

RECEIVED

NOV 28 2016

Department of Water Resources
Eastern RegionSTATE 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.
29-520 <i>OK</i>	29-2155 <i>OK</i>	29-2219 <i>OK</i>	29-2295C <i>OK</i>
29-7355 <i>OK</i>	29-10130 <i>OK</i>	29-10131 <i>OK</i>	29-10132 <i>OK</i>
29-10133 <i>OK</i>	29-13381 <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

Ireland Bank Attn: LDC

486 Yellowstone

Pocatello, ID 83201

Phone 208-478-2480

Email las@ireland-bank.com

4. Name of Water Right Owner/Claimant(s) customers name Cris G. Davis, Lauretta M. Davis

5. Expiration Date of Notification Period maturity date of note 12/01/2042

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

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

Title, if applicable

Ireland Bank
*Dan Green**Vice President - Loan Officer*

For Office Use Only

Received by *JB*

Date

11/28/2016

Receipt No.

E042625

Fee

\$250. -

Processed by AJ

Date

WR *JB*

Date

11/29/2016

SUPPORT DATA

IN FILE # *29-520*

First American Title - Pocatello

21616595 2016 Nov 18 PM 04:33:00
Electronically Recorded by Simplifile

FA-602530

(Space Above This Line For Recording Data)

COMMERCIAL REAL ESTATE MORTGAGE

This COMMERCIAL REAL ESTATE MORTGAGE ("Security Instrument") is made on November 18, 2016 between the mortgagor(s) CRIS G. DAVIS and LAURETTA M. DAVIS, HUSBAND AND WIFE, whose address is 21752 S. MARSH VALLEY RD, Downey, Idaho 83234-0000 ("Mortgagor"), and Ireland Bank whose address is 17 East Center/PO Box 205, Downey, Idaho 83234 ("Lender"), which is organized and existing under the laws of the State of Idaho. Mortgagor in consideration of loans extended by Lender up to a maximum principal amount of One Million Seven Hundred Ninety Thousand One Hundred Thirty-two and 43/100 Dollars (U.S. \$1,790,132.43) ("Maximum Principal Indebtedness"), and for other valuable consideration, the receipt of which is acknowledged, hereby mortgages, grants and conveys to Lender, its successors and assigns, forever, the following described property located in the COUNTY of BANNOCK, State of Idaho:

Address: 21752 S. Marsh Valley, Downey, Idaho 83234

Legal Description: See legal description "Exhibit A " attached hereto and by this reference made a part hereof, including but not limited to, Water Right numbers: #29-520, #29-2155, #29-2219, #29-2295C, #2-7355, #29-10130, #29-10131, #29-10132, #29-10133, & #29-13381, together with any easements, well agreements, or other irrigation delivery agreements that pertain to the use and delivery of the water rights. Also, including but not limited to, Range Rights of 1,000 Shares with Marsh Valley Cattlemen's Corporation including 400 AUM (Animal Units Month), and Range Rights with U.S. Forest Service grazing privileges on North ElkHorn C&H Allotments with 205 AUM's (Animal Units Month).

Parcel ID/Sidwell Number: SEE EXHIBIT "B"

Property Size: 2360.48 acres.

Together with all easements, appurtenances abutting streets and alleys, improvements, buildings, fixtures, tenements, hereditaments, equipment, rents, income, profits and royalties, personal goods of whatever description and all other rights and privileges including all minerals, oil, gas, water (whether groundwater, subterranean or otherwise), water rights (whether riparian, appropriate or otherwise, and whether or not appurtenant to the above-described real property), wells, well permits, ditches, ditch rights, reservoirs, reservoir rights, reservoir sites, storage rights, dams and water stock that may now, or at any time in the future, be located on and/or used in connection with the above-described real property, payment awards, amounts received from eminent domain, amounts received from any and all insurance payments, and timber which may now or later be located, situated, or affixed on and used in connection therewith (hereinafter called the "Property").

