning

PARCEL NO. 2:
TOWNSHIP 7 SOUTH, RANGE 24 EAST OF THE BOISE MERIDIAN,
MINIDOKA COUNTY, IDAHO

Section 30: All that part of the NE $\frac{1}{4}$ NW $\frac{1}{4}$, lying South of the following described line running through said NE $\frac{1}{4}$ NW $\frac{1}{4}$ as follows;

Beginning at the Northwest corner of said NE $\frac{1}{4}$ NW $\frac{1}{4}$; Thence South 16°47' East for 365.6 feet; Thence South 66°53' East for 1323.0 feet to a point on the East boundary line of said NE $\frac{1}{4}$ NW $\frac{1}{4}$, which point is 871.2 feet South of the Northeast corner of said NE $\frac{1}{4}$ NW $\frac{1}{4}$.

PARCEL NO. 3:
TOWNSHIP 7 SOUTH, RANGE 24 EAST OF THE BOISE MERIDIAN,
MINIDOKA COUNTY, IDAHO

Section 30: All that part of N $\frac{1}{2}$ NE $\frac{1}{4}$, lying South of the following described line running through said N $\frac{1}{2}$ NE $\frac{1}{4}$ as follows:

Beginning at the North $\frac{1}{4}$ corner of the NE $\frac{1}{4}$ of said Section 30; Thence south along the West boundary line of said NE $\frac{1}{4}$ for 871.2 feet, which point shall be known as the True Point of Beginning;

Thence South 66°53' East for 148.5 feet;

Thence North 45°31' East for 402.6 feet;

Thence South 78°50' East for 2259.1 feet to a point on the East boundary line of said NE $\frac{1}{4}$, which point is 1114.7 feet South of the Northeast corner of said Section 30.

PARCEL NO. 4:
TOWNSHIP 7 SOUTH, RANGE 24 EAST OF THE BOISE MERIDIAN,
MINIDOKA COUNTY, IDAHO

Section 30: That part of Lots 3 and 4 and part of the SE $\frac{1}{4}$ SW $\frac{1}{4}$ more particularly described as follows:

Beginning at the Northwest corner of said Lot 3, which point shall be known as the True Point of Beginning;

Thence South for 1290.0 feet;

Thence 63°17' East for 320.0 feet;

Thence South 40°27' East for 713.0 feet;

Thence South 88° East for 548.0 feet;

Thence North 87°32' East for 561.0 feet;

Thence South 62°47' East for 228.0 feet;

Thence North for 756.0 feet;

Thence South 89°47' West for 1320.0 feet;

Thence North for 1320.0 feet;

Thence South 89°41' West for 740.0 feet to the True Point of Beginning.

Together with the water rights represented by Idaho State Department of Water Resources Water Right No. 36-2065A with a claimed priority of March 1, 1948 to 5.2 cfs of irrigation from ground water, together with any and all other water rights and ditch rights appurtenant to the above described premises.

The Real Property or its address is commonly known as See Legal Description, Rupert, ID 83350. The Real Property tax identification number is RP07S24E301200.

Grantor presently assigns to Lender all of Grantor's right, title, and interest in and to all present and future leases of the Property and all Rents from the Property. In addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.

THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE NOTE, THE RELATED DOCUMENTS, AND THIS MORTGAGE. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

LS
LRS

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 these 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 from payments on the Indebtedness secured by this type of Mortgage; (3) a tax on this type of Mortgage chargeable against the Lender or the holder of the Note; and (4) a specific tax on all or any portion of the Indebtedness or on payments of principal and interest made by Borrower.

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Mortgage, this event shall have the same effect as an Event of Default, and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (1) pays the tax before it becomes delinquent, or (2) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to this Mortgage as a security agreement are a part of this Mortgage:

Security Agreement. This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Grantor shall take whatever action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. In addition to recording this Mortgage in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Mortgage as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall not remove, sever or detach the Personal Property from the Property. Upon default, Grantor shall assemble any Personal Property not affixed to the Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender to the extent permitted by applicable law.

Addresses. The mailing addresses of Grantor (debtor) and Lender (secured party) from which information concerning the security interest granted by this Mortgage may be obtained (each as required by the Uniform Commercial Code) are as stated on the first page of this

153
LRS

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.

ADDITIONAL TERMS. Default shall also exist if any loan proceeds are used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetland to produce or to make possible to production of an agricultural commodity, as provided by 7 CFR Part 12

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 party against any other party.

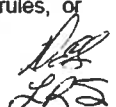
Waiver of Homestead Exemption. Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Idaho as to all Indebtedness secured by this Mortgage.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Mortgage. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Mortgage shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Dennis Edward Smith and Leah Rae Smith and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Default. The word "Default" means the Default set forth in this Mortgage in the section titled "Default".

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or





State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER

Governor

March 17, 2017

GARY SPACKMAN

Director

D L EVANS BANK
PO BOX 87
TWIN FALLS ID 83303

RE: Notice of Security Interest for Water Right No: 36-2065A

Dear Party Holding Security Interest:

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

Updating the ownership record for a water right does not reconfirm the validity of the right. When processing an ownership change notice, the department does not review the history of water use to determine if the right has been 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 Idaho Code §§ 42-222 and 42-223.

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 owner 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 online www.idwr.idaho.gov.

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

Sincerely,

Debbi Judd
Technical Records Specialist

Enclosure

c: Dennis and Leah Rae Smith