

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

RECEIVED

JUN 11 2015

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).: 36-2318A, 36-2318B, 36-13986

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) The Northside Ranch Co., LLC

5. Expiration Date of Notification Period 02-20-2035

6. 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 _____ Date 6-11-15 Fee _____
Receipted by _____ Date 6-11-15 Receipt No. C100594
Processed by _____ Date _____ WR Int Date 9-30-15

SUPPORT DATA

IN FILE # 36-2318A

15246200

Instrument # 2151663
JEROME COUNTY, JEROME, IDAHO
06-06-2016 01:56:41 PM No. of Pages: 7
Recorded for: TITLEONE - JEROME
MICHELLE EMERSON Fee: \$28.00
Ex-Officio Recorder Deputy: jw
Electronically Recorded by Simplifile

RECORDATION REQUESTED BY:

D. L. Evans Bank
Twin Falls Financial Center
P.O. Box 87
906 Blue Lakes Blvd. N.
Twin Falls, ID 83301

WHEN RECORDED MAIL TO:

D. L. Evans Bank
Twin Falls Financial Center
P.O. Box 87
906 Blue Lakes Blvd. N.
Twin Falls, ID 83301

SEND TAX NOTICES TO:

The Northside Ranch Co., LLC
112 South Lincoln Suite 5
Jerome, ID 83338

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

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MORTGAGE

THIS MORTGAGE dated April 6, 2015, is made and executed between The Northside Ranch Co., LLC; an Idaho limited liability company (referred to below as "Grantor") and D. L. Evans Bank, whose address is P.O. Box 87, 906 Blue Lakes Blvd. N., Twin Falls, ID 83301 (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 Jerome County, State of Idaho:

TOWNSHIP 7 SOUTH, RANGE 17 EAST OF THE BOISE MERIDIAN, JEROME COUNTY, IDAHO

Section 22: A parcel of land located in the SE $\frac{1}{4}$ and NE $\frac{1}{4}$, more particularly described as follows:

Beginning at the Southeast corner of Section 22 as monumented by a 5/8 inch rebar & cap, Jerome County C.P. & F. Instrument Number

2062106;

Thence North 89°34'56" West along the South boundary of the SE $\frac{1}{4}$ of said Section 22 for a distance of 957.30 feet;

Thence North 00°25'04" East for a distance of 715.00 feet;

Thence North 89°34'56" West for a distance of 300.00 feet;

Thence South 00°25'04" West for a distance of 290.00 feet;

Thence South 89°34'56" East for a distance of 100.00 feet;

Thence South 00°25'04" West for a distance of 425.00 feet to a point on the South boundary of the SE $\frac{1}{4}$;

Thence North 89°34'56" West along the South boundary of the SE $\frac{1}{4}$ for a distance of 182.34 feet;

Thence North 00°25'04" East for a distance of 822.06 feet;

Thence South 69°42'16" West for a distance of 396.35 feet;

Thence South 00°25'04" West for a distance of 125.13 feet;

Thence North 89°34'56" West for a distance of 298.91 feet;

Thence South 00°25'04" West for a distance of 556.74 feet to a point on the South boundary of the SE $\frac{1}{4}$;

Thence North 89°34'56" West along the South boundary of the SE $\frac{1}{4}$ for a distance of 386.59 feet to a 5/8

inch rebar & cap in a bridge deck;

Thence following bearings and distances along the approximate centerline of the R4 canal;

North 08°21'21" East for a distance of 71.31 feet;

North 06°23'30" East for a distance of 123.93 feet;

North 18°55'12" West for a distance of 147.25 feet to a point of curve to the left of which the radius point

lies South 71°04'48" West, a

radial distance of 96.67 feet;

Northwesterly along the arc for a distance of 122.19 feet, through a central angle of 72°25'12", and a long

chord bearing North 55°07'48"

West for a distance of 114.22 feet;

South 88°39'35" West for a distance of 50.98 feet to the point of curve of a non tangent curve to the right, of

which the radius point lies

North 02°05'00" West, a radial distance of 146.96 feet;

Westerly along the arc, through a central angle of 30°19'59", and a long chord bearing North 76°55'00" West

for a distance of 76.90 feet to

a point on the West boundary of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 22;

Thence North 00°15'56" East along the West boundary of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ for a distance of 226.94 feet to a

point on the approximate

centerline of the R4 Canal;

Thence the following bearings and distances along the approximate centerline of the R4 canal;

North 42°36'36" East for a distance of 199.92 feet to a point of curve to the left of which the radius point lies

North 47°23'24" West, a radial

distance of 149.73 feet;

Northerly along the arc for a distance of 251.13 feet, through a central angle of 96°05'52", and a long chord

bearing North 05°26'20" West

for a distance of 222.71 feet;

North 53°29'17" West for a distance of 124.70 feet;

North 35°48'32" West for a distance of 20.31 feet to a point on the West boundary of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of said

Section 22;

Thence North 00°15'56" East along the West boundary of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ for a distance of 223.20 feet to the

Northwest corner of the

SW $\frac{1}{4}$ SE $\frac{1}{4}$, monumented with a 5/8 inch rebar & cap;

