

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

RECEIVED

APR 14 2011

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

WATER RESOURCES
WESTERN REGION

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): 63-32659 & 63-33333
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
Northwest Farm Credit Services, FLCA
and Northwest Farm Credit Services, PCA
16034 E Equine Dr., Nampa ID 83687
4. Name of Water Right Owner/Claimant(s) Snake River Dairies &/or
Jerry L & Mary L Tlucek
5. Expiration Date of Notification Period Nov. 1, 2028, FLCA & June 1, 2011, PCA
6. Is this a Renewal of Request for Notification? ☐ YES ☒ NO
7. Signature(s) of Security Interest holder(s) Stan R. Miller
 (and title if applicable) VP & Relationship manager

For Office Use Only

Received by DB Date 4.14.2011 Fee \$25- (ea.)
 Received by DB Date 4.14.2011 Receipt No. W039139
 Processed by _____ AJ Date _____ WR DB Date 4/20/2011

After Recording Return to:
Farm Credit Services - Nampa
16034 Equine Drive
Nampa, ID 83687.

COPY

Customer/Note No: 056934-143-999-99
057108-141-999-99

**Line Of Credit
Mortgage
(Open End)
and Fixture Filing**

On October 29, 2010, Mary L. Tlucek, same person as Mary Louise Tlucek and Mary Lou Tlucek and Jerry L. Tlucek, same person as Jerry Lee Tlucek a married couple, hereinafter called Mortgagors, whose address is

15188 S. Can-Ada Road
Melba, ID 83641

grant, convey, warrant, transfer and assign to Northwest Farm Credit Services, PCA, a corporation organized under the Farm Credit Act of 1971, as amended, hereinafter called Mortgagee, whose address is 1700 South Assembly Street, P.O. Box 2515, Spokane, Washington 99220-2515, a mortgage and security interest in property in Ada, Valley and Canyon County(ies), State of Idaho, more particularly described as follows:

Ada County:

PARCEL 1

The following parcel located in Township 1 North, Range 1 West, Boise Meridian, Ada County, Idaho:

Section 27:
ALL

The following parcels located in Township 1 South, Range 1 West, Boise Meridian, Ada County, Idaho:

Section 7:
NE1/4 SW1/4
Government Lot 3
NW1/4 SE1/4

Section 19:
NE1/4NE1/4
SE1/4 NE1/4

Section 20:
NE1/4NW1/4

Mortgage (056934-143-999-99)

After Recording Return to:
Farm Credit Services - Nampa
16034 Equine Drive
Nampa, ID 83687.

2010051146
RECORDED
2010 Nov 1 PM 4 21
WILLIAM H. HURST
CANYON CNTY RECORDER
BY M_Brown
Requestor Pioneer Title Company of
Type MTG D OF T
Fee \$31.00
ELECTRONICALLY RECORDED BY SIMPLIFILE

Customer/Note No: 056934-143-999-99
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Section 20:
NE1/4NW1/4

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After Recording Return to:
Farm Credit Services - Nampa
16034 Equine Drive
Nampa, ID 83687.

Recorded Electronically	
ID	110103133
County	Ada
Date	11/1/10 Time 4:12 pm
Simplifile.com 800.460.5657	

Recorded Electronically	
ID	2010051146
County	Canyon
Date	11/1/10 Time 4:21
Simplifile.com 800.460.5657	

Recorded Electronically	
ID	356114
County	Valley
Date	11/1/10 Time 10:59
Simplifile.com 800.460.5657	

Customer/Note No: 056934-143-999-99
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Government Lot 3

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NE1/4NE1/4

SE1/4 NE1/4

Section 20:

NE1/4NW1/4

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NW1/4NW1/4
SW1/4NW1/4
SE1/4NW1/4

EXCEPTING THEREFROM one half acre, more or less, in the Southeast corner of said Southwest Quarter of the Northwest Quarter in Section 20, bounded on the North by the Wald Vogel Canal and on the West by the ditch of John C. Cram and Leola May Cram, husband and wife, the grantees in Deed recorded August 30, 1950 in Book 351 of Deeds at Page 273, Instrument No. 306992, records of Ada County, Idaho.

Section 29:

SW1/4NW1/4
NW1/4SW1/4
SW1/4SW1/4
SE1/4SW1/4

Section 30:

NE1/4SE1/4
SE1/4SE1/4

Section 31:

NE1/4NE1/4

Section 32:

NW1/4NW1/4

Canyon County:

TRACT I:

The East Half of the Northeast Quarter and the Northwest Quarter of the Northeast Quarter, all in Section 27; and the North Half of the Southwest Quarter, the South Half of the Northwest Quarter, and the Northwest Quarter of the Northwest Quarter, all in Section 26; all in Township 1 North, Range 2 West, Boise Meridian, Canyon County, Idaho.

EXCEPTING THEREFROM:

A portion of the Southeast Quarter of the Northeast Quarter of Section 27, Township 1 North, Range 2 West of the Boise Meridian, Canyon County, Idaho, and is more particularly described as follows:

COMMENCING at the Southeast corner of said Southeast Quarter of the Northeast Quarter; thence
North 89° 47'59" West along the Southerly boundary of said Southeast Quarter of the Northeast Quarter a distance of 637.82 feet to the TRUE POINT OF BEGINNING; thence continuing
North 89° 47'59" West along said Southerly boundary a distance of 682.81 feet to the Southwest corner of said Southeast Quarter of the Northeast Quarter; thence
North 0° 10'52" East along the Westerly boundary of said Southeast Quarter of the Northeast Quarter a distance of 803.79 feet; thence
South 52° 12'34" East a distance of 853.50 feet; thence
South 1° 10'09" East a distance of 283.22 feet to the TRUE POINT OF BEGINNING.

