

RECEIVED

AUG 09 2011

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCESDEPARTMENT 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): 57-2254, 2-10238, 2-10240, 2-10242 _____
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 Bank
P.O. Box 87
Twin Falls, ID 83303
4. Name of Water Right Owner/Claimant(s)
Leslie Loucks and Lavada Loucks
5. Expiration Date of Notification Period 4/15/2031
6. Is this a Renewal of Request for Notification? ☒ YES ☐ NO
7. Signature(s) (and title if applicable) *W. J. Johnson*
Loan Processor
- SUPPORT DATA**
IN FILE # 2-10238

For Office Use Only

Received by	Date	Fee
Received by <u>SR7</u>	Date <u>8/9/2011</u>	Receipt No. <u>CO93737</u>
Processed by <u>AJ</u>	Date <u>8-9-11</u>	WR <u>SR</u>

RECORDATION REQUESTED BY:

D. L. Evans Bank
Nampa Branch
1310 12th Ave. Rd.
Nampa, ID 83686

WHEN RECORDED MAIL TO:

D. L. Evans Bank
Nampa Branch
1310 12th Ave. Rd.
Nampa, ID 83686

SEND TAX NOTICES TO:

Leslie Loucks
Lavada Loucks
5985 Dunlap Road
Marsing, ID 83639

Instrument # 274464
MURPHY, OWYHEE, IDAHO
2011-05-25 10:52:56 No. of Pages: 11
Recorded for: PIONEER TITLE COMPANY/OWYHEE
CHARLOTTE SHERBURN Fee: \$40.00
Ex-Officio Recorder Deputy: map
Index To: MORTGAGE
Electronically Recorded by Simplifile

**Electronically Recorded- DO NOT
Remove the County Stamped First
Page as it is now Incorporated as
Part of the original Document.**

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MORTGAGE

THIS MORTGAGE dated May 23, 2011, is made and executed between Leslie Loucks and Lavada Loucks (referred to below as "Grantor") and D. L. Evans Bank, whose address is 1310 12th Ave. Rd., Nampa, ID 83686 (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 Owyhee County, State of Idaho:

REFER TO EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

TOGETHER WITH THE WATER RIGHTS REPRESENTED BY IDAHO STATE DEPARTMENT OF WATER RESOURCES WATER RIGHT NO. 57-2254 WITH A CLAIMED PRIORITY OF AUGUST 28, 1962 TO 1.09 CFS OF IRRIGATION WATER, WATER RIGHT NO. 2-10238 WITH A CLAIMED PRIORITY OF SEPTEMBER 4, 1974 TO 0.72 CFS OF IRRIGATION WATER, AND WATER RIGHT NO. 2-10240 WITH A CLAIMED PRIORITY OF DECEMBER 18, 1974 TO 0.48 CFS OF IRRIGATION WATER, AND WATER RIGHT NO. 2-10242 WITH A CLAIMED PRIORITY OF JULY 7, 1994 TO 1.20 CFS OF IRRIGATION WATER AND WATER RIGHT NO. 57-4046 WITH A CLAIMED PRIORITY OF MARCH 15, 1967 TO 1.28 CFS OF IRRIGATION WATER AND 0.05 CFS OF STOCK 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, Marsing, ID 83639.

CROSS-COLLATERALIZATION. In addition to the Note, this Mortgage secures all obligations, debts and liabilities, plus interest thereon, of Grantor to Lender, or any one or more of them, as well as all claims by Lender against Grantor or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, direct or indirect, determined or undetermined, absolute or contingent, liquidated or unliquidated, whether Grantor may be liable individually or jointly with others, whether obligated as guarantor, surety, accommodation party or otherwise, and whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable.

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:

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Mortgage, Grantor shall pay to Lender all amounts secured by this Mortgage as they become due and shall strictly perform all of Grantor's obligations under this Mortgage.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Grantor agrees that 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 tenable 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

ELECTRONICALLY RECORDED

By: Pioneer Title Company Fee: \$5.00
4.50

RECORDATION REQUESTED BY:

D. L. Evans Bank
Nampa Branch
1310 12th Ave. Rd.
Nampa, ID 83686

Instrument # 274464

Date: 5-25-11 Time: 10:52:56 AM

County: Owyhee, Idaho

WHEN RECORDED MAIL TO:

D. L. Evans Bank
Nampa Branch
1310 12th Ave. Rd.
Nampa, ID 83686

SEND TAX NOTICES TO:

Leslie Loucks
Lavada Loucks
5985 Dunlap Road
Marsing, ID 83639

201102488

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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

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.