RELATED DOCUMENTS. The words "Related Documents" mean all promissory notes, security agreements, prior mortgages, prior deeds of trust, prior deeds to secure debt, business loan agreements, construction loan agreements, resolutions, guaranties, environmental agreements, subordination agreements, assignments of leases and rents and any other documents or agreements executed in connection with this Indebtedness and Security Instrument, whether now or hereafter existing, including any modifications, extensions, substitutions or renewals of



Recorded Electronically

ID 21610595
County Bannock
Date 11-18-16 Time 4:33
Simplifile.com 800.460.5657

FA-602530

(Space Above This Line For Recording Data)

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RELATED DOCUMENTS. The words "Related Documents" mean all promissory notes, security agreements, prior mortgages, prior deeds of trust, prior deeds to secure debt, business loan agreements, construction loan agreements, resolutions, guaranties, environmental agreements, subordination agreements, assignments of leases and rents and any other documents or agreements executed in connection with this Indebtedness and Security Instrument, whether now or hereafter existing, including any modifications, extensions, substitutions or renewals of



any of the foregoing. The Related Documents are hereby made a part of this Security Instrument by reference thereto, with the same force and effect as if fully set forth herein.

INDEBTEDNESS. This Security Instrument secures the principal amount shown above as may be evidenced by a promissory note or notes of even, prior or subsequent date hereto, including future advances and every other indebtedness of any and every kind now or hereafter owing from **CRIS G. DAVIS, LAURETTA M. DAVIS, and NF DAVIS RANCH, L.L.C.** to Ireland Bank, howsoever created or arising, whether primary, secondary or contingent, together with any interest or charges provided in or arising out of such indebtedness, as well as the agreements and covenants of this Security Instrument and all Related Documents (hereinafter all referred to as the "Indebtedness").

MATURITY DATE. The Indebtedness, if not paid earlier, shall be due on **November 18, 2041**.

FUTURE ADVANCES. To the extent permitted by law, this Security Instrument will secure future advances as if such advances were made on the date of this Security Instrument regardless of the fact that from time to time there may be no balance due under the note and regardless of whether Lender is obligated to make such future advances.

CROSS COLLATERALIZATION. It is the expressed intent of Mortgagor to cross collateralize all of its Indebtedness and obligations to Lender, howsoever arising and whensoever incurred, except any obligation existing or arising against the principal dwelling of any Mortgagor.

WARRANTIES. Mortgagor, for itself, its heirs, personal representatives, successors, and assigns, represents, warrants, covenants and agrees with Lender, its successors and assigns, as follows:

Performance of Obligations. Mortgagor promises to perform all terms, conditions, and covenants of this Security Instrument and Related Documents in accordance with the terms contained therein.

Defense and Title to Property. At the time of execution and delivery of this instrument, Mortgagor is lawfully seised of the estate hereby conveyed and has the exclusive right to mortgage, grant, convey and assign the Property. Mortgagor covenants that the Property is unencumbered and free of all liens, except for encumbrances of record acceptable to Lender. Further, Mortgagor covenants that Mortgagor will warrant and defend generally the title to the Property against any and all claims and demands whatsoever, subject to the easements, restrictions, or other encumbrances of record acceptable to Lender, as may be listed in the schedule of exceptions to coverage in any abstract of title or title insurance policy insuring Lender's interest in the Property.

Condition of Property. Mortgagor promises at all times to preserve and to maintain the Property and every part thereof in good repair, working order, and condition and will from time to time, make all needful and proper repairs so that the value of the Property shall not in any way be impaired.

Removal of any Part of the Property. Mortgagor promises not to remove any part of the Property from its present location, except for replacement, maintenance and relocation in the ordinary course of business.

Alterations to the Property. Mortgagor promises to abstain from the commission of any waste on or in connection with the Property. Further, Mortgagor shall make no material alterations, additions or improvements of any type whatsoever to the Property, regardless of whether such alterations, additions or improvements would increase the value of the Property, nor permit anyone to do so except for tenant improvements and completion of items pursuant to approved plans and specifications, without Lender's prior written consent, which consent may be withheld by Lender in its sole discretion. Mortgagor will comply with all laws and regulations of all public authorities having jurisdiction over the Property including, without limitation, those relating to the use, occupancy and maintenance thereof and shall upon request promptly submit to Lender evidence of such compliance.



