

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

RECEIVED

NOV 10 2008

DEPARTMENT OF
WATER RESOURCES

Notice of Security Interest in a Water Right

And Request for Notification of a Change in Ownership or Any Proposed
Or Final Action to Amend, Transfer, or Otherwise Modify a Water Right

Please print or type. Attach pages with additional information. Instructions are on the back of this page.
Incomplete forms will be returned.

1. Water Right No(s): 61-299 and split to 61-12198; 61-303A and split to 61-12195; 61-304A and split to 61-12194;
61-370 and split to 61-12192; 61-2000B and split to 61-12190; and 61-4113 and split to 61-12188

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) Half Moon L.L.C.

5. Expiration Date of Notification Period 03-06-2018

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

7. Signature(s) (and title if applicable)

Vice President

For Office Use Only

Received by _____	Date <u>11/10/08</u>	Fee <u>\$150.00</u>
Received by _____	Date <u>11/10/08</u>	Receipt No. <u>C087706</u>
Processed by _____ AJ	Date _____	WR _____ Date _____

SUPPORT DATA

IN FILE # 61-12188

2312100777

RECORDATION REQUESTED BY:

D. L. Evans Bank
Boise Emerald Branch
7450 West Emerald St.
Boise, ID 83704

Instrument # 396808
Elmore County, Idaho
02:37pm Mar. 26, 2008
For: GUARANTY TITLE INC
No. of Pages: 2 Fee: \$6.00
MARSA GRIMMETT, Recorder
Deputy: DLE

WHEN RECORDED MAIL TO:

D. L. Evans Bank
Boise Emerald Branch
7450 West Emerald St.
Boise, ID 83704

SEND TAX NOTICES TO:

Half Moon L.L.C.
6874 East Fairview Avenue
Boise, ID 83704

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF MORTGAGE

THIS MODIFICATION OF MORTGAGE dated March 24, 2008, is made and executed between Half Moon L.L.C.; an Idaho Limited Liability Company (referred to below as "Grantor") and D. L. Evans Bank, whose address is 7450 West Emerald St., Boise, ID 83704 (referred to below as "Lender").

MORTGAGE. Lender and Grantor have entered into a Mortgage dated March 6, 2003 (the "Mortgage") which has been recorded in Elmore County, State of Idaho, as follows:

recorded on March 12, 2003 as Instrument No. 344258.

REAL PROPERTY DESCRIPTION. The Mortgage covers the following described real property located in Elmore County, State of Idaho:

TOWNSHIP 5 SOUTH, RANGE 10 EAST, BOISE MERIDIAN, ELMORE COUNTY, IDAHO.

SECTION 7: SE1/4SE1/4
SECTION 8: SW1/4SW1/4
SECTION 17: W1/2W1/2
SECTION 18: NE1/4

TOGETHER WITH ALL WATER AND WATER RIGHTS, DITCHES AND DITCH RIGHTS USED THEREON OR APPURTENANT THERETO INCLUDING BUT NOT LIMITED TO WATER UNDER IDAHO DEPARTMENT OF WATER RESOURCES RIGHT NOS.: 61-299, 61-303A, 61-304A, 61-370, 61-2000B; AND ALL WATER RIGHTS UNDER THE KING HILL IRRIGATION DISTRICT.

TOGETHER WITH ALL IRRIGATION EQUIPMENT OF EVERY KIND AND CHARACTER AND ADDITIONS THERETO AND REPLACEMENTS NOW OR HEREAFTER OWNED BY BORROWERS AND USED IN IRRIGATION OF THE ABOVE PREMISES.

The Real Property or its address is commonly known as See Legal Description, Glens Ferry, ID 83623.

MODIFICATION. Lender and Grantor hereby modify the Mortgage as follows:

Note #2312100101 is being replaced with new Note #2312100777 in the principal amount of **TWO HUNDRED TWENTY-NINE THOUSAND, NINE HUNDRED SIXTY DOLLARS AND NO/100** (\$229,960.00), bearing interest at the fixed rate of 6.250% and due on March 6, 2013.