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.

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

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

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

Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all Improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Grantor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Lender being named as additional insureds in such liability insurance policies. Additionally, Grantor shall maintain such other insurance, including but not limited to hazard, business interruption and boiler insurance as Lender may require. Policies shall be written by such insurance companies and in such form as may be reasonably acceptable to Lender. Grantor shall deliver to Lender certificates of coverage from each insurer containing a stipulation that coverage will not be cancelled or diminished without a minimum of fifteen (15) days' prior written notice to Lender and not containing any disclaimer of the insurer's liability for failure to give such notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Real Property be located in an area designated by the Director 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.

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 of Grantor and shall be added to the balance of the Note and be apportioned among and be payable

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 Grantor'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 Grantor which Grantor 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 Grantor.

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 Mortgage.

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-fact are a part of this Mortgage:

Further Assurances. At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Grantor's obligations under the Note, this Mortgage, and the Related Documents, and (2) the liens and security interests created by this Mortgage as first and prior liens on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or Lender agrees to the contrary in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

Attorney-in-Fact. If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

FULL PERFORMANCE. If Grantor pays all the indebtedness when due, and otherwise performs all the obligations imposed upon Grantor under this Mortgage, Lender shall execute and deliver to Grantor a suitable satisfaction of this Mortgage and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Grantor will pay, if permitted by applicable law, any reasonable termination fee as determined by Lender from time to time.

EVENTS OF DEFAULT. Each of the following, at Lender's option, shall constitute an Event of Default under this Mortgage:

Payment Default. Grantor fails to make any payment when due under the indebtedness.

Default on Other Payments. Failure of Grantor within the time required by this Mortgage to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

Other Defaults. Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Mortgage or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Grantor.

False Statements. Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Mortgage or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the Indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of an Event of Default and at any time thereafter, Lender, at Lender's option, may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

Accelerate Indebtedness. Lender shall have the right at its option without notice to Grantor to declare the entire Indebtedness immediately due and payable, including any prepayment penalty that Grantor would be required to pay.

UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

Collect Rents. Lender shall have the right, without notice to Grantor, to take possession of the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

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

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

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

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

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

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

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

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

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

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

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

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

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

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 Leslie Loucks and Lavada Loucks 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 regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Mortgage in the events of default section of this Mortgage.

Grantor. The word "Grantor" means Leslie Loucks and Lavada Loucks.

Guaranty. The word "Guaranty" means the guaranty from guarantor, endorser, surety, or accommodation party to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Improvements. The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Lender to enforce Grantor's obligations under this Mortgage, together with interest on such amounts as provided in this Mortgage. Specifically, without limitation, Indebtedness includes all amounts that may be indirectly secured by the Cross-Collateralization provision of this Mortgage.

Lender. The word "Lender" means D. L. Evans Bank, its successors and assigns.

Mortgage. The word "Mortgage" means this Mortgage between Grantor and Lender.

Note. The word "Note" means the promissory note dated May 23, 2011, in the original principal amount of \$2,362,500.00 from Grantor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. **NOTICE TO GRANTOR: THE NOTE CONTAINS A VARIABLE INTEREST RATE.**

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

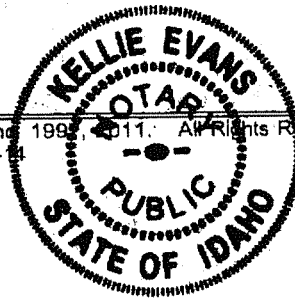
Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Mortgage.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness; except that the words do not mean any guaranty or environmental agreement, whether now or hereafter existing, executed in connection with the Indebtedness.

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Idaho)
) SS
)COUNTY OF Canyon

On this 23 day of May, in the year 20 11, before me Kellie Evans
a notary public in and for the State of Idaho, personally appeared Leslie Loucks and Lavada Loucks, known
or identified to me (or proved to me on the oath of _____), to be the persons whose names are subscribed to
the within instrument and acknowledged to me that they executed the same.

Notary Public for Idaho Kellie EvansResiding at Nampa, IDMy commission expires 6/25/15

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EXHIBIT A

TRACT I:

The Northeast Quarter of the Southeast Quarter, the South Half of the Southeast Quarter of the Northeast Quarter, and the Southeast Quarter of the Southeast Quarter of Section 8, Township 2 North, Range 4 West of the Boise Meridian, Owyhee County, Idaho.

