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STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
Notice of Security Interest in a Water Right
And Request for Notification of a Change in Ownership or Any Proposed
Or Final Action to Amend, Transfer, or Otherwise Modify a Water Right

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

1. Water Right No(s): 35-2825B, 35-7032, 35-7845, 35-8868A, 35-8868B, 35-8873A & 35-8873B

✓ OK ✓ OK ✓ OK ✓ OK ✓ OK ✓ OK ✓ OK ✓ OK
WR WR WR WR WR WR WR WR WR WR

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

Idaho AgCredit, FLCA

P.O. Box 300

American Falls, ID 83211

4. Name of Water Right Owner/Claimant(s) Ronald J. Funk

5. Expiration Date of Notification Period October 1, 2033

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

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

Adam C. Jensen, Assistant Vice-president/Branch Manager

For Office Use Only

Received by BMK Date 9/4/2008 Fee 175.00
Received by BMK Date 9/4/2008 Receipt No. E034385
Processed by _____ AJ Date _____ WR _____ Date _____

RECEIVED
SEP 04 2008

Department of Water Resources
Eastern Region

Instrument # 194604

POWER COUNTY, IDAHO

2008-08-28

01:30:29 No. of Pages: 6

Recorded for : IDAHO AG CREDIT ASSOC

CHRISTINE STEINLICHT

Fee: 18.00

Ex-Officio Recorder Deputy

Danial Curry

REAL ESTATE MORTGAGE

THIS MORTGAGE is made this August 27, 2008 between RONALD J. FUNK, aka RONALD FUNK, and RITA K. FUNK, aka RITA FUNK, husband and wife, whose address is 3826 Funk Lane American Falls, Idaho 83211 hereinafter called "Mortgagor", and Idaho AgCredit, FLCA ("Mortgagee"), a wholly owned subsidiary of Idaho Agricultural Credit Association, a corporation, existing and operating under the Farm Credit Act of 1971, as amended, having its principal place of business at 188 W. Judicial P.O. Box 985, Blackfoot, Idaho 83221.

WITNESSETH: That Mortgagor IRREVOCABLY GRANTS, BARGAINS, SELLS, CONVEYS AND ASSIGNS unto Mortgagee together with right of entry and possession the following described real property situated in the County(ies) of Power, State of Idaho:

SEE ATTACHED SCHEDULE A FOR REAL ESTATE DESCRIPTION, TOGETHER WITH FIXTURES AND APPURTENANT SPRINKLER EQUIPMENT IF ANY.

TOGETHER WITH: All fixtures, including but not limited to the following: All pumps, motors, columns, tubes, shafts, bowls, panels and all electrical appurtenances, mainline, laterals, wheel lines, pivot/circle irrigation systems, risers, heads, couplers, end plugs, valves, valve openers, reducers, joints, tees and wyes, as well as all additions and replacements thereof, hereby declared appurtenant thereto and which are more particularly described on the attached Schedule A.

TOGETHER WITH: Idaho Department of Water Resources Decree Number 35-2825B, priority date April 3, 2002, 1.13 CFS.

TOGETHER WITH: Idaho Department of Water Resources Decree Number 35-7032, priority date January 31, 2002, 3.00 CFS.

TOGETHER WITH: Idaho Department of Water Resources Decree Number 35-7845, priority date January 31, 2002, 2.08 CFS.

TOGETHER WITH: Idaho Department of Water Resources License Number 35-8868A, priority date December 15, 1989, 4.46 CFS.

TOGETHER WITH: Idaho Department of Water Resources License Number 35-8868B, priority date December 15, 1989, 5.25 CFS.

TOGETHER WITH: Idaho Department of Water Resources License Number 35-8873A, priority date December 15, 1989, 8.40 CFS.

TOGETHER WITH: Idaho Department of Water Resources License Number 35-8873B, priority date December 15, 1989, 2.12 CFS.

This real estate mortgage is also intended to be a fixture filing and to be indexed not only as a mortgage but also as a fixture filing.



COPY

TOGETHER WITH: all buildings, structures, equipment, fixtures (including trees, vines and shrubs) and improvements of every kind and description now or hereafter constructed or placed thereon; all standing timber and timber to be cut located thereon; all existing and future water rights, however evidenced, to the use of water for irrigation, livestock and domestic purposes, including irrigation and watering equipment and systems, ditches, laterals, conduits, and rights-of-way used to convey such water or to drain the above-described property, all of which rights are hereby made appurtenant to the property, and all pumping plants, electrical generators, wind machines, and fencing and storage tanks, now or hereafter used in connection with the property, all of which are hereby declared to be fixtures; all grazing rights, leases, permits and licenses; all oil, gas, and mineral leases, permits and rights used with the property; and all tenements, hereditaments, easements, rights-of-way and appurtenances to the property (hereafter collectively referred to as the "Property").