Due on Sale - Lender's Consent. Mortgagor shall not sell, further encumber or otherwise dispose of, except as herein provided, any or all of its interest in any part of or all of the Property without first obtaining the written consent of Lender. If any encumbrance, lien, transfer or sale or agreement for these is created, Lender may declare immediately due and payable, the entire balance of the Indebtedness.

Insurance. Mortgagor promises to keep the Property insured against such risks and in such form as may within the sole discretion of Lender be acceptable, causing Lender to be named as loss payee or if requested by Lender, as mortgagee. The insurance company shall be chosen by Mortgagor subject to Lender's approval, which shall not be unreasonably withheld. All insurance policies must provide that Lender will get a minimum of 30 days notice prior to cancellation. At Lender's discretion, Mortgagor may be required to produce receipts of paid premiums and renewal policies. If Mortgagor fails to obtain the required coverage, Lender may do so at Mortgagor's expense. Mortgagor hereby directs each and every insurer of the Property to make payment of loss to Lender with the proceeds to be applied, only at Lender's option, to the repair and replacement of the damage or loss or to be applied to the Indebtedness with the surplus, if any, to be paid by Lender to Mortgagor.

Payment of Taxes and Other Applicable Charges. Mortgagor promises to pay and to discharge liens, encumbrances, taxes, assessments, lease payments and any other charges relating to the Property when levied or assessed against Mortgagor or the Property.

Environmental Laws and Hazardous or Toxic Materials. Mortgagor and every tenant have been, are presently and shall continue to be in strict compliance with any applicable local, state and federal environmental laws and regulations. Further, neither Mortgagor nor any tenant shall manufacture, store, handle, discharge or dispose of hazardous or toxic materials as may be defined by any state or federal law on the Property, except to the extent the existence of such materials has been presently disclosed in writing to Lender. Mortgagor will immediately notify Lender in writing of any assertion or claim made by any party as to the possible violation of applicable state and federal environmental laws including the location of any hazardous or toxic materials on or about the Property. Mortgagor indemnifies and holds Lender harmless from, without limitation, any liability or expense of whatsoever nature incurred directly or indirectly out of or in connection with: (a) any environmental laws affecting all or any part of the Property or Mortgagor; (b) the past, present or future existence of any hazardous materials in, on, under, about, or emanating from or passing through the Property or any part thereof or any property adjacent thereto; (c) any past, present or future hazardous activity at or in connection with the Property or any part thereof; and (d) the noncompliance by Mortgagor or Mortgagor's failure to comply fully and timely with environmental laws.

Financial Information. Mortgagor agrees to supply Lender such financial and other information concerning its affairs and the status of any of its assets as Lender, from time to time, may reasonably request. Mortgagor further agrees to permit Lender to verify accounts as well as to inspect, copy and to examine the books, records and files of Mortgagor.

Lender's Right to Enter. Lender or Lender's agents shall have the right and access to inspect the Property at all reasonable times in order to attend to Lender's interests and ensure compliance with the terms of this Security Instrument. If the Property, or any part thereof, shall require inspection, repair or maintenance which Mortgagor has failed to provide, Lender, after reasonable notice, may enter upon the Property to effect such obligation; and the cost thereof shall be added to the Indebtedness and paid on Lender's demand by Mortgagor.

ASSIGNMENT OF LEASES AND RENTS. As additional security for the payment of the Indebtedness and the performance of the covenants contained herein, Mortgagor hereby assigns and transfers over to Lender all rents, income and profits ("Rents") under any present or future leases, subleases or licenses of the Property, including any guaranties, extensions, amendments or renewals thereof, from the use of the Property. So long as Mortgagor is not in default, Mortgagor may receive, collect and enjoy all Rents accruing from the Property, but not more than one month in advance of the due date. Lender may also require Mortgagor, tenant and any other user of the Property to make payments of Rents directly to Lender. However, by receiving any such payments, Lender is not,



and shall not be considered, an agent for any party or entity. Any amounts collected may, at Lender's sole discretion, be applied to protect Lender's interest in the Property, including but not limited to the payment of taxes and insurance premiums and to the Indebtedness. At Lender's sole discretion, all leases, subleases and licenses must first be approved by Lender.