Thence South 89°34'56" East along the North boundary of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ for a distance of 1,093.93 feet to a

5/8 inch rebar & cap;

Thence North 00°15'56" East for a distance of 1,853.26 feet to a 5/8 inch rebar & cap;

Thence North 89°44'32" West for a distance of 315.04 feet to a 5/8 inch rebar & cap;

Thence North 00°15'56" East for a distance of 2,114.09 feet to a point on the North boundary of the NE $\frac{1}{4}$ of

said Section 22, monumented

with a 5/8 inch rebar & cap;

Thence South 89°23'51" East along the North boundary of the NE $\frac{1}{4}$ for a distance of 1,863.61 feet to the

Northeast corner of Section 22,

monumented with a 5/8 inch rebar & cap;

Thence South 00°16'22" West along the East boundary of the NE $\frac{1}{4}$ for a distance of 2,641.74 feet to the East

quarter corner of Section 22,

monumented with a hex shaft;

Thence South 00°17'30" West along the East boundary of the SE $\frac{1}{4}$ for a distance of 2,640.16 feet to the

POINT OF BEGINNING.

TOGETHER WITH THE WATER RIGHTS REPRESENTED BY IDAHO STATE DEPARTMENT OF WATER RESOURCES WATER RIGHT NO. 36-2318A WITH A CLAIMED PRIORITY OF FEBRUARY 28, 1957 TO 3.21 CFS OF IRRIGATION WATER FROM GROUND WATER, WATER RIGHT NO. 36-2318B WITH A CLAIMED PRIORITY OF FEBRUARY 28, 1957 TO .05 CFS OF STOCKWATER FROM GROUND WATER AND WATER RIGHT NO. 36-13986 WITH A CLAIMED PRIORITY OF MARCH 1, 1978 TO .2 CFS OF STOCK WATER FROM GROUND WATER, .04 CFS OF DOMESTIC WATER FROM GROUND WATER 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 515 North 400 East, Jerome, ID 83338. The Real Property tax identification number is RP07S17E220008A.

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 THIS MORTGAGE. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

GRANTOR'S WAIVERS. Grantor waives all rights or defenses arising by reason of any "one action" or "anti-deficiency" law, or any other law which may prevent Lender from bringing any action against Grantor, including a claim for deficiency to the extent Lender is otherwise entitled to a claim for deficiency, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale.

GRANTOR'S REPRESENTATIONS AND WARRANTIES. Grantor warrants that: (a) this Mortgage is executed at Borrower's request and not at the request of Lender; (b) Grantor has the full power, right, and authority to enter into this Mortgage and to hypothecate the Property; (c) the provisions of this Mortgage do not conflict with, or result in a default under any agreement or other instrument binding upon Grantor and do not result in a violation of any law, regulation, court decree or order applicable to Grantor; (d) Grantor has established adequate means of obtaining from Borrower on a continuing basis information about Borrower's financial condition; and (e) Lender has made no representation to Grantor about Borrower (including without limitation the creditworthiness of Borrower).

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Mortgage, Borrower shall pay to Lender all indebtedness secured by this Mortgage as it becomes due, and Borrower and Grantor shall strictly perform all Borrower's and Grantor's obligations under this Mortgage.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Borrower and Grantor agree that Borrower's and Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until the occurrence of an Event of Default, Grantor may (1) remain in possession and control of the Property; (2) use, operate or manage the Property; and (3) collect the Rents from the Property. The following provisions relate to the use of the Property or to other limitations on the Property.

Duty to Maintain. Grantor shall maintain the Property in tenantable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Compliance With Environmental Laws. Grantor represents and warrants to Lender that: (1) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from the Property; (2) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (a) any breach or violation of any Environmental Laws, (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Property by any prior owners or occupants of the Property, or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (3) Except as previously disclosed to and acknowledged by Lender in writing, (a) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from the Property; and (b) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation all Environmental Laws. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Mortgage. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws; and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Mortgage or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the same was or should have been known to Grantor. The provisions of this section of the Mortgage, including the obligation to indemnify and defend, shall survive the payment of the indebtedness and the satisfaction and reconveyance of the lien of this Mortgage and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

Nuisance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), coal, clay, scoria, soil, gravel or rock products without Lender's prior written consent.

Removal of Improvements. Grantor shall not demolish or remove any improvements from the Real Property without Lender's prior written consent. As a condition to the removal of any improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such improvements with improvements of at least equal value.

Lender's Right to Enter. Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Real Property for purposes of Grantor's compliance with the terms and conditions of this Mortgage.

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans With Disabilities Act. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Grantor agrees neither to abandon or leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

DUE ON SALE - CONSENT BY LENDER. Lender may, at Lender's option, declare immediately due and payable all sums secured by this Mortgage upon the sale or transfer, without Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest in the Real Property; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of an interest in the Real Property. If any Grantor is a corporation, partnership or limited liability company, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock, partnership interests or limited liability company interests, as the case may be, of such Grantor. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by Idaho law.

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are part of this Mortgage:

Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, payroll taxes, special taxes, assessments, water charges and sewer service charges levied against or on account of the Property, and shall pay when due all claims for work done on or for 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.