TRACT II:

A portion of the Southwest Quarter of the Northeast Quarter of Section 27, Township 1 North, Range 2 West of the Boise Meridian, Canyon County, Idaho, more particularly described as follows:

COMMENCING at the Southeast corner of the Southeast Quarter of the Northeast Quarter of said Section 27; thence

North 89° 47'59" West along the Southerly boundary of said Southeast Quarter of the Northeast Quarter, a distance of 1320.63 feet to the Southeast corner of said Southwest Quarter of the Northeast Quarter; thence

North 0° 10'52" East along the Easterly boundary of said Southwest Quarter of the Northeast Quarter of 1119.65 feet to the TRUE POINT OF BEGINNING; thence

South 89° 14'11" West a distance of 679.16 feet; thence

North 4° 28'29" West a distance of 217.54 feet to the Northerly boundary of said Southwest Quarter of the Northeast Quarter; thence

South 89° 44'30" East along said Northerly boundary a distance of 696.76 feet to the Northeast corner of said Southwest Quarter of the Northeast Quarter; thence

South 0° 10'52" West a distance of 204.69 feet to the TRUE POINT OF BEGINNING.

Track III:

A parcel of land being a portion of Tract D, MELBA ORIGINAL TOWNSITE, as filed for record in Book 4 of Plats at Page 23, records of Canyon County, Idaho and lying in the Northwest Quarter of the Southwest Quarter, Section 36, Township 1 North, Range 2 West, Boise Meridian, Canyon County, Idaho and being more particularly described as follows:

COMMENCING at a found Brass Cap marking the South 1/16 corner common to Section 35 and said Section 36, Township 1 North, Range 2 West, Boise Meridian, Canyon County, Idaho; thence

South 89° 58' 00" East 661.88 feet along the South line of said Northwest Quarter of the Southwest Quarter, Section 36 and the centerline of Fourth Street to a found brass cap at the centerline intersection of said Fourth Street and Broadway Street and marking the Southwest 1/16 corner of said Section 36; thence

North 0° 02' 00" East 25.05 feet along said centerline of Broadway Street and the East line of the said Northwest Quarter of the Southwest Quarter of Section 36 to a point; thence

North 89° 58' 00" West 20.06 feet to a found 1/2" iron pin on the Westerly right-of-way of said Broadway Street and marking the Southeast corner of said Tract D, MELBA ORIGINAL TOWNSITE; thence

North 0° 02' 00" East 280.50 feet along said Westerly right-of-way of Broadway Street to a set 1/2" iron pin, said point also being the REAL POINT OF BEGINNING; thence

North 89° 58' 00" West 232.92 feet to a set 1/2" iron pin; thence

North 0° 02' 59" East 187.00 feet to a set 1/2" iron pin; thence

South 89° 58' 00" East 232.87 feet to a set 1/2" iron pin on the said Westerly right-of-way of Broadway Street; thence

South 0° 02' 00" West 187.00 feet along said Westerly right-of-way of Broadway Street to the REAL POINT OF BEGINNING.

Tract IV:

A parcel of land being a portion of Tract D, MELBA ORIGINAL TOWNSITE, as filed for record in Book 4 of Plats at Page 23, records of Canyon County, Idaho and lying in the Northwest Quarter of the Southwest Quarter, Section 36, Township 1 North, Range 2 West, Boise Meridian, Canyon County, Idaho and being more particularly described as follows:

COMMENCING at a found Brass Cap marking the South 1/16 corner common to Section 35 and said Section 36, Township 1 North, Range 2 West, Boise Meridian, Canyon County, Idaho; thence

South 89° 58' 00" East 661.88 feet along the South line of said Northwest Quarter of the Southwest Quarter, Section 36 and the centerline of Fourth Street to a found brass cap at the centerline intersection of said Fourth Street and Broadway Street and marking the Southwest 1/16 corner of said Section 36; thence

North 0° 02' 00" East 25.05 feet along said centerline of Broadway Street and the East line of the said Northwest Quarter of the Southwest Quarter of Section 36 to a point; thence

North 89° 58' 00" West 20.06 feet to a found 1/2 inch iron pin on the Westerly right-of-way of said Broadway Street and marking the Southeast corner of said Tract D, MELBA ORIGINAL TOWNSITE; thence

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North 0° 02' 00" East 467.50 feet along said Westerly right-of-way of Broadway Street to a set ½ inch iron pin; said point also being the REAL POINT OF BEGINNING; thence
 North 89°58'00" West 232.87 feet to a set ½ inch iron pin; thence
 North 00°02'59" East 5.48 feet to a set ½ inch iron pin; thence
 South 89°58'00" East 26.87 feet to a set ½ inch iron pin; thence
 North 00°05'28" East 177.33 feet to a set ½ inch iron pin on the North boundary of said Tract D, Melba Original Townsite; thence
 South 89°58'05" East (formerly South 89°58'00" East) 205.82 feet to a found ½ inch iron pin on the said Westerly right-of-way of Broadway Street and marking the Northeast corner of said Tract D, Melba Original Townsite; thence
 South 00°02'00" West 182.82 feet along said Westerly right-of-way of Broadway Street to the REAL POINT OF BEGINNING;

Valley County

LOTS 88 AND 89 OF LAKE FORK ESTATES ACCORDING TO THE OFFICIAL PLAT IN THE OFFICE OF THE RECORDER OF VALLEY COUNTY, IDAHO RECORDED AUGUST 28, 1978 AS INSTRUMENT NO. 97370, BOOK 7, OF PLATS AT PAGE 11;

All equipment, machinery, appliances, and tools which are related to or a part of the dairy facility, including but not limited to all property described herein, all similar goods which may be acquired at any time, any additions, replacements, substitutions and accessions;

All irrigation equipment, now owned and used, in whole or in part, to irrigate the mortgaged property, together with all similar goods which may be acquired at any time, any additions, replacements, substitutions and accessions;

and including all rents, issues, profits, buildings and improvements thereon and in all tenements, hereditaments, rights, privileges, easements, rights of way and appurtenances, (including without limitation private roads, grazing privileges, water rights, ditches and conduits and rights of way therefor, all plumbing, lighting, heating, cooling, ventilating, elevating, and irrigating apparatus and other equipment and fixtures, now or hereafter belonging to or used in connection therewith), all of which is hereinafter called the "Property."