CONTINUING VALIDITY. Except as expressly modified above, the terms of the original Mortgage shall remain unchanged and in full force and effect and are legally valid, binding, and enforceable in accordance with their respective terms. Consent by Lender to this Modification does not waive Lender's right to require strict performance of the Mortgage as changed above nor obligate Lender to make any future modifications. Nothing in this Modification shall constitute a satisfaction of the promissory note or other credit agreement secured by the Mortgage (the "Note"). It is the intention of Lender to retain as liable all parties to the Mortgage and all parties, makers and endorser to the Note, including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, shall not be released by virtue of this Modification. If any person who signed the original Mortgage does not sign this Modification, then all persons signing below acknowledge that this Modification is given conditionally, based on the representation to Lender that the non-signing person consents to the changes and provisions of this Modification or otherwise will not be released by it. This waiver applies not only to any initial extension or modification, but also to all such subsequent actions.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MODIFICATION OF MORTGAGE AND GRANTOR AGREES TO ITS TERMS. THIS MODIFICATION OF MORTGAGE IS DATED MARCH 24, 2008.

GRANTOR:

HALF MOON L.L.C.

ROYAL FORK RESTAURANT CORPORATION, Managing Member of Half Moon L.L.C.

By: 
James D. Chambers, Vice President of Royal Fork
Restaurant Corporation

LENDER:

D. L. EVANS BANK

MODIFICATION OF MORTGAGE
(Continued)

Loan No: 2312100777/JH

Page 2

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF

Idaho

COUNTY OF

Ada

) SS

On this

24th

day of

March

in the year 20

08

before me

Lynnette J Niendorf

a notary public in and for the State of Idaho, personally appeared James D. Chambers, Vice President
of Royal Fork Restaurant Corporation, Managing Member of Half Moon L.L.C., known or identified to me (or proved to me on the oath of
) to be one of the members or designated agents in the limited liability company of Half Moon L.L.C.,
and the member or designated agent or one of the members or designated agents who subscribed said limited liability company name to the
foregoing instrument, and acknowledged to me that he or she executed the same in said limited liability company name.

Notary Public for Idaho

Residing at

Meridian Idaho

My commission expires

3/17/09

LYNNETTE J. NIENDORF
NOTARY PUBLIC
STATE OF IDAHO

LENDER ACKNOWLEDGMENT

STATE OF

Idaho

COUNTY OF

Ada

) SS

On this

24th

day of

March

in the year 20

08

before me

Lynnette J Niendorf

a notary public in and for the State of Idaho, personally appeared Edward J. Love
known or identified to me (or proved to me on the oath of
) to be Commercial Loan Officer, authorized agent for the Lender that executed the
within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said Lender, duly authorized by
the Lender through its board of directors or otherwise, for the uses and purposes therein mentioned, and on oath stated that he or she is
authorized to execute said instrument and that the seal affixed is the corporate seal of said Lender.

Notary Public for Idaho

Residing at

Meridian Idaho

My commission expires

3/17/09

LYNNETTE J. NIENDORF
NOTARY PUBLIC
STATE OF IDAHO

Instrument # 344258
Elmore County, Idaho
03:48pm Mar. 12, 2003
For: GUARANTY TITLE INC
No. of Pages: 6 Fee: \$18.00
GAIL L. BEST, Recorder
Deputy: DAC

Space Above This Line For Recording Data

MORTGAGE

DATE AND PARTIES. The date of this Mortgage (Security Instrument) is March 6, 2003. The parties and their addresses are:

MORTGAGOR:

HALF MOON, L.L.C.
An Idaho Limited Liability Company
6874 FAIRVIEW AVENUE
BOISE, Idaho 83704

LENDER:

D. L. EVANS BANK
Organized and existing under the laws of Idaho
7450 W. Emerald Street
Boise, Idaho 83713
82-0117415

1. CONVEYANCE. For good and valuable consideration, the receipt and sufficiency of which is acknowledged, and to secure the Secured Debts and Mortgagor's performance under this Security Instrument, Mortgagor grants, bargains, conveys and mortgages to Lender, the following described property:

TOWNSHIP 5 SOUTH, RANGE 10 EAST, BOISE MERIDIAN, ELMORE COUNTY, IDAHO.