CONDEMNATION. Mortgagor shall give Lender notice of any action taken or threatened to be taken by private or public entities to appropriate the Property or any part thereof, through condemnation, eminent domain or any other action. Further, Lender shall be permitted to participate or intervene in any of the above described proceedings in any manner it shall at its sole discretion determine. Lender is hereby given full power, right and authority to receive and receipt for any and all damages awarded as a result of the full or partial taking or appropriation and in its sole discretion, to apply said awards to the Indebtedness, whether or not then due or otherwise in accordance with applicable law. Unless Lender otherwise agrees in writing, any application of proceeds to the Indebtedness shall not extend or postpone the due date of the payments due under the Indebtedness or change the amount of such payments.

GRANTOR'S ASSURANCES. At any time, upon a request of Lender, Mortgagor will execute and deliver to Lender, and if appropriate, cause to be recorded, such further mortgages, assignments, assignments of leases and rents, security agreements, pledges, financing statements, or such other document as Lender may require, in Lender's sole discretion, to effectuate, complete and to perfect as well as to continue to preserve the Indebtedness, or the lien or security interest created by this Security Instrument.

ATTORNEY-IN-FACT. Mortgagor appoints Lender as attorney-in-fact on behalf of Mortgagor. If Mortgagor fails to fulfill any of Mortgagor's obligations under this Security Instrument or any Related Documents, including those obligations mentioned in the preceding paragraph, Lender as attorney-in-fact may fulfill the obligations without notice to Mortgagor. This power of attorney shall not be affected by the disability of the Mortgagor.

EVENTS OF DEFAULT. The following events shall constitute default under this Security Instrument (each an "Event of Default"):

- (a) Failure to make required payments when due under Indebtedness;
- (b) Failure to perform or keep any of the covenants of this Security Instrument or a default under any of the Related Documents;
- (c) The making of any oral or written statement or assertion to Lender that is false or misleading in any material respect by Mortgagor or any person obligated on the Indebtedness;
- (d) The death, dissolution, insolvency, bankruptcy or receivership proceeding of Mortgagor or of any person or entity obligated on the Indebtedness;
- (e) Any assignment by Mortgagor for the benefit of Mortgagor's creditors;
- (f) A material adverse change occurs in the financial condition, ownership or management of Mortgagor or any person obligated on the Indebtedness; or
- (g) Lender deems itself insecure for any reason whatsoever.

REMEDIES ON DEFAULT. Upon the occurrence of an Event of Default, Lender may, without demand or notice, pay any or all taxes, assessments, premiums, and liens required to be paid by Mortgagor, effect any insurance provided for herein, make such repairs, cause the abstracts of title or title insurance policy and tax histories of the Property to be certified to date, or procure new abstracts of title or title insurance and tax histories in case none were furnished to it, and procure title reports covering the Property, including surveys. The amounts paid for any such purposes will be added to the Indebtedness and will bear interest at the rate of interest otherwise accruing on the Indebtedness until paid. In the event of foreclosure, the abstracts of title or title insurance shall become the property of Lender. All abstracts of title, title insurance, tax histories, surveys, and other documents pertaining to the Indebtedness will remain in Lender's possession until the Indebtedness is paid in full.

IN THE EVENT OF THE SALE OF THIS PROPERTY UNDER THE PROCEDURE FOR FORECLOSURE OF A SECURITY INSTRUMENT BY ADVERTISEMENT, AS PROVIDED BY APPLICABLE LAW, OR IN THE EVENT LENDER EXERCISES ITS RIGHTS UNDER THE ASSIGNMENT OF LEASES AND RENTS, THE GRANTOR HEREBY WAIVES ANY RIGHT TO ANY NOTICE OTHER THAN THAT PROVIDED FOR



SPECIFICALLY BY STATUTE, OR TO ANY JUDICIAL HEARING PRIOR TO SUCH SALE OR OTHER EXERCISE OF RIGHTS.