TRACT II:

In Township 2 North, Range 4 West, Boise Meridian, Owyhee County, Idaho.

Section 8: ALL that part of the Southwest Quarter of the Southeast Quarter, lying South and West of the Centerline of the "A" Canal of the Gem Irrigation District, All that part of the Northwest Quarter of the Southeast Quarter lying South and West of the Centerline of the "A" Canal of the Gem Irrigation District, The North Half of the Southwest Quarter and the South Half of the Southwest Quarter

EXCEPTING THEREFROM THE FOLLOWING FOUR PARCELS:

Parcel 1:

A portion of the Southwest Quarter of the Southwest Quarter of Section 8, Township 2 North, Range 4 West, Boise Meridian, Owyhee County, Idaho, and is more particularly described as follows:

COMMENCING at the Southwest corner of said Southwest Quarter of the Southwest Quarter; thence
South 89° 56'00" East along the South boundary of said Section 8, a distance of 90.17 feet; thence
North 4° 40'40" West a distance of 351.16 feet to the TRUE POINT OF BEGINNING; thence continuing
North 4° 40'40" West a distance of 75.00 feet; thence
North 85° 20'00" East a distance of 139.47 feet; thence
South 88° 05'03" East a distance of 42.47 feet; thence
South 69° 33'33" East a distance of 59.51 feet; thence
South 58° 08'47" East a distance of 88.43 feet; thence
South 86° 46'48" West a distance of 306.71 feet to the TRUE POINT OF BEGINNING.

Parcel 2:

ALL that portion of the Southeast Quarter of the Southwest Quarter of Section 8, Township 2 North, Range 4 West, Boise Meridian, Owyhee County, Idaho, lying Southerly of the South line of the concrete irrigation ditch running Easterly and Westerly through said Southeast Quarter of the Southwest Quarter.

Parcel 3:

This parcel is a portion of the Southeast Quarter of the Southwest Quarter of Section 8, Township 2 North, Range 4 West of the Boise Meridian, Owyhee County, Idaho and is more particularly described as follows:

COMMENCING at the southeast corner of said Southeast Quarter of the Southwest Quarter; thence

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North 89° 12' 53" West along the south boundary of said Southeast Quarter of the Southwest Quarter a distance of 151.68 feet to the TRUE POINT OF BEGINNING; thence Continuing north 89° 12' 53" West along said boundary a distance of 1167.46 feet to the southwest corner of said southwest corner of said Southeast Quarter of the Southwest Quarter; thence

North 0° 21' 49" East along the west boundary of said Southeast Quarter of the Southwest Quarter a distance of 198.60 feet to a point 1.00 foot south of an existing concrete irrigation ditch; thence transversing said south line as follows:

North 63° 45' 49" East a distance of 19.71 feet to a point of curvature;

Along a curve to the right having an arc length of 196.45 feet, a radius of 274.34 feet, a central angle of 41° 01' 43", and a long chord which bears North 84° 16' 35" East a distance of 192.28 feet;

South 75° 12' 31" East a distance of 94.39 feet to a point of curvature;

Along a curve to the left having an arc length of 169.24 feet, a radius of 172.69 feet, a central angle of 56° 09' 01", and a long chord which bears North 76° 42' 59" East a distance of 162.54 feet;

North 48° 38' 29" East a distance of 39.02 feet to a point of curvature;

Along a curve to the right having an arc length of 234.57 feet, a radius of 184.12 feet, a central angle of 72° 59' 55", and a long chord which bears North 89° 08' 26" East a distance of 219.03 feet;

South 58° 21' 37" East a distance of 135.26 feet;

South 52° 12' 01" East a distance of 285.75 feet,

South 65° 37' 18" East a distance of 130.81 feet to the TRUE POINT OF BEGINNING.

