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NOV 04 2013

Department of Water Resources
Eastern Region

Form 42-248(6) 3/07

STATE 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): 17-7062, 17-7163, 17-7171
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
USDA-FARM SERVICE AGENCY
98 E. 800 N., STE 2
PRESTON, ID. 83263
4. Name of Water Right Owner/Claimant(s) TRC RANCH, LLC
5. Expiration Date of Notification Period 10-30-2028
6. Is this a Renewal of Request for Notification? ☐ YES ☒ NO
7. Signature(s) of Security Interest holder(s) Luisan V. Bittm
(and title if applicable) Farm Loan Officer, USDA-FSA

For Office Use Only

Received by <u>JB</u>	Date <u>11/4/2013</u>	Fee <u>\$75.-</u>
Received by <u>JB</u>	Date <u>11/4/2013</u>	Receipt No. <u>E039266</u>
Processed by _____	AJ Date _____	WR <u>JB</u> Date <u>11/8/2013</u>

SUPPORT DATA

IN FILE # 17-7062

FSA 1927-1 ID
(11-20-02)

Position 5

UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency

MORTGAGE FOR IDAHO

Instrument No. 142216
30 Day January 2008
At 2:15 O'clock PM
Shirley Stansel
Oneida Co. Recorder
Fee \$ 21.00 Deputy
Recorded at Request of
Russell S. Powell

THIS MORTGAGE ("instrument") is made on JANUARY 30, 2008. The mortgagor is TRC RANCH, LLC

("Borrower" whose mailing address is 22230 WEST 10500 SOUTH, STONE,
IDAHO 83252

_____. This instrument is given to the United States of America, acting
through the Farm Service Agency, United States Department of Agriculture ("Government") located at 98 EAST 800 NORTH,
SUITE 2, PRESTON, IDAHO 83263

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

<u>Date of Instrument</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>	<u>Due Date of Final Installment</u>
ORIGINAL NOTE OCTOBER 18, 2006	\$120,000.00	5.375%	OCTOBER 18, 2013
RESCHEDULED TO JANUARY 30, 2008	\$128,005.07	4.375%	JANUARY 30, 2023
ORIGINAL NOTE OCTOBER 18, 2006	\$80,000.00	5.375%	OCTOBER 18, 2007
RESCH TO 1-30-08	\$85,016.83	4.375%	JANUARY 30, 2018

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

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

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

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

See attached Exhibit A for legal description.

together with all rights (including the rights to mining products, gravel, oil, gas, coal or other minerals), interests, easements, fixtures, hereditaments, appurtenances, and improvements now or later attached thereto, the rents, issues and profits thereof, revenues and income therefrom, all water, water rights, and water stock pertaining thereto, and all payments at any time owing to Borrower by virtue of any sale, lease, transfer, or condemnation of any part thereof or interest therein (collectively called "the property"). This instrument constitutes a security agreement and financing statement under the Uniform Commercial Code and creates a security interest in all items which may be deemed to be personal property, including but not limited to proceeds and accessions, that are now or hereafter included in, affixed, or attached to "the property."

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

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

Initial JS date 1-30-08
1/30/08 JS

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

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

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

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

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

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

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

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

TRC Ranch LLC by Russell D. Powell (SEAL)
TRC RANCH, LLC

Gary Todd Woolsey (SEAL)
GARY TODD WOOLSEY, INDIV

Russell D. Powell (SEAL)
RUSSELL D. POWELL, INDIV

Marjorie W. Powell (SEAL)
MARJORIE W. POWELL, INDIV

ACKNOWLEDGMENTS

STATE OF IDAHO }
COUNTY OF ONEIDA } ss.

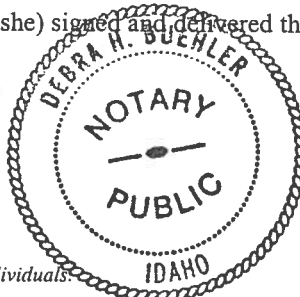
(Individual)

On this 30TH day of JANUARY, 2008, before me personally appeared RUSSELL D. POWELL & GARY T. WOOLSEY

, to be known to me to be the same person(s) whose name is subscribed to the foregoing instrument, and acknowledged that (he or she) signed and delivered the instrument as (his or her) free and voluntary act, for the uses and purposes set forth.

My commission expires:

1-21-09



Debra H. Buehler

NOTARY PUBLIC

Note: Page 5 of 5 applies to entities only and will not be recorded for individuals.

Initial RP date 1-30-08
1/30/08

STATE OF IDAHO
COUNTY OF ONEIDA

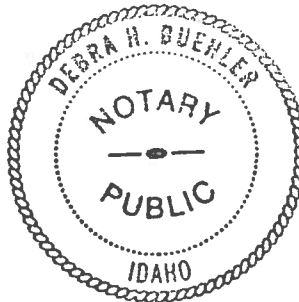
SS.