SECTION 7: SE1/4SE1/4
SECTION 8: SW1/4SW1/4
SECTION 17: W1/2W1/2
SECTION 18: NE1/4

TOGETHER WITH ALL WATER AND WATER RIGHTS, DITCHES AND DITCH RIGHTS USED THEREON OR APPURTENANT THERETO INCLUDING BUT NOT LIMITED TO WATER UNDER IDAHO DEPARTMENT OF WATER RESOURCES RIGHT NOS.: 61-299, 61-303A, 61-304A, 61-370, 61-2000B; AND ALL WATER RIGHTS UNDER THE KING HILL IRRIGATION DISTRICT.

TOGETHER WITH ALL IRRIGATION EQUIPMENT OF EVERY KIND AND CHARACTER AND ADDITIONS THERETO AND REPLACEMENTS NOW OR HEREAFTER OWNED BY THE BORROWERS AND USED IN IRRIGATION OF THE ABOVE PREMISES.

The property is located in ELMORE County at SEE LEGAL DESCRIPTION, GLENNS FERRY, Idaho 83623.

Together with all rights, easements, appurtenances, royalties, mineral rights, oil and gas rights, crops, timber, all

ROBERT MATHWIG and GEORGE BARBER (Borrower) to Lender, with a loan amount of \$365,679.00 with an interest rate of 6.25 percent per year and maturing on March 6, 2008.

B. All Debts. All present and future debts from JERRY L. CAVEN, ROBERT MATHWIG and GEORGE BARBER to Lender, even if this Security Instrument is not specifically referenced, or if the future debt is unrelated to or of a different type than this debt. If more than one person signs this Security Instrument, each agrees that it will secure debts incurred either individually or with others who may not sign this Security Instrument. Nothing in this Security Instrument constitutes a commitment to make additional or future loans or advances. Any such commitment must be in writing. In the event that Lender fails to provide any required notice of the right of rescission, Lender waives any subsequent security interest in the Mortgagor's principal dwelling that is created by this Security Instrument. This Security Instrument will not secure any debt for which a non-possessory, non-purchase money security interest is created in "household goods" in connection with a "consumer loan," as those terms are defined by federal law governing unfair and deceptive credit practices. This Security Instrument will not secure any debt for which a security interest is created in "margin stock" and Lender does not obtain a "statement of purpose," as defined and required by federal law governing securities.

C. Sums Advanced. All sums advanced and expenses incurred by Lender under the terms of this Security Instrument when the evidence of indebtedness specifically states that it is secured by this Security Instrument.

4. PAYMENTS. Mortgagor agrees that all payments under the Secured Debts will be paid when due and in accordance with the terms of the Secured Debts and this Security Instrument.

5. WARRANTY OF TITLE. Mortgagor warrants that Mortgagor is or will be lawfully seized of the estate conveyed by this Security Instrument and has the right to grant, bargain, convey, sell and mortgage the Property. Mortgagor also warrants that the Property is unencumbered, except for encumbrances of record.

6. PRIOR SECURITY INTERESTS. With regard to any other mortgage, deed of trust, security agreement or other lien document that created a prior security interest or encumbrance on the Property, Mortgagor agrees:

- A. To make all payments when due and to perform or comply with all covenants.
- B. To promptly deliver to Lender any notices that Mortgagor receives from the holder.
- C. Not to allow any modification or extension of, nor to request any future advances under any note or agreement secured by the lien document without Lender's prior written consent.

7. CLAIMS AGAINST TITLE. Mortgagor will pay all taxes, assessments, liens, encumbrances, lease payments, ground rents, utilities, and other charges relating to the Property when due. Lender may require Mortgagor to provide to Lender copies of all notices that such amounts are due and the receipts evidencing Mortgagor's payment. Mortgagor will defend title to the Property against any claims that would impair the lien of this Security Instrument. Mortgagor agrees to assign to Lender, as requested by Lender, any rights, claims or defenses Mortgagor may have against parties who supply labor or materials to maintain or improve the Property.

8. DUE ON SALE. Lender may, at its option, declare the entire balance of the Secured Debts to be immediately due and payable upon the creation of, or contract for the creation of, a transfer or sale of the Property. This right is subject to the restrictions imposed by federal law governing the preemption of state due-on-sale laws, as applicable.