Upon the occurrence of an Event of Default, Lender may, without notice unless required by law, and at its option, declare the entire Indebtedness due and payable, as it may elect, regardless of the date or dates of maturity thereof and, if permitted by state law, is authorized and empowered to cause the Property to be sold at public auction, and to execute and deliver to the purchaser or purchasers at such sale any deeds of conveyance good and sufficient at law, pursuant to the statute in such case made and provided, and out of the proceeds of the sale to retain the sums then due hereunder and all costs and charges of the sale, including attorneys' fees, rendering any surplus to the party or parties entitled to it. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made in it. If Lender chooses to invoke the power of sale, Lender or Trustee will provide notice of sale pursuant to applicable law. Any such sale or a sale made pursuant to a judgment or a decree for the foreclosure hereof may, at the option of Lender, be made en masse. The commencement of proceedings to foreclose this Security Instrument in any manner authorized by law shall be deemed as exercise of the above option.

Upon the occurrence of an Event of Default, Lender shall immediately be entitled to make application for and obtain the appointment of a receiver for the Property and of the earnings, income, issue and profits of it, with the powers as the court making the appointments confers. Mortgagor hereby irrevocably consents to such appointment and waives notice of any application therefor.

NO WAIVER. No delay or failure of Lender to exercise any right, remedy, power or privilege hereunder shall affect that right, remedy, power or privilege nor shall any single or partial exercise thereof preclude the exercise of any right, remedy, power or privilege. No Lender delay or failure to demand strict adherence to the terms of this Security Instrument shall be deemed to constitute a course of conduct inconsistent with Lender's right at any time, before or after an event of default, to demand strict adherence to the terms of this Security Instrument and the Related Documents.

JOINT AND SEVERAL LIABILITY. If this Security Instrument should be signed by more than one person, all persons executing this Security Instrument agree that they shall be jointly and severally bound, where permitted by law.

SURVIVAL. Lender's rights in this Security Instrument will continue in its successors and assigns. This Security Instrument is binding on all heirs, executors, administrators, assigns and successors of Mortgagor.

NOTICES AND WAIVER OF NOTICE. Unless otherwise required by applicable law, any notice or demand given by Lender to any party is considered effective: (i) when it is deposited in the United States Mail with the appropriate postage; (ii) when it is sent via electronic mail; (iii) when it is sent via facsimile; (iv) when it is deposited with a nationally recognized overnight courier service; (v) on the day of personal delivery; or (vi) any other commercially reasonable means. Any such notice shall be addressed to the party given at the beginning of this Security Instrument unless an alternative address has been provided to Lender in writing. To the extent permitted by law, Mortgagor waives notice of Lender's acceptance of this Security Instrument, defenses based on suretyship, any defense arising from any election by Lender under the United States Bankruptcy Code, Uniform Commercial Code, as enacted in the state where Lender is located or other applicable law or in equity, demand, notice of acceleration, notice of nonpayment, presentment, protest, notice of dishonor and any other notice.

TO THE EXTENT PERMITTED BY LAW, GRANTOR WAIVES ANY RIGHT TO NOTICE, OTHER THAN THE NOTICE PROVIDED ABOVE, AND WAIVES ANY RIGHT TO ANY HEARING, JUDICIAL OR OTHERWISE, PRIOR TO LENDER EXERCISING ITS RIGHTS UNDER THIS SECURITY INSTRUMENT.

WAIVER OF APPRAISEMENT RIGHTS. Mortgagor waives all appraisement rights relating to the Property to the extent permitted by law.