The following described Note(s), Membership Agreements, security documents and any other documents or instruments signed in connection with the Note(s) and security documents and any amendments thereto are collectively called the "Loan Documents." "Advances" shall include any amounts provided to Mortgagor under the terms of the Loan Documents and any amounts expended by Mortgagee to protect the Property or enforce its rights under the Loan Documents. This conveyance is intended to secure performance of the covenants and agreements contained herein, and in any Loan Documents, and payment of the indebtedness under the terms of the Note(s) made by Mortgagors to the order of Mortgagee, with interest and charges as provided therein and in the Loan Documents, and any extensions, modifications or renewals thereof:

DATE OF NOTE	PRINCIPAL AMOUNT	FINAL INSTALLMENT DATE
October 29, 2010	\$4,000,000.00	June 1, 2011
October 29, 2010	\$4,300,000.00	June 1, 2011

The terms of the Note(s) and Loan Documents, described above, provide that the interest rate, payment terms or amounts due may be indexed, adjusted, renewed or renegotiated.

In addition, this mortgage is intended to secure any other loans and advances made within five years from the date of this mortgage by Mortgagee to Mortgagors or any of them, no matter how evidenced; provided however, the aggregate sum of all unpaid principal balances of all such loans and advances secured hereby shall not, at any one

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COPY

time, exceed \$16,600,000.00, exclusive of interest and amounts advanced to protect Mortgagee's interests hereunder and under the Loan Documents. The continuing validity and priority of this mortgage for future loans and advances shall not be impaired by the fact that at certain times no outstanding indebtedness to Mortgagee nor commitment from Mortgagee to make future loans exist.

Mortgagors and each of them REPRESENT, WARRANT, COVENANT and AGREE:

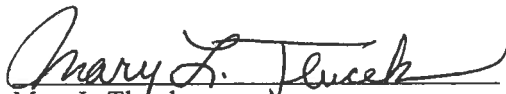
1. That they have title to the Property free from encumbrances, except as described above, they have good right and lawful authority to convey and encumber the same; they will warrant and defend the same forever against the lawful claims and demands of all persons whomsoever; and they agree this covenant shall not be extinguished by foreclosure or other transfers. Mortgagor authorizes Mortgagee to file a financing statement and any continuations thereof, describing any personal property or fixtures described herein, without further signature by Mortgagor.
2. To keep all buildings and other improvements, now or hereafter existing, in good repair, not to remove or demolish or permit the removal or demolition of any building or other improvement; to restore promptly in a good and workmanlike manner, any building or improvement, which may be damaged or destroyed; to maintain and cultivate the Property in a good and husbandlike manner, using approved methods for preserving the fertility and productivity thereof; not to change or permit change in the use of the Property; and not to do anything which would reduce the value of the Property.
3. To maintain casualty insurance, naming Mortgagee as loss payee, on all buildings and improvements, against loss or damage by fire or other risks; to maintain liability insurance; to obtain flood insurance at any time it is determined that any building or improvement is located in whole or in part within a special flood hazard area; to pay all premiums and charges on all such insurance when due; and to provide Mortgagee satisfactory evidence of such insurance upon request. All such insurance shall be in such form(s), with such company(ies) and in such amount(s) as shall be satisfactory to Mortgagee.
4. Not to apply or enter into any federal, state, or local program which limits or restricts the use of the Property, in any way, without prior written consent of Mortgagee.
5. To pay all debts and money, secured hereby, when due; to pay, when due, all taxes, assessments, rents and other charges upon the Property and to suffer no other encumbrance, charge or lien on the Property, which would be superior to this mortgage, except as stated above.
6. To specifically assign and deliver to Mortgagee all rents, royalties, damages and payments of every kind, including without limitation insurance reimbursements and condemnation awards, at any time accruing, for any transfer, loss or seizure of the Property, any portion thereof or any rights therein; and Mortgagee may, at its option, apply such amounts in any proportion to any of the indebtedness hereby secured; and Mortgagee shall have the right to enter upon the Property to make full inspection of the Property.
7. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the Property and its use, including without limitation all environmental laws; not to use or permit the use of the Property for any unlawful or objectionable purpose or for any purpose that poses an unreasonable risk of harm, or that impairs or may impair the value of the Property, or any part thereof; not to apply residue from waste water treatment facilities to the Property without prior written notice to Mortgagee; to remedy any environmental contamination or violation of environmental laws that may occur or be discovered in the future; to allow Mortgagee access to the Property to inspect its condition and to test and monitor for compliance with applicable laws (any inspections or tests made by Mortgagee shall be for Mortgagee's purposes only and shall not be construed to create any responsibility or liability on the part of Mortgagee to Mortgagors or to any other person), to forward copies of any notices received from any environmental agencies to Mortgagee; to provide Mortgagee copies of any independent test or inspection reports on the environmental status of the Property; and to indemnify and hold Mortgagee, its directors, employees, agents and its successors and assigns, harmless from and against any

environmental claims of any kind, and all costs and expenses incurred in connection therewith, including, without limitation, attorney's fees.