9. TRANSFER OF AN INTEREST IN THE MORTGAGOR. If Mortgagor is an entity other than a natural person (such as a corporation or other organization), Lender may demand immediate payment if:

- A. A beneficial interest in Mortgagor is sold or transferred.
- B. There is a change in either the identity or number of members of a partnership or similar entity.
- C. There is a change in ownership of more than 25 percent of the voting stock of a corporation or similar entity.

However, Lender may not demand payment in the above situations if it is prohibited by law as of the date of this Security Instrument.

10. WARRANTIES AND REPRESENTATIONS. Mortgagor makes to Lender the following warranties and representations which will continue as long as this Security Instrument is in effect:

A. Power. Mortgagor is duly organized, and validly existing and in good standing in all jurisdictions in which Mortgagor operates. Mortgagor has the power and authority to enter into this transaction and to carry on Mortgagor's business or activity as it is now being conducted and, as applicable, is qualified to do so in each jurisdiction in which Mortgagor operates.

B. Authority. The execution, delivery and performance of this Security Instrument and the obligation evidenced by this Security Instrument are within Mortgagor's powers, have been duly authorized, have received all necessary governmental approval, will not violate any provision of law, or order of court or governmental

Lender's prior written consent. Mortgagor will notify Lender of all demands, proceedings, claims, and actions against Mortgagor, and of any loss or damage to the Property.

No portion of the Property will be removed, demolished or materially altered without Lender's prior written consent except that Mortgagor has the right to remove items of personal property comprising a part of the Property that become worn or obsolete, provided that such personal property is replaced with other personal property at least equal in value to the replaced personal property, free from any title retention device, security agreement or other encumbrance. Such replacement of personal property will be deemed subject to the security interest created by this Security Instrument. Mortgagor will not partition or subdivide the Property without Lender's prior written consent.

Lender or Lender's agents may, at Lender's option, enter the Property at any reasonable time for the purpose of inspecting the Property. Lender will give Mortgagor notice at the time of or before an inspection specifying a reasonable purpose for the inspection. Any inspection of the Property will be entirely for Lender's benefit and Mortgagor will in no way rely on Lender's inspection.

12. AUTHORITY TO PERFORM. If Mortgagor fails to perform any duty or any of the covenants contained in this Security Instrument, Lender may, without notice, perform or cause them to be performed. Mortgagor appoints Lender as attorney in fact to sign Mortgagor's name or pay any amount necessary for performance. Lender's right to perform for Mortgagor will not create an obligation to perform, and Lender's failure to perform will not preclude Lender from exercising any of Lender's other rights under the law or this Security Instrument. If any construction on the Property is discontinued or not carried on in a reasonable manner, Lender may take all steps necessary to protect Lender's security interest in the Property, including completion of the construction.

13. ASSIGNMENT OF LEASES AND RENTS. Mortgagor absolutely, unconditionally, irrevocably and immediately assigns, grants, bargains, conveys and mortgages to Lender all the right, title and interest in the following (all referred to as Property).

A. Existing or future leases, subleases, licenses, guaranties and any other written or verbal agreements for the use and occupancy of the Property, including any extensions, renewals, modifications or replacements (all referred to as Leases).

B. Rents, issues and profits (all referred to as Rents), including but not limited to security deposits, minimum rent, percentage rent, additional rent, common area maintenance charges, parking charges, real estate taxes, other applicable taxes, insurance premium contributions, liquidated damages following default, cancellation premiums, "loss of rents" insurance, guest receipts, revenues, royalties, proceeds, bonuses, accounts, contract rights, general intangibles, and all rights and claims which Assignor may have that in any way pertain to or are on account of the use or occupancy of the whole or any part of the Property.