Parcel 4:

A parcel of land lying in the Southwest Quarter of Section 8, Township 2 North, Range 4 West, Boise Meridian, Owyhee County, Idaho, said parcel being more particularly described as follows:

COMMENCING at a found 1 ½" pipe marking the section Corner common to Sections 7, 8, 17 and 18, Township 2 North, Range 4 West, Boise Meridian, Owyhee County, Idaho, said 1 ½" pipe bears North 89°56'00" West 1321.78 feet from a found Brass Cap marking the West 1/16 Corner common to said Sections 8 and 17 and bears South 00°27'49" East 2631.65 feet from a found Brass Cap marking the West Quarter Corner of said Section 8; thence North 00°27'49" West 627.44 feet along the Westerly boundary of the said Southwest Quarter of Section 8 to a set ½" iron pin, said pin marking the REAL POINT OF BEGINNING; thence

South 87°49'11" East 256.43 feet to a set ½" iron pin; thence

South 46°09'35" East 218.44 feet to a set ½" iron pin; thence

South 22°27'35" West 107.24 feet to a found ½" iron pin; thence

North 57°56'11" West 88.40 feet to a found ½" iron pin; thence

North 70°05'36" West 59.64 feet to a found ½" iron pin; thence

North 87°46'30" West 42.30 feet to a found ½" iron pin; thence

South 85°13'27" West 198.58 feet to a set ½" iron pin lying along the said Westerly boundary of the Southwest Quarter of Section 8; thence

North 00°27'49" West 207.83 feet along the said Westerly boundary of the Southwest Quarter of Section 8 to the POINT OF BEGINNING.

TRACT III:

In Township 2 North, Range 4 West, Boise Meridian, Owyhee County, Idaho.

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Section 17: The South Half of the Northeast Quarter and the Northwest Quarter of the Northeast Quarter, the West Half of the Northeast Quarter of the Northeast Quarter, and the East Half of the Northeast Quarter of the Northeast Quarter.

EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PARCEL:

A parcel of land being a portion of the East Half of the Northeast Quarter of the Northeast Quarter of Section 17, Township 2 North, Range 4 West, Boise Meridian, Owyhee County, Idaho, said parcel more particularly described as follows:

Commencing at a found Brass Cap marking the North Quarter Corner of said Section 17, Township 2 North, Range 4 West, Boise Meridian, Owyhee County, Idaho; said Brass Cap bears North 00° 09' 36" West, 2637.37 feet from a found Brass Cap marking the C1/4 Corner of said Section 17 and also bears South 89° 59' 23" West, 2644.84 feet from a found Aluminum Cap marking the Northeast Corner of said Section 17; thence

North 89° 59' 23" East, 2327.25 feet along the northerly boundary of the said Northeast Quarter of Section 17 to a set ½ inch iron pin, said pin marking the REAL POINT OF BEGINNING; thence

Continuing North 89° 59' 23" East, 317.59 feet along the said northerly boundary of the Northeast Quarter of Section 17 to a found Aluminum Cap marking the Northeast Corner of Section 17, said Aluminum Cap also marking the centerline intersections of Edison Road and Howard Road and being witnessed by a set ½ inch iron pin which bears South 89° 59' 23" West, 25.00 feet; thence

South 00° 08' 06" East, 640.00 feet along the easterly boundary of the said Northeast Quarter of Section 17 and along the said centerline of Edison Road to a point, said point being witnessed by a set ½ inch iron pin which bears South 89° 59' 23" West, 25.00 feet; thence

South 89° 59' 23" West, 120.12 feet to a set ½ inch iron pin marking a point of curve to the left; thence

Along said curve to the left a distance of 336.56 feet, said curve having a delta of 13° 40' 03", a radius of 1410.88 feet, tangents of 169.08 feet and a long chord of 335.76 feet which bears North 36° 09' 31" West to a point of ending said curvature; thence

North 00° 08' 06" West, 368.88 feet to the POINT OF BEGINNING.

TRACT IV:

In Township 2 North, Range 4 West, Boise Meridian, Owyhee County, Idaho

Section 17: Northwest Quarter of the Northwest Quarter

TRACT V:

In Township 2 North, Range 4 West, Boise Meridian, Owyhee County, Idaho

Section 18: All that portion of the Northwest Quarter of the Southeast Quarter lying West of the right of way of U.S. Highway No. 95 (formerly State Highway No. 20) as reserved in the United States Patent under the act of November 9, 1921, (42 Stat. 212); said right of way being 400 feet in width, 200 feet on either side of the centerline as shown of record in the Department of Highways, State of Idaho, Boise, Idaho.