MORTGAGOR ABSOLUTELY AND UNCONDITIONALLY ASSIGNS, transfers, conveys and sets over to Mortgagee all the rents, royalties, issues, profits, revenue, income and other benefits of the property arising from the use or enjoyment of all or any portion thereof or from any lease, mineral lease, or agreement pertaining thereto (collectively the "Rents"); SUBJECT, HOWEVER, to the right, power and authority given to and conferred upon Mortgagor by Paragraph B.3 hereof.

FOR THE PURPOSE OF SECURING: (1) payment of the indebtedness or obligations evidenced by the following promissory note(s) and/or guaranties executed by Mortgagor and/or others to the Mortgagee at the times, in the manner and with interest as therein set forth (notes may contain variable or adjustable rate provisions):

DATE OF NOTE
August 27, 2008

MATURITY DATE
October 1, 2033

AMOUNT OF NOTE
\$1,314,500.00

(ii) No Contaminants are located on, in or under any property located adjacent to the Property in such quantities or concentrations as would constitute a violation of any Environmental Law or as would require the owner of the adjacent property to report such condition to any governmental authority or to undertake removal or remedial action to clean up such Contaminants;

(iii) Neither the Property, nor any portion thereof, nor any adjacent property or portion thereof, has been or is proposed to be listed under the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601, et seq.), or any analogous state law. Mortgagor shall immediately notify Mortgagee if Mortgagor acquires any information concerning the listing or proposed listing of the Property or any adjacent property and shall provide Mortgagee with any documents in Mortgagor's possession relative thereto;

(iv) No hazardous wastes, as defined under the Federal Resource Conservation and Recovery Act (42 U.S.C. Section 6901, et seq.), or any analogous state law ("Hazardous Wastes"), have been, are being or will be stored or treated in surface impoundments or other structures or facilities located on the property that are partially or entirely below the ground surface;

(v) No litigation, investigation, administrative order, consent order, agreements, or other action, proceeding or settlement (hereinafter "Action") has previously been brought, is now pending, or to the best knowledge of Mortgagor threatened against or anticipated by Mortgagor, with respect to Mortgagor's use or management of Hazardous Materials or Hazardous Wastes or the environmental condition of the Property, including any underlying groundwater. Upon learning thereof, Mortgagor shall immediately notify Mortgagee of any such Action or threatened Action and provide Mortgagee with copies of all documentation relative thereto; and

(vi) Except as disclosed in writing to Mortgagee, no underground tanks, wells (except domestic water wells), septic tanks, ponds, pits or any other storage tanks ("Tanks") (whether currently in use or abandoned) are or were located on or under the Property and no Tanks are or were serving the Property described herein. With respect to any Tanks disclosed in writing to Mortgagee, Mortgagor shall comply with all federal, state and local laws, regulations and ordinances and any requirements of city or county fire departments, applicable to the maintenance and use of such Tanks, including, without limitation, Title 40 of the Code of Federal Regulations Part 112.

(b) Nothing herein shall be deemed to prohibit Mortgagor from (i) using, handling or storing hazardous materials or substances, as defined under any federal, state or local law, regulation or ordinance ("Hazardous Materials") or (ii) storing or treating non-hazardous wastes, so long as such activities are carried out (a) in a good and husbandlike manner in the ordinary course of business, and (b) in compliance with all applicable environmental laws, regulations, permits, orders or other requirements.

(c) In the event that Mortgagor is in breach of any of its representations, warranties or covenants as set forth above, Mortgagor, at its sole expense, shall take all action required, including environmental cleanup of the Property, to comply with the representations, warranties and covenants herein or applicable legal requirements and, in any event, shall take all action deemed necessary by appropriate governmental authorities. Mortgagee shall have the right, but not the obligation, to advise appropriate governmental authorities of any environmental condition on or affecting the Property that constitutes or may constitute a breach of Mortgagor's obligations hereunder.

(d) Mortgagor and its successors and assigns shall indemnify, defend, protect, and hold harmless Mortgagee, its directors, officers, employees, agents, shareholders, successors and assigns and their officers, employees or agents, from and against any and all claims, suits, damages, liens, losses, liabilities, interest, judgments, response and cleanup costs, demands, actions, causes of action, injuries, administrative proceedings and orders, consent agreements and