The foregoing instrument was acknowledged before me this 30TH day of JANUARY, 2008, by RUSSELL D. POWELL
, President and GARY T. WOOLSEY

Secretary of TRC RANCH, LLC, a LIMITED LIABILITY corporation, on behalf of the corporation.

My commission expires:

1-21-09



Debra H. Buchler

NOTARY PUBLIC

STATE OF IDAHO
COUNTY OF _____

SS

(Partnership)

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

My commission expires:

NOTARY PUBLIC

Initial

date

1-30-08

1-70.08

1/30/05

142216

ACKNOWLEDGMENTS

STATE OF ~~IDAHO~~ Oregon }
COUNTY OF Douglas } ss.

(Individual)

On this 25th day of January 2008, before me personally appeared Marjorie W Powell
_____, to be known to me to be the same person(s) whose name is subscribed
to the foregoing instrument, and acknowledged that (he or she) signed and delivered the instrument as (his or her) free and voluntary
act, for the uses and purposes set forth.

My commission expires:

April 26, 2008



Lindie S Champ
NOTARY PUBLIC

Initial MSW date 1-30-08
BP 1/30/08

142216

EXHIBIT 'A'
TRC RANCH, LLC

TOWNSHIP 16 SOUTH RANGE 32 EAST, BOISE MERIDIAN, ONEIDA COUNTY, IDAHO.
SECTION 13: SOUTH HALF OF THE SOUTHWEST QUARTER.

TOWNSHIP 16 SOUTH RANGE 32 EAST, BOISE MERIDIAN, ONEIDA COUNTY, IDAHO.
SECTION 23: COMMENCING AT THE NORTHWEST CORNER OF THE NORTHEAST
QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 23, THENCE RUNNING
EAST 1320 FEET; THENCE SOUTH 2640 FEET; THENCE WEST 1320 FEET; THENCE
NORTH 1551 FEET; THENCE EAST 400 FEET; THENCE NORTH 108 FEET; THENCE
WEST 400 FEET; THENCE NORTH 981 FEET TO THE POINT OF BEGINNING (T-3451
AND T-3452).

TOWNSHIP 16 SOUTH, RANGE 32 EAST, BOISE MERIDIAN, ONEIDA COUNTY,
IDAHO.
SECTION 24: NORTH HALF OF THE SOUTHWEST QUARTER; NORTHWEST
QUARTER; ALSO, COMMENCING AT THE NORTH QUARTER CORNER OF SAID
SECTION 24; THENCE RUNNING EAST 110 FEET, THENCE SOUTH 240 RODS; THENCE
WEST 110 FEET; THENCE NORTH 240 RODS TO THE POINT OF BEGINNING. (T-3642).

TOGETHER WITH ALL WATER AND WATER RIGHTS HOWEVER EVIDENCED, AND
INCLUDING WATER LICENSES AND PERMITS ISSUED BY THE DEPARTMENT OF
WATER RESOURCES OF THE STATE OF IDAHO NUMBERED 17-7062, 17-7162 AND 17-
7163 FROM UNDERGROUND WELLS AND A PORTION OF STOCK WATERING RIGHT
UNDER PERMIT #17-04035 FOR 4.90 ACRE FEET ANNUALLY OR 25 G.P.D. FOR 175
HEAD OF CATTLE OUT OF A SPRING NORTH AND EAST OF THE PROPERTY IN
SECTION 18, T-16S, R-32 EBM, TO THE BOUNDARY LINE OF SECTION 13 ON RANCH
AS REFERENCED UNDER THE MEMORANDUM OF UNDERSTANDING DATED APRIL
23, 1984, BETWEEN D. LAMAR KELLY AND ANNETTE M. KELLY AND KENDALL H.
ROCKHILL AND JOYCE C. ROCKHILL, RECORDED APRIL 24, 1984, AS INSTRUMENT
NO. 107807, RECORDS OF ONEIDA COUNTY, IDAHO.

AND PERSONAL PROPERTY DESCRIBED AS FOLLOWS:

- 1 - ½ MILE PIVOT
- VARIOUS WHEEL AND HAND LINES, HOSES, ATTACHMENTS, VALVES BURIED
AND PORTABLE MAIN LINE.
- 1 - 125 HP NEWMAN ELECTRIC MOTOR WITH PUMP
- 1 - 100 HP FAIRBANKS MORSE ELECTRIC MOTOR WITH PUMP
- 1 - 100 HP HOLLOWSHAFT ELECTRIC MOTOR WITH PUMP

Subject to easements, restrictions and rights of way of record

MP 1-30-08
SD 1-30-08
JS 1/30/08