EXCEPTING THEREFROM THE FOLLOW PARCEL OF LAND:

A parcel of land being a portion of the Northwest Quarter of the Southeast Quarter of Section 18, Township 2 North, Range 4 West, Boise Meridian, Owyhee County, Idaho, more particularly described as follows:

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COMMENCING at a found 1930 G.L.O. brass cap, marking the east quarter corner common to said Sections 18 and 17, Township 2 North, Range 4 West, Boise Meridian; thence

North 89°47'17" West coincident with the north line of the Northwest Quarter of the Southeast Quarter of said Section 18, 2666.53 feet to the calculated center quarter corner of said Section 18, from which a 1930 G.L.O. brass cap marking the north quarter corner of said Section 18 bears North 00°25'06" East, 2627.39 feet, said center quarter corner of Section 18 being also the POINT OF BEGINNING; thence

South 89°47'17" East, 1251.88 feet to the northwesterly right-of-way line of Highway US-95; thence

South 15°05'22" West, coincident with the said northwesterly right-of-way line of Highway US-95, a distance of 1234.16 feet; thence

North 89°47'17" West, 939.30 feet to the west line of the Northwest Quarter of the Southeast Quarter of said Section 18; thence

North 00°25'06" east coincident with the said west line of the Northwest Quarter of the Southeast Quarter of Section 18, a distance of 1192.79 feet to the POINT OF BEGINNING.

The basis of bearings is North 89°47'17" West between the found 1930 G.L.O. brass cap marking the east quarter corner common to said Sections 18 and 17 and the found 5/8" rebar/no cap marking the west quarter corner common to said Sections 18 and 19, both in Township 2 North, Range 4 West, Boise Meridian, Owyhee County, Idaho.

TRACT VI:

In Township 2 North, Range 4 West, Boise Meridian, Owyhee County, Idaho.

Section 18: South Half of the Southeast Quarter

TRACT VII:

In Township 2 North, Range 4 West, Boise Meridian, Owyhee County, Idaho.

Section 19: Northeast Quarter

TRACT VIII:

In Township 2 North, Range 4 West, Boise Meridian, Owyhee County, Idaho.

Section 19: North Half of the Southeast Quarter

EXCEPTING THEREFROM THE FOLLOWING TWO PARCELS OF LAND:

Parcel 1:

A parcel of land situated in the Northwest Quarter of the Southeast Quarter, Section 19, Township 2 North, Range 4 West, Boise Meridian, Owyhee County, Idaho, described as follows:

COMMENCING at the Southwest corner of Northwest Quarter of the Southeast Quarter being the POINT OF BEGINNING; thence

East 380.14 feet along the South boundary of Northwest Quarter of the Southeast Quarter; thence

North 47° 31'10" West 511.57 feet to the West boundary of Northwest Quarter of the Southeast Quarter; thence

South 0° 28'20" West 345.49 feet along the West boundary to the POINT OF BEGINNING.

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Parcel 2:

A parcel of land situated in the Northwest Quarter of the Southeast Quarter, Section 19, Township 2 North, Range 4 West, Boise Meridian, Owyhee County, Idaho, described as follows:

BEGINNING at the Northwest corner of the Northwest Quarter of the Southeast Quarter (C1/4 cor.) of Section 19, Township 2 North, Range 4 West, Boise Meridian, Owyhee County, Idaho; thence

North 89° 33'21" East along the North boundary of said Northwest Quarter of the Southeast Quarter, 500.00 feet; thence

South 5° 08'17" West 1321.31 feet to the South boundary of said Northwest Quarter of the Southeast Quarter; thence

North 48° 03'30" West 511.58 feet to the West boundary of said Northwest Quarter of the Southeast Quarter; thence

North 0° 04'00" West along the said West boundary 970.20 feet to the POINT OF BEGINNING.

TRACT IX:

In Township 2 North, Range 4 West, Boise Meridian, Owyhee County, Idaho.

Section 20: West Half of the Northwest Quarter

TRACT X:

In Township 2 North, Range 4 West, Boise Meridian, Owyhee County, Idaho.

Section 20: Northwest Quarter of the Southwest Quarter

TRACT XI:

A Nonexclusive Easement for ingress and egress appurtenant to Tract VIII and X, above, being a strip of land 30 feet in width, lying Northeasterly and parallel to the following described line, over and across a portion of the Northwest Quarter of the Southeast Quarter, Section 19, Township 2 North, Range 4 West, Boise Meridian, Owyhee County, Idaho, more particularly described as follows:

COMMENCING at the Southwest corner of said Northwest Quarter of the Southeast Quarter; thence

East 380.14 feet along the south boundary of the Northwest Quarter of the Southeast Quarter to the POINT OF BEGINNING; thence

North 47° 31'10" West 511.57 feet to the West boundary of the Northwest Quarter of the Southeast Quarter to the POINT OF TERMINATION.