8. That neither Mortgagors nor, to the best of the Mortgagor's knowledge, any prior owner has created or permitted conditions on the Property, which may give rise to environmental liability; no enforcement actions are pending or threatened; no underground tanks are located on the Property except as already disclosed; any such underground tanks currently or previously located on the Property do not now and never have leaked and no contaminated soil is located on the Property; and Mortgagor's representations, warranties, covenants and indemnities herein and in the Loan Documents shall survive satisfaction of the Note(s) and Loan Documents, foreclosure of this mortgage, acceptance of a deed in lieu of foreclosure or any transfer or abandonment of the Property.
9. To perform all terms and conditions of each water or other contract, described above, if any, and to promptly pay all sums due or to become due under each contract so that no delinquency or default will occur under such contract(s); to perform all acts necessary to perfect and maintain any water permit, certificate, license or other water interest, however designated, described in or used in conjunction with the real property described above; any assignment of any such interest during the term of this mortgage, naming Mortgagee as an assignee shall be for security purposes and shall not alter Mortgagors' obligations hereunder; and any failure of Mortgagors to perform any such obligation shall constitute an event of default.
10. That the term "Grazing Rights," as hereinafter used refers to that portion of the Property, if any, consisting of grazing leases, permits, licenses, privileges, and preferences, or any of them, which have or will be assigned, mortgaged or waived to Mortgagee, together with any additions, renewals, replacements or substitutions thereof; if any portion of the Grazing Rights is a leasehold interest in state lands, such leasehold shall be considered to be real property; such leasehold and all other real property portions of the Property constitute a single operating unit; and in the event of foreclosure, Mortgagee shall have the right to have such leasehold and the other real property sold as a unit and not in parcels; any statements and representations in any applications for Grazing Rights are true and correct; Mortgagors have received no notice that the Grazing Rights have or are to be terminated, cancelled or modified; and any termination or cancellation of any of the Grazing Rights shall constitute an event of default under this mortgage.
11. To execute any instrument deemed necessary by the Mortgagee to assign, mortgage or waive such Grazing Rights to the Mortgagee; to pay all fees and charges, and to perform all acts and things necessary to preserve and keep in good standing the Grazing Rights; to take no action which would adversely affect the Grazing Rights; to procure renewals of the Grazing Rights upon or prior to their expiration date; to operate the lands covered by the Grazing Rights in conjunction with the other real estate portion of the Property and not to convey or attempt to convey either separately; to forward to Mortgagee copies of any notices received by Mortgagors regarding the Grazing Rights; and in the event of foreclosure of this mortgage, to waive all claims for preference in the Grazing Rights upon demand from the purchaser of the Property at foreclosure sale, or from any successor to such purchaser.
12. That if the Property is within an irrigation block and/or subject to water service contract(s) governed by the provisions of "Federal reclamation law," and the regulations issued thereunder, Mortgagors shall comply with the terms and provisions of said laws, regulations and contracts; Mortgagors, and each of them, for themselves, their heirs, successors and assigns, hereby appoint Mortgagee their attorney-in-fact to select and designate the portion of the Property to be subject to a recordable contract, in the event Mortgagors become subject to the excess land limitation; if Mortgagors fail to comply with the terms of said law, regulations or contracts, or if the delivery of water for the irrigation of the Property is discontinued in whole or in part, Mortgagors shall be in default; in the event the Bureau of Reclamation determines that continued drainage maintenance on the Property is no longer feasible, and Mortgagors purchase other lands offered as a preference purchase right (as an adjustment for wetlands), Mortgagors shall execute a supplemental mortgage on such lands in favor of the Mortgagee; and failure to execute such mortgage on demand, shall constitute an event of default.

13. That in the event of default in any of the covenants or agreements herein, or in any of the Loan Documents, Mortgagee may, at its option perform the same, in whole or in part; any advances, including, without limitation, attorney fees or costs, paid or incurred by Mortgagee to protect or enforce its rights under the Loan Documents, in bankruptcy, appellate proceedings or otherwise, shall be payable on demand and shall become a part of the indebtedness secured by this mortgage.
14. That the indebtedness and obligations secured by this mortgage are personal to the Mortgagors and are not assignable by Mortgagors; Mortgagee relied upon the credit of Mortgagors, the interest of Mortgagors in the Property and the financial market conditions then existing when making this loan; if Mortgagors sell, transfer or convey or contract to sell, transfer or convey the Property, or any portion thereof, or if the ownership of any corporation or partnership, owning all or any portion of the Property shall be changed either by voluntary or involuntary sale or transfer or by operation of law, without prior written consent of Mortgagee, or if Mortgagors default in the payment of the indebtedness, or with respect to any warranty, covenant or agreement in the Loan Documents or if a receiver or trustee for any part of the Property is appointed, or if any proceedings under the bankruptcy or insolvency laws is commenced by or against Mortgagors, or if Mortgagors become insolvent, or if any action is commenced to foreclose or enforce a lien on any portion of the Property, then, Mortgagors shall be in default hereunder.
15. That time is of the essence and in the event of default, at Mortgagee's option, the entire indebtedness secured hereby shall forthwith become due and payable and bear interest at the rate set forth in the Loan Documents for delinquent payments; Mortgagee shall have the right to foreclose the lien of this mortgage, to have a receiver appointed in any court proceeding; to collect any rents, issues and profits from the Property and apply them against the indebtedness hereby secured and to exercise any rights and remedies available under the Uniform Commercial Code for the state in which the property is located; and reasonable notice if required by such Code shall be five (5) days.
16. That the failure of Mortgagee to exercise any right or option provided herein, at any time shall not preclude Mortgagee from exercising any of such rights at any other time; the covenants and agreements contained herein shall be binding on and inure to the benefit of the parties and their respective heirs, successors and assigns; all rights conferred on Mortgagee are cumulative and additional to any rights conferred by law; and if any provision is found to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof and the mortgage shall be construed as though such provision had been omitted.
17. That Mortgagors and each of them join in this instrument for the purpose of subjecting each of their right, title and interest, if any, in the Property, whether of record or otherwise and including any right to possession, to the lien of this mortgage.
18. That Mortgagor warrants that Mortgagor's state of residence is the State of Idaho , and Mortgagor's exact legal name is as set forth herein.

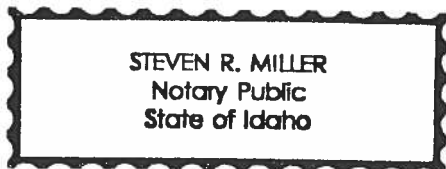
ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.