LENDER'S EXPENSES. Mortgagor agrees to pay all expenses incurred by Lender in connection with enforcement of its rights under the Indebtedness, this Security Instrument or in the event Lender is made party to any litigation because of the existence of the Indebtedness or this Security Instrument, as well as court costs, collection charges and reasonable attorneys' fees and disbursements.



ASSIGNABILITY. Lender may assign or otherwise transfer this Security Instrument or any of Lender's rights under this Security Instrument without notice to Mortgagor. Mortgagor may not assign this Security Instrument or any part of the Security Instrument without the express written consent of Lender.

GOVERNING LAW. This Security Instrument will be governed by the laws of the State of Idaho including all proceedings arising from this Security Instrument.

SEVERABILITY. If a court of competent jurisdiction determines any term or provision of this Security Instrument is invalid or prohibited by applicable law, that term or provision will be ineffective to the extent required. Any term or provision that has been determined to be invalid or prohibited will be severed from the rest of the Security Instrument without invalidating the remainder of either the affected provision or this Security Instrument.

WAIVER OF JURY TRIAL. All parties to this Security Instrument hereby knowingly and voluntarily waive, to the fullest extent permitted by law, any right to trial by jury of any dispute, whether in contract, tort, or otherwise, arising out of, in connection with, related to, or incidental to the relationship established between them in this Security Instrument or any other instrument, document or agreement executed or delivered in connection with this Security Instrument or the Related Documents.

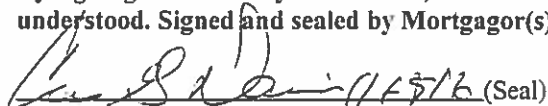
UNIFORM COMMERCIAL CODE (U.C.C.) Mortgagor grants to Lender a security interest in all goods that Mortgagor owns now or in the future and that are or will become fixtures related to the Property. Mortgagor agrees that this Security Instrument shall suffice as a financing statement and may therefore be filed of record as a financing statement for the purposes of Article 9 of the Uniform Commercial Code. Mortgagor authorizes Lender to file any financing statements required under the Uniform Commercial Code.

ORAL AGREEMENTS DISCLAIMER. This Security Instrument represents the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

NOTICE

UNDER IDAHO LAW, ANY PROMISE BY THE BANK TO GRANT OR EXTEND EXISTING CREDIT TO YOU MUST BE IN WRITING TO BE LEGALLY BINDING UPON THE BANK IF THE ORIGINAL AMOUNT OF CREDIT IS \$50,000.00 OR MORE.

By signing this Security Instrument, each Mortgagor acknowledges that all provisions have been read and understood. Signed and sealed by Mortgagor(s):

 (Seal)

CRIS G. DAVIS
Individually

Date

 11-18-16 (Seal)

LAURETTA M. DAVIS
Individually

Date

INDIVIDUAL ACKNOWLEDGMENT

STATE OF IDAHO)
COUNTY OF Bannock)

On this the 11/18/2016, before me, Melanie Harward, personally appeared **CRIS G. DAVIS and LAURETTA M. DAVIS, ~~HUSBAND AND WIFE~~** known to me to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the same for the purposes therein contained. In witness whereof, I hereunto set my hand and my official seal.

My commission expires: _____

_____ residing at

State of Idaho

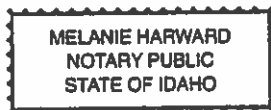
Residing: Pocatello, Idaho

Comm. Expires: 10/26/2021

Melanie Harward

Identification Number _____

(Official Seal)



THIS INSTRUMENT PREPARED BY:
Ireland Bank
17 E Center
Downey, ID 83234

AFTER RECORDING RETURN TO:
Ireland Bank
17 E Center
Downey, ID 83234

Exhibit "A"

Real property in the County of Bannock, State of Idaho, described as follows:

TOWNSHIP 11 SOUTH, RANGE 36 EAST, BOISE MERIDIAN, BANNOCK COUNTY, IDAHO.