In the event any item listed as Leases or Rents is determined to be personal property, this Assignment will also be regarded as a security agreement. Mortgagor will promptly provide Lender with copies of the Leases and will certify these Leases are true and correct copies. The existing Leases will be provided on execution of the Assignment, and all future Leases and any other information with respect to these Leases will be provided immediately after they are executed. Lender grants Mortgagor a revocable license to collect, receive, enjoy and use the Rents so long as Mortgagor is not in default. Mortgagor's default automatically and immediately revokes this license. Mortgagor will not collect in advance any Rents due in future lease periods, unless Mortgagor first obtains Lender's written consent. Amounts collected will be applied at Lender's discretion to the Secured Debts, the costs of managing, protecting and preserving the Property, and other necessary expenses. Upon default, Mortgagor will receive any Rents in trust for Lender and Mortgagor will not commingle the Rents with any other funds. When Lender so directs, Mortgagor will endorse and deliver any payments of Rents from the Property to Lender. Mortgagor agrees that Lender will not be considered to be a mortgagee-in-possession by executing this Security Instrument or by collecting or receiving payments on the Secured Debts, but only may become a mortgagee-in-possession after Mortgagor's license to collect, receive, enjoy and use the Rents is revoked by Lender or automatically revoked on Mortgagor's default, and Lender takes actual possession of the Property. Consequently, until Lender takes actual possession of the Property, Lender is not obligated to perform or discharge any obligation of Mortgagor under the Leases, appear in or defend any action or proceeding relating to the Rents, the Leases or the Property, or be liable in any way for any injury or damage to any person or property sustained in or about the Property. Mortgagor agrees that this Security Instrument is immediately effective between Mortgagor and Lender and effective as to third parties on the recording of this Assignment. As long as this Assignment is in effect, Mortgagor warrants and represents that no default exists under the Leases, and the parties subject to the Leases have not violated any applicable law on leases, licenses and landlords and tenants. Mortgagor, at its sole cost and expense, will keep, observe and perform, and require all other parties to the Leases to comply with the Leases and any applicable law. If Mortgagor or any party to the Lease defaults or fails to observe any applicable law, Mortgagor will promptly notify Lender. If Mortgagor neglects or refuses to enforce compliance with the terms of the Leases, then Lender may, at Lender's option, enforce compliance. Mortgagor

C. Business Termination. Mortgagor merges, dissolves, reorganizes, ends its business or existence, or a partner or majority owner dies or is declared legally incompetent.

D. Failure to Perform. Mortgagor fails to perform any condition or to keep any promise or covenant of this Security Instrument.

E. Other Documents. A default occurs under the terms of any other transaction document.

F. Other Agreements. Mortgagor is in default on any other debt or agreement Mortgagor has with Lender.

G. Misrepresentation. Mortgagor makes any verbal or written statement or provides any financial information that is untrue, inaccurate, or conceals a material fact at the time it is made or provided.

H. Judgment. Mortgagor fails to satisfy or appeal any judgment against Mortgagor.

I. Forfeiture. The Property is used in a manner or for a purpose that threatens confiscation by a legal authority.

J. Name Change. Mortgagor changes Mortgagor's name or assumes an additional name without notifying Lender before making such a change.

K. Property Transfer. Mortgagor transfers all or a substantial part of Mortgagor's money or property. This condition of default, as it relates to the transfer of the Property, is subject to the restrictions contained in the DUE ON SALE section.

L. Property Value. The value of the Property declines or is impaired.

M. Material Change. Without first notifying Lender, there is a material change in Mortgagor's business, including ownership, management, and financial conditions.

N. Erosion. Any loan proceeds are used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, as further explained by federal law.

O. Insecurity. Lender reasonably believes that Lender is insecure.

15. REMEDIES. Lender may use any and all remedies Lender has under state or federal law or in any instrument evidencing or pertaining to the Secured Debts. Any amounts advanced on Mortgagor's behalf will be immediately due and may be added to the balance owing under the Secured Debts. Lender may make a claim for any and all insurance benefits or refunds that may be available on Mortgagor's default.

Subject to any right to cure, required time schedules or any other notice rights Mortgagor may have under federal and state law, Lender may make all or any part of the amount owing by the terms of the Secured Debts immediately due and foreclose this Security Instrument in a manner provided by law upon the occurrence of a default or anytime thereafter.