Mary L. Tlucek


Jerry L. Tlucek

STATE OF Idaho)
)ss.
County of Canyon)

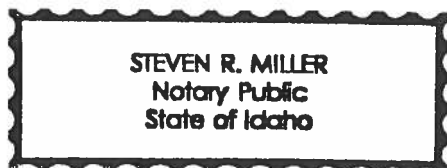
On this 1st day of November, 2010, before me personally appeared Mary L. Tlucek, known to me to be the Individual described in and who executed the within instrument, and acknowledged that he/she executed the same as his/her free act and deed.



Steven R. Miller
Printed name Steven R. Miller
Notary Public for the State of Idaho
Residing at Nampa
My commission expires 8-24-2013

STATE OF Idaho)
)ss.
County of Canyon)

On this 1st day of November, 2010, before me personally appeared Jerry L. Tlucek, known to me to be the Individual described in and who executed the within instrument, and acknowledged that he/she executed the same as his/her free act and deed.



Steven R. Miller
Printed name Steven R. Miller
Notary Public for the State of Idaho
Residing at Nampa
My commission expires 8-24-2013

Mortgagee acknowledges that this mortgage is subject to a security interest in favor of CoBank, ACB (Bank) and by its acceptance hereof and pursuant to and in confirmation of certain agreements and assignments by and between Mortgagee and Bank, does assign, transfer and set over the same unto Bank, its successors and assigns, to secure all obligations of Mortgagee to Bank, provided that pursuant to such agreements and assignments Mortgagee has authority to perform all loan servicing and collection actions and activities hereunder, including, without limitation thereto, releasing in whole or in part and foreclosing judicially or otherwise this mortgage until the Bank, by instrument recorded in the office in which this mortgage is recorded, revokes such authority.

After Recording Return To:
FCS - Nampa
16034 Equine Drive
Nampa, ID 83687

COPY

Customer/Note No. 57108-441

Mortgage and Fixture Filing

(Closed End)

On October 29, 2010, Jerry L. Tlucek, same person as Jerry Lee Tlucek and Mary L. Tlucek, same person as Mary Lou Tlucek and Mary Louise Tlucek, a married couple, hereinafter called Mortgagors, whose address is 15188 S. Can Ada Road, Melba, ID 83641, grant, convey, warrant, transfer and assign to Northwest Farm Credit Services, FLCA, a corporation organized under the Farm Credit Act of 1971, as amended, hereinafter called Mortgagee, whose address is 1700 South Assembly Street, P.O. Box 2515, Spokane, Washington 99220-2515, a mortgage and security interest in property in Ada, Canyon and Valley County(ies), State of Idaho, more particularly as follows:

Ada County:

Section 19:

NE1/4NE1/4
SE1/4 NE1/4

Section 20:

NE1/4NW1/4
NW1/4NW1/4
SW1/4NW1/4
SE1/4NW1.4

EXCEPTING THEREFROM one half acre, more or less, in the Southeast corner of said Southwest Quarter of the Northwest Quarter in Section 20, bounded on the North by the Wald Vogel Canal and on the West by the ditch of John C. Cram and Leola May Cram, husband and wife, the grantees in Deed recorded August 30, 1950 in Book 351 of Deeds at Page 273, Instrument No. 306992, records of Ada County, Idaho.

Section 29:

SW1/4NW1/4
NW1.4SW1/4
SW1/4SW1/4
SE1/4SW1/4

Section 30:

Mortgage (57108-441-999-99)

2010051145

RECORDED

2010 Nov 1 PM 4 21

WILLIAM H. HURST

CANYON CNTY RECORDER

BY M. Brown

Requestor Pioneer Title Company of

Type MTG D OF T

Fee \$31.00

ELECTRONICALLY RECORDED BY SIMPLIFILE

After Recording Return To:

FCS - Nampa

16034 Equine Drive

Nampa, ID 83687

Customer/Note No. 57108-441

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Mortgage (57108-441-999-99)

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FCS - Nampa
16034 Equine Drive
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NW1.4SW1/4
SW1/4SW1/4
SE1/4SW1/4

Section 30:

Mortgage (57108-441-999-99)

After Recording Return To:
FCS - Nampa
16034 Equine Drive
Nampa, ID 83687

Recorded Electronically		Recorded Electronically	
ID	110103132	ID	2010051145
County	Ada	County	Canyon
Date	11/11/10	Date	11/11/10
Time	4:12pm	Time	4:21
Simplifile.com 800.460.5657		Simplifile.com 800.460.5657	

Recorded Electronically	
ID	356113
County	Valley
Date	11/21/10
Time	10:59
Simplifile.com 800.460.5657	

COPY
Customer/Note No. 57108-441

Mortgage and Fixture Filing

(Closed End)

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SE1/4 NE1/4

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NW1/4NW1/4

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Section 29:

SW1/4NW1/4

NW1.4SW1/4

SW1/4SW1/4

SE1/4SW1/4

Section 30:

Mortgage (57108-441-999-99)

NE1/4SE1/4
SE1/4SE1/4

Section 31:
NE1/4NE1/4

Section 32:
NW1/4NW1/4

Canyon County:

TRACT I:

The East Half of the Northeast Quarter and the Northwest Quarter of the Northeast Quarter, all in Section 27; and the North Half of the Southwest Quarter, the South Half of the Northwest Quarter, and the Northwest Quarter of the Northwest Quarter, all in Section 26; all in Township 1 North, Range 2 West, Boise Meridian, Canyon County, Idaho.

EXCEPTING THEREFROM:

A portion of the Southeast Quarter of the Northeast Quarter of Section 27, Township 1 North, Range 2 West of the Boise Meridian, Canyon County, Idaho, and is more particularly described as follows:

COMMENCING at the Southeast corner of said Southeast Quarter of the Northeast Quarter; thence
North 89° 47'59" West along the Southerly boundary of said Southeast Quarter of the Northeast Quarter a distance of 637.82 feet to the TRUE POINT OF BEGINNING; thence continuing
North 89° 47'59" West along said Southerly boundary a distance of 682.81 feet to the Southwest corner of said Southeast Quarter of the Northeast Quarter; thence
North 0° 10'52" East along the Westerly boundary of said Southeast Quarter of the Northeast Quarter a distance of 803.79 feet; thence
South 52° 12'34" East a distance of 853.50 feet; thence
South 1° 10'09" East a distance of 283.22 feet to the TRUE POINT OF BEGINNING.