SECTION 14: SE $\frac{1}{4}$ SE $\frac{1}{4}$; SW $\frac{1}{4}$ NE $\frac{1}{4}$; W $\frac{1}{2}$ SE $\frac{1}{4}$

SECTION 21: N $\frac{1}{2}$

SECTION 22: E $\frac{1}{2}$ SE $\frac{1}{4}$; W $\frac{1}{2}$ SE $\frac{1}{4}$; E $\frac{1}{2}$ SW $\frac{1}{4}$; NW $\frac{1}{4}$; W $\frac{1}{2}$ SW $\frac{1}{4}$;

ALSO INCLUDING: BEGINNING AT A POINT ON THE EAST BOUNDARY LINE OF THE SE $\frac{1}{4}$ NE $\frac{1}{4}$ OF SAID SECTION TWENTY TWO, ABOUT 400 FEET NORTH OF THE SOUTHEAST CORNER OF SAID SUBDIVISION WHEREAT IS THE CENTER CROSS SECTION OF THE DAM FOR SAID RESERVOIR, BEING THE CENTER LINE OF NORTH REESE CREEK CANYON, AND THENCE UP SAID CANYON IN A WESTERLY DIRECTION A DISTANCE OF SIXTY (60) RODS, AND EXTENDING ON EITHER SIDE OF SAID LINE TO THE CANYON WALL.

SECTION 23: NE $\frac{1}{4}$ SW $\frac{1}{4}$; S $\frac{1}{2}$ SW $\frac{1}{2}$;

S $\frac{1}{2}$ N $\frac{1}{2}$ SE $\frac{1}{4}$ EXCEPTING THAT PORTION WHICH LIES WEST OF MARSH VALLEY ROAD; ALSO EXCEPTING THE SE $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$

N $\frac{1}{2}$ N $\frac{1}{2}$ SE $\frac{1}{4}$ EXCEPTING THAT PORTION WHICH LIES WEST OF MARSH VALLEY ROAD.

ALL THAT PORTION OF THE NW $\frac{1}{4}$ SW $\frac{1}{4}$ SITUATED ON TOP OF THE WEST BENCH, MORE PARTICULARLY DESCRIBED AS:

BEGINNING AT THE NORTHWEST CORNER OF THE NW $\frac{1}{4}$ SW $\frac{1}{4}$ OF SECTION 23; THENCE SOUTH 80 RODS; THENCE EAST 80 RODS; THENCE NORTH 15 RODS; THENCE NORTHWESTERLY ALONG THE CREST OF THE BENCH TO A POINT 22 RODS EAST OF THE POINT OF BEGINNING; THENCE WEST 22 RODS TO THE POINT OF BEGINNING.

ALSO INCLUDING: ALL THAT PORTION OF THE S $\frac{1}{2}$ SE $\frac{1}{4}$ LYING WEST OF THE MARSH VALLEY ROAD.

ALSO INCLUDING: ALL OF THE NW $\frac{1}{4}$ SW $\frac{1}{4}$, EXCEPTING THEREFROM: ALL THAT PORTION OF SAID NW $\frac{1}{4}$ SW $\frac{1}{4}$ SITUATED ON TOP OF THE WEST BENCH MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE NW $\frac{1}{4}$ SW $\frac{1}{4}$ OF SAID SECTION 23, THENCE SOUTH 80 RODS, THENCE EAST 80 RODS, THENCE NORTH 15 RODS, THENCE NORTHWESTERLY ALONG THE CREST OF THE BENCH TO A POINT 22 RODS EAST OF THE POINT OF BEGINNING, THENCE WEST 22 RODS TO THE POINT OF BEGINNING.

ALSO INCLUDING: BEGINNING AT THE SOUTHWEST CORNER OF THE NW $\frac{1}{4}$ SE $\frac{1}{4}$; THENCE NORTH ALONG THE MERIDIONAL CENTER LINE OF SAID SECTION, APPROXIMATELY 855 FEET, THENCE SOUTHEASTERLY APPROXIMATELY 1235 FEET, THENCE WEST ALONG THE SOUTH 1/16 LINE OF SAID SECTION, 665 FEET MORE OR LESS TO THE POINT OF BEGINNING. OTHERWISE DESCRIBED AS ALL THAT PORTION OF SAID NW $\frac{1}{4}$ SE $\frac{1}{4}$ LYING SOUTHWESTERLY OF THE MARSH VALLEY ROAD.