All remedies are distinct, cumulative and not exclusive, and the Lender is entitled to all remedies provided at law or equity, whether or not expressly set forth. The acceptance by Lender of any sum in payment or partial payment on the Secured Debts after the balance is due or is accelerated or after foreclosure proceedings are filed will not constitute a waiver of Lender's right to require full and complete cure of any existing default. By not exercising any remedy, Lender does not waive Lender's right to later consider the event a default if it continues or happens again.

16. REDEMPTION. The period of redemption after sale on foreclosure will be one year if the real property sold consisted of a tract of land of more than twenty (20) acres, and within six (6) months after the sale if the real property sold consisted of a tract of land of twenty (20) acres or less. Any agreement to extend the redemption period must be in writing.

17. COLLECTION EXPENSES AND ATTORNEYS' FEES. On or after Default, to the extent permitted by law, Mortgagor agrees to pay all expenses of collection, enforcement or protection of Lender's rights and remedies under this Security Instrument. Mortgagor agrees to pay expenses for Lender to inspect and preserve the Property and for any recordation costs of releasing the Property from this Security Instrument. Expenses include, but are not limited to, attorneys' fees, court costs and other legal expenses. These expenses are due and payable immediately. If not paid immediately, these expenses will bear interest from the date of payment until paid in full at the highest interest rate in effect as provided for in the terms of the Secured Debts. To the extent permitted by the United States Bankruptcy Code, Mortgagor agrees to pay the reasonable attorneys' fees Lender incurs to collect the Secured Debts as awarded by any court exercising jurisdiction under the Bankruptcy Code.

18. ENVIRONMENTAL LAWS AND HAZARDOUS SUBSTANCES. As used in this section, (1) Environmental Law means, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), all other federal, state and local laws, regulations, ordinances, court orders, attorney general opinions or interpretive letters concerning the public health, safety, welfare, environment or a hazardous substance; and (2) Hazardous Substance means any toxic, radioactive or hazardous material, waste, pollutant or contaminant which has characteristics which render the substance dangerous or potentially dangerous to the public health, safety,

a violation of any Environmental Law concerning the Property. In such an event, Mortgagor will take all necessary remedial action in accordance with Environmental Law.

D. Except as previously disclosed and acknowledged in writing to Lender, Mortgagor has no knowledge of or reason to believe there is any pending or threatened investigation, claim, or proceeding of any kind relating to (1) any Hazardous Substance located on, under or about the Property; or (2) any violation by Mortgagor or any tenant of any Environmental Law. Mortgagor will immediately notify Lender in writing as soon as Mortgagor has reason to believe there is any such pending or threatened investigation, claim, or proceeding. In such an event, Lender has the right, but not the obligation, to participate in any such proceeding including the right to receive copies of any documents relating to such proceedings.

E. Except as previously disclosed and acknowledged in writing to Lender, Mortgagor and every tenant have been, are and will remain in full compliance with any applicable Environmental Law.

F. Except as previously disclosed and acknowledged in writing to Lender, there are no underground storage tanks, private dumps or open wells located on or under the Property and no such tank, dump or well will be added unless Lender first consents in writing.

G. Mortgagor will regularly inspect the Property, monitor the activities and operations on the Property, and confirm that all permits, licenses or approvals required by any applicable Environmental Law are obtained and complied with.

H. Mortgagor will permit, or cause any tenant to permit, Lender or Lender's agent to enter and inspect the Property and review all records at any reasonable time to determine (1) the existence, location and nature of any Hazardous Substance on, under or about the Property; (2) the existence, location, nature, and magnitude of any Hazardous Substance that has been released on, under or about the Property; or (3) whether or not Mortgagor and any tenant are in compliance with applicable Environmental Law.

I. Upon Lender's request and at any time, Mortgagor agrees, at Mortgagor's expense, to engage a qualified environmental engineer to prepare an environmental audit of the Property and to submit the results of such audit to Lender. The choice of the environmental engineer who will perform such audit is subject to Lender's approval.

J. Lender has the right, but not the obligation, to perform any of Mortgagor's obligations under this section at Mortgagor's expense.