TRACT II:

A portion of the Southwest Quarter of the Northeast Quarter of Section 27, Township 1 North, Range 2 West of the Boise Meridian, Canyon County, Idaho, more particularly described as follows:

COMMENCING at the Southeast corner of the Southeast Quarter of the Northeast Quarter of said Section 27; thence
North 89° 47'59" West along the Southerly boundary of said Southeast Quarter of the Northeast Quarter, a distance of 1320.63 feet to the Southeast corner of said Southwest Quarter of the Northeast Quarter; thence
North 0° 10'52" East along the Easterly boundary of said Southwest Quarter of the Northeast Quarter of 1119.65 feet to the TRUE POINT OF BEGINNING; thence
South 89° 14'11" West a distance of 679.16 feet; thence
North 4° 28'29" West a distance of 217.54 feet to the Northerly boundary of said Southwest Quarter of the Northeast Quarter; thence
South 89° 44'30" East along said Northerly boundary a distance of 696.76 feet to the Northeast corner of said Southwest Quarter of the Northeast Quarter; thence
South 0° 10'52" West a distance of 204.69 feet to the TRUE POINT OF BEGINNING.

Track III:

A parcel of land being a portion of Tract D, MELBA ORIGINAL TOWNSITE, as filed for record in Book 4 of Plats at Page 23, records of Canyon County, Idaho and lying in the Northwest Quarter of the Southwest Quarter, Section 36, Township 1 North, Range 2 West, Boise Meridian, Canyon County, Idaho and being more particularly described as follows:

COMMENCING at a found Brass Cap marking the South 1/16 corner common to Section 35 and said Section 36, Township 1 North, Range 2 West, Boise Meridian, Canyon County, Idaho; thence

South 89° 58' 00" East 661.88 feet along the South line of said Northwest Quarter of the Southwest Quarter, Section 36 and the centerline of Fourth Street to a found brass cap at the centerline intersection of said Fourth Street and Broadway Street and marking the Southwest 1/16 corner of said Section 36; thence

North 0° 02' 00" East 25.05 feet along said centerline of Broadway Street and the East line of the said Northwest Quarter of the Southwest Quarter of Section 36 to a point; thence

North 89° 58' 00" West 20.06 feet to a found 1/2" iron pin on the Westerly right-of-way of said Broadway Street and marking the Southeast corner of said Tract D, MELBA ORIGINAL TOWNSITE; thence

North 0° 02' 00" East 280.50 feet along said Westerly right-of-way of Broadway Street to a set 1/2" iron pin, said point also being the REAL POINT OF BEGINNING; thence

North 89° 58' 00" West 232.92 feet to a set 1/2" iron pin; thence

North 0° 02' 59" East 187.00 feet to a set 1/2" iron pin; thence

South 89° 58' 00" East 232.87 feet to a set 1/2" iron pin on the said Westerly right-of-way of Broadway Street; thence

South 0° 02' 00" West 187.00 feet along said Westerly right-of-way of Broadway Street to the REAL POINT OF BEGINNING.

Tract IV:

A parcel of land being a portion of Tract D, MELBA ORIGINAL TOWNSITE, as filed for record in Book 4 of Plats at Page 23, records of Canyon County, Idaho and lying in the Northwest Quarter of the Southwest Quarter, Section 36, Township 1 North, Range 2 West, Boise Meridian, Canyon County, Idaho and being more particularly described as follows:

COMMENCING at a found Brass Cap marking the South 1/16 corner common to Section 35 and said Section 36, Township 1 North, Range 2 West, Boise Meridian, Canyon County, Idaho; thence

South 89° 58' 00" East 661.88 feet along the South line of said Northwest Quarter of the Southwest Quarter, Section 36 and the centerline of Fourth Street to a found brass cap at the centerline intersection of said Fourth Street and Broadway Street and marking the Southwest 1/16 corner of said Section 36; thence

North 0° 02' 00" East 25.05 feet along said centerline of Broadway Street and the East line of the said Northwest Quarter of the Southwest Quarter of Section 36 to a point; thence

North 89° 58' 00" West 20.06 feet to a found 1/2 inch iron pin on the Westerly right-of-way of said Broadway Street and marking the Southeast corner of said Tract D, MELBA ORIGINAL TOWNSITE; thence

North 0° 02' 00" East 467.50 feet along said Westerly right-of-way of Broadway Street to a set 1/2 inch iron pin; said point also being the REAL POINT OF BEGINNING; thence

North 89° 58' 00" West 232.87 feet to a set 1/2 inch iron pin; thence

North 00° 02' 59" East 5.48 feet to a set 1/2 inch iron pin; thence

South 89° 58' 00" East 26.87 feet to a set 1/2 inch iron pin; thence

North 00° 05' 28" East 177.33 feet to a set 1/2 inch iron pin on the North boundary of said Tract D, Melba Original Townsite; thence

South 89° 58' 05" East (formerly South 89° 58' 00" East) 205.82 feet to a found 1/2 inch iron pin on the said Westerly right-of-way of Broadway Street and marking the Northeast corner of said Tract D, Melba Original Townsite; thence

South 00° 02' 00" West 182.82 feet along said Westerly right-of-way of Broadway Street to the REAL

POINT OF BEGINNING.