ALL THE NE $\frac{1}{4}$ EXCEPTING THEREFROM: BEGINNING 18 RODS EAST OF THE NORTHWEST CORNER OF THE SW $\frac{1}{4}$ NE $\frac{1}{4}$ AND RUNNING THENCE EAST 250 FEET; THENCE NORTH 250 FEET; THENCE WEST 250 FEET; THENCE SOUTH 250 FEET TO THE PLACE OF BEGINNING.

ALSO EXCEPTING: BEGINNING 821 FEET NORTH OF THE NORTHWEST CORNER OF THE SW $\frac{1}{4}$ NE $\frac{1}{4}$ AND RUNNING THENCE SOUTH 300 FEET; THENCE EAST 300 FEET; THENCE



NORTH 300 FEET; THENCE WEST 300 FEET TO THE PLACE OF BEGINNING.

ALSO EXCEPTING THEREFROM: BEGINNING AT THE NORTHWEST CORNER OF THE SW $\frac{1}{4}$ NE $\frac{1}{4}$ OF SECTION 23; THENCE EAST 297 FEET; THENCE NORTH 250 FEET; THENCE WESTERLY 297 FEET TO THE MERIDIONAL CENTER LINE; THENCE SOUTH 250 FEET TO THE POINT OF BEGINNING, MORE OR LESS.

ALSO INCLUDING: THAT PORTION OF THE N $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ OF SECTION 23, TOWNSHIP 11 SOUTH, RANGE 36 EAST, BOISE MERIDIAN, BANNOCK COUNTY, IDAHO, LYING NORTHEASTERLY OF SOUTH MARSH VALLEY ROAD.

SECTION 24: N $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$; S $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$; S $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$; N $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$

SW $\frac{1}{4}$ NW $\frac{1}{4}$ EXCEPTING THE N $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$; SE $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$; NE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$

NE $\frac{1}{4}$ SW $\frac{1}{4}$ EXCEPTING THE NE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$; N $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$

SECTION 26: W $\frac{1}{2}$; SW $\frac{1}{4}$ NE $\frac{1}{4}$; NE $\frac{1}{4}$ NE $\frac{1}{4}$; NW $\frac{1}{4}$ NE $\frac{1}{4}$

SECTION 27: E $\frac{1}{2}$ NE $\frac{1}{4}$; NW $\frac{1}{4}$ NE $\frac{1}{4}$; NE $\frac{1}{4}$ NW $\frac{1}{4}$; NW $\frac{1}{4}$ NW $\frac{1}{4}$

SECTION 34: THE W $\frac{1}{2}$ NE $\frac{1}{4}$; E $\frac{1}{2}$ NW $\frac{1}{4}$; SW $\frac{1}{4}$ NW $\frac{1}{4}$; NW $\frac{1}{4}$ SW $\frac{1}{4}$.



EXHIBIT "B"

PROPERTY ADDRESS: 21752 S. Marsh Valley Rd., Downey, ID 83234

PARCEL NO(S): R4431004700, R4431004800, R4431006300, R4431006502, R4431006900,
R4431006600, R4431006700, R4431007000, R4431007104, R4431007200, R4431007300,
R4431007500, R4431007600, R4431007801, R4431007802, R4431008000, R4431008102,
R4431008402, R4431008500, R4431008600, R4431008700, R4431008800, R4431010401,
R4431010402, R4431010700, R4431011100, R4431011200, R4431011300, R4431011400,
R4431013100, R4431013500





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

December 2, 2016

Ireland Bank
486 Yellowstone
Pocatello ID 83201

RE: Notice of Security Interest in a Water Right 29-520, 29-7355, 29-10133, 29-2155, 29-10130, 29-13381, 29-2219, 29-10131, 29-2295C & 29-10132

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 an 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: Cris Davis
Lauretta Davis