K. As a consequence of any breach of any representation, warranty or promise made in this section, (1) Mortgagor will indemnify and hold Lender and Lender's successors or assigns harmless from and against all losses, claims, demands, liabilities, damages, cleanup, response and remediation costs, penalties and expenses, including without limitation all costs of litigation and attorneys' fees, which Lender and Lender's successors or assigns may sustain; and (2) at Lender's discretion, Lender may release this Security Instrument and in return Mortgagor will provide Lender with collateral of at least equal value to the Property secured by this Security Instrument without prejudice to any of Lender's rights under this Security Instrument.

L. Notwithstanding any of the language contained in this Security Instrument to the contrary, the terms of this section will survive any foreclosure or satisfaction of this Security Instrument regardless of any passage of title to Lender or any disposition by Lender of any or all of the Property. Any claims and defenses to the contrary are hereby waived.

19. CONDEMNATION. Mortgagor will give Lender prompt notice of any pending or threatened action by private or public entities to purchase or take any or all of the Property through condemnation, eminent domain, or any other means. Mortgagor authorizes Lender to intervene in Mortgagor's name in any of the above described actions or claims. Mortgagor assigns to Lender the proceeds of any award or claim for damages connected with a condemnation or other taking of all or any part of the Property. Such proceeds will be considered payments and will be applied as provided in this Security Instrument. This assignment of proceeds is subject to the terms of any prior mortgage, deed of trust, security agreement or other lien document.

20. ESCROW FOR TAXES AND INSURANCE. Mortgagor will not be required to pay to Lender funds for taxes and insurance in escrow.

21. CO-SIGNERS. If Mortgagor signs this Security Instrument but does not sign the Secured Debts, Mortgagor does so only to mortgage Mortgagor's interest in the Property to secure payment of the Secured Debts and Mortgagor does not agree to be personally liable on the Secured Debts. If this Security Instrument secures a guaranty between Lender and Mortgagor, Mortgagor agrees to waive any rights that may prevent Lender from bringing any action or claim against Mortgagor or any party indebted under the obligation. These rights may include, but are not limited to, any anti-deficiency or one-action laws.

22. WAIVERS. Except to the extent prohibited by law, Mortgagor waives all appraisal and homestead exemption rights relating to the Property.

the agreement. If any provision of this Security Instrument is unenforceable, then the unenforceable provision will be severed and the remaining provisions will still be enforceable.

27. INTERPRETATION. Whenever used, the singular includes the plural and the plural includes the singular. The section headings are for convenience only and are not to be used to interpret or define the terms of this Security Instrument.

28. NOTICE, FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS. Unless otherwise required by law, any notice will be given by delivering it or mailing it by first class mail to the appropriate party's address listed in the DATE AND PARTIES section, or to any other address designated in writing. Notice to one party will be deemed to be notice to all parties. Mortgagor will inform Lender in writing of any change in Mortgagor's name, address or other application information. Mortgagor will provide Lender any financial statements or information Lender requests. All financial statements and information Mortgagor gives Lender will be correct and complete. Mortgagor agrees to sign, deliver, and file any additional documents or certifications that Lender may consider ~~necessary to perfect, continue, and preserve Mortgagor's obligations under this Security Instrument and to confirm Lender's lien status on any Property.~~ Time is of the essence.

SIGNATURES. By signing, Mortgagor agrees to the terms and covenants contained in this Security Instrument. Mortgagor also acknowledges receipt of a copy of this Security Instrument.

MORTGAGOR:

HALF MOON, L.L.C.

By [Signature]
ROYAL FORK RESTAURANT CORPORATION, MANAGING MEMBER, BY: JERRY L. CAVEN,
CHAIRMAN

ACKNOWLEDGMENT:

(Business or Entity)

City OF Bonita, County OF Ada ss.
On this 3rd day of March, 2003, before me,
Sharon Diane Tipton a Notary Public, personally appeared ROYAL FORK RESTAURANT
CORPORATION, MANAGING MEMBER, BY: JERRY L. CAVEN, CHAIRMAN, known or identified to me (or proved
to me on the oath of _____) to be the _____ of the Limited Liability Company that
executed the instrument or the person who executed the instrument on behalf of said Limited Liability Company,
and acknowledged to me that such Limited Liability Company executed the same.

My commission expires:

1/20/04 [Signature]
(Notary Public)