Valley County:

LOTS 88 AND 89 OF LAKE FORK ESTATES ACCORDING TO THE OFFICIAL PLAT IN THE OFFICE OF THE RECORDER OF VALLEY COUNTY, IDAHO RECORDED AUGUST 28, 1978 AS INSTRUMENT NO. 97370, BOOK 7, OF PLATS AT PAGE 11;

together with all irrigation equipment, now owned and used, in whole or in part, to irrigate the mortgaged property, together with all similar goods which may be acquired at any time, any additions, replacements, substitutions and accessions;

including all rents, issues, profits, buildings and improvements thereon and in all tenements, hereditaments, rights, privileges, easements, rights of way and appurtenances, (including without limitation private roads, grazing privileges, water rights, ditches and conduits and rights of way therefor, all plumbing, lighting, heating, cooling, ventilating, elevating, and irrigating apparatus and other equipment and fixtures, now or hereafter belonging to or used in connection therewith), all of which is hereinafter called "Property."

The following described note(s), Membership Agreement, security documents and any other documents or instruments signed in connection with the note(s) and security documents and any amendments thereto are collectively called the "Loan Documents." This conveyance is intended to secure performance of the covenants and agreements contained herein, and in any of the Loan Documents, and payment of indebtedness under the terms of the note(s) made by Mortgagors to the order of Mortgagee, with interest and advances as provided therein and in the Loan Documents, and any extensions, modifications or renewals thereof:

DATE OF NOTE	PRINCIPAL AMOUNT	FINAL INSTALLMENT DATE
October 30, 2008	\$2,750,000.00	November 1, 2028

The terms of the note(s) and Loan Documents described above provide that the interest rate, payment terms or amounts due may be indexed, adjusted, renewed or renegotiated.

THIS MORTGAGE IS ALSO INTENDED TO BE A FIXTURE FILING.

Mortgagors and each of them REPRESENT, WARRANT, COVENANT and AGREE:

1. That they have title to the Property free from encumbrances, except as described above; they have good right and lawful authority to convey and encumber the same; they will warrant and defend the same forever against the lawful claims and demands of all persons whomsoever; and they agree this covenant shall not be extinguished by foreclosure or other transfers. Mortgagors authorize Mortgagee to file a financing statement and any continuations thereof, describing any personal property or fixtures described herein, without further signature by Mortgagor.
2. To keep all buildings and other improvements, now or hereafter existing, in good repair; not to remove or demolish or permit the removal or demolition of any building or other improvement; to restore promptly in a good and workmanlike manner, any building or improvement, which may be damaged or destroyed; to maintain and cultivate the Property in a good and husbandlike manner, using approved methods for preserving the fertility and productivity thereof; not to change or permit change in the use of the Property; and not to do anything which would reduce the value of the Property.
3. To maintain casualty insurance, naming Mortgagee as loss payee, on all buildings and improvements, against loss or damage by fire and other risks; to maintain liability insurance; to pay all premiums and

Mortgage (57108-441-999-99)

COPY

charges on all such insurance when due; and to provide Mortgagee satisfactory evidence of such insurance upon request. All such insurance shall be in such form(s), with such company(ies) and in such amount(s) as shall be satisfactory to Mortgagee.

4. To pay all debts and money, secured hereby, when due; to pay, when due, all taxes, assessments, rents and other charges upon the Property and to suffer no other encumbrance, charge or lien on the Property, which would be superior to this mortgage, except as stated above.
5. To specifically assign and deliver to Mortgagee all rents, royalties, damages and payments of every kind, including without limitation insurance reimbursements and condemnation awards, at any time accruing, for any transfer, loss or seizure of the Property, any portion thereof or any rights therein; Mortgagee may, at its option, apply such amounts in any proportion to any of the indebtedness hereby secured; and Mortgagee shall have the right to enter upon the property to make full inspection of the property.
6. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the Property and its use, including without limitation all environmental laws; not to use or permit the use of the Property for any unlawful or objectionable purpose or for any purpose that poses an unreasonable risk of harm, or that impairs or may impair the value of the Property, or any part thereof; not to apply residue from wastewater treatment facilities to the Property without prior written notice to Mortgagee; to remedy any environmental contamination or violation of environmental laws that may occur or be discovered in the future; to allow Mortgagee access to the Property to inspect its condition and to test and monitor for compliance with applicable laws (any inspections or tests made by Mortgagee shall be for Mortgagee's purposes only and shall not be construed to create any responsibility or liability on the part of Mortgagee to Mortgagors or to any other person); to forward copies of any notices received from any environmental agencies to Mortgagee; to provide Mortgagee copies of any independent test or inspection reports on the environmental status of the Property; and to indemnify and hold Mortgagee, its directors, employees, agents and its successors and assigns, harmless from and against any environmental claims of any kind, and all costs and expenses incurred in connection therewith, including, without limitation, attorney's fees.
7. That neither Mortgagors nor, to the best of Mortgagors' knowledge, any prior owner has created or permitted conditions on the Property, which may give rise to environmental liability; no enforcement actions are pending or threatened; no underground tanks are located on the Property except as already disclosed; any such underground tanks currently or previously located on the Property do not now and never have leaked and no contaminated soil is located on the Property; and Mortgagors' representations, warranties, covenants and indemnities herein and in the Loan Documents shall survive satisfaction of the note(s) and Loan Documents, foreclosure of this mortgage, acceptance of a deed in lieu of foreclosure or any transfer or abandonment of the Property.
8. To perform all terms and conditions of each water or other contract, described in Exhibit "A", if any, and to promptly pay all sums due or to become due under each contract so that no delinquency or default will occur under such contract(s); not to apply or enter into any federal, state or local program which limits or restricts the use of the Property, in any way without prior written consent of Mortgagee; to perform all acts necessary to perfect and maintain any water permit, certificate, license or other water interest, however designated, described in or used in conjunction with the real property described above; any assignment of any such interest, during the term of this mortgage, naming Mortgagee as an assignee shall be for security purposes and shall not alter Mortgagors' obligations hereunder; and any failure of Mortgagors to perform any such obligation shall constitute an event of default.
9. That the term "Grazing Rights," as hereinafter used refers to that portion of the Property, if any, consisting of grazing leases, permits, licenses, privileges, and preferences, or any of them, which have or will be assigned, mortgaged or waived to Mortgagee, together with any additions, renewals, replacements or substitutions thereof; if any portion of the Grazing Rights is' a leasehold interest in state lands, such

Mortgage (57108-441-999-99)

COPY

leasehold shall be considered to be real property; such leasehold and all other real property portions of the Property constitute a single operating unit; and in the event of foreclosure, Mortgagee shall have the right to have such leasehold and the other real property sold as a unit and not in parcels; any statements and representations in any applications for Grazing Rights are true and correct; Mortgagors have received no notice that the Grazing Rights have or are to be terminated, cancelled or modified; and any termination or cancellation of any of the Grazing Rights shall constitute an event of default under this mortgage.

10. To execute any instrument deemed necessary by the Mortgagee to assign, mortgage or waive such Grazing Rights to the Mortgagee; to pay all fees and charges, and to perform all acts and things necessary to preserve and keep in good standing the Grazing Rights; to take no action which would adversely affect the Grazing Rights; to procure renewals of the Grazing Rights upon or prior to their expiration date; to operate the lands covered by the Grazing Rights in conjunction with the other real estate portion of the Property and not to convey or attempt to convey either separately; to forward to Mortgagee copies of any notices received by Mortgagors regarding the Grazing Rights; and in the event of foreclosure of this mortgage, to waive all claims for preference in the Grazing Rights upon demand from the purchaser of the Property at foreclosure sale, or from any successor to such purchaser.
11. That if the Property is within an irrigation block and/or subject to water service contract(s) governed by the provisions of "Federal reclamation law," and the regulations issued thereunder, Mortgagors shall comply with the terms and provisions of said laws, regulations and contracts; Mortgagors, and each of them, for themselves, their heirs, successors and assigns, hereby appoint Mortgagee their attorney-in-fact to select and designate the portion of the Property to be subject to a recordable contract, in the event Mortgagors become subject to the excess land limitation; if Mortgagors fail to comply with the terms of said law, regulations or contracts, or if the delivery of water for the irrigation of the Property is discontinued in whole or in part, Mortgagors shall be in default; in the event the Bureau of Reclamation determines that continued drainage maintenance on the Property is no longer feasible, and Mortgagors purchase other lands offered as a preference purchase right (as an adjustment for wetlands), Mortgagors shall execute a supplemental mortgage on such lands in favor of the Mortgagee; and failure to execute such mortgage on demand, shall constitute an event of default.
12. That in the event of default in any of the covenants or agreements herein, or in any of the Loan Documents, Mortgagee may, at its option perform the same, in whole or in part; any advances, including, without limitation, attorney fees or costs, paid or incurred by Mortgagee to protect or enforce its rights under the Loan Documents, in bankruptcy, appellate proceedings or otherwise, shall be payable on demand and shall become a part of the indebtedness secured by this mortgage.
13. That the indebtedness and obligations secured by this mortgage are personal to the Mortgagors and are not assignable by Mortgagors; Mortgagee relied upon the credit of Mortgagors, the interest of Mortgagors in the Property and the financial market conditions then existing when making this loan; if Mortgagors sell, transfer or convey or contract to sell, transfer or convey the Property, or any portion thereof, or if the ownership of any corporation or partnership, owning all or any portion of the Property shall be changed either by voluntary or involuntary sale or transfer or by operation of law, without prior written consent of Mortgagee, or if Mortgagors default in the payment of the indebtedness, or with respect to any warranty, covenant or agreement in the Loan Documents or if a receiver or trustee for any part of the Property is appointed, or if any proceeding under the bankruptcy or insolvency laws is commenced by or against Mortgagors, or if Mortgagors become insolvent, or if any action is commenced to foreclose or enforce a lien on any portion of the Property, then, Mortgagors shall be in default hereunder.
14. If the indebtedness is subject to a guarantee from Farm Service Agency, that Mortgagors shall be in default under this mortgage, the above note(s) and Loan Documents should any loan proceeds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to

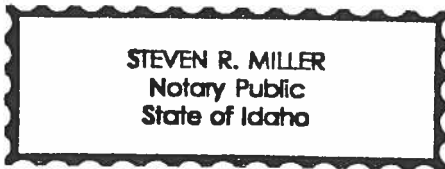
ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

Jerry L. Tlucek
Jerry L. Tlucek

Mary L. Tlucek
Mary L. Tlucek

STATE OF Idaho)
)ss.
County of Canyon)

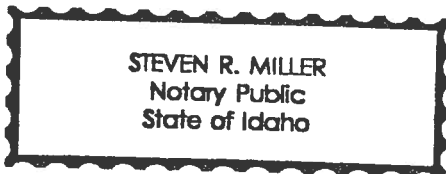
On this 1st day of November, 2010, before me personally appeared Jerry L. Tlucek, known to me to be the person(s) described in and who executed the within instrument, and acknowledged that he executed the same as his free act and deed.



Steven R. Miller
Notary Public for the State of Idaho
Residing at Nampa
My commission expires 8-24-2010
Printed Name Steven R. Miller

STATE OF Idaho)
)ss.
County of Canyon)

On this 1st day of November, 2010, before me personally appeared Mary L. Tlucek, known to me to be the person(s) described in and who executed the within instrument, and acknowledged that she executed the same as her free act and deed.



Steven R. Miller
Notary Public for the State of Idaho
Residing at Nampa
My commission expires 8-24-2010
Printed Name Steven R. Miller

Mortgagee acknowledges that this mortgage is subject to a security interest in favor of CoBank, ACB (Bank), and by its acceptance hereof and pursuant to and in confirmation of certain agreements and assignments by and between Mortgagee and Bank, does assign, transfer and set over the same unto Bank, its successors and assigns, to secure all obligations of Mortgagee to Bank, provided that pursuant to such agreements and assignments Mortgagee has authority to perform all loan servicing and collection actions and activities hereunder, including without limitation thereto, releasing in whole or in part and foreclosing judicially or otherwise this mortgage until the Bank, by instrument recorded in the office in which this mortgage is recorded, revokes such authority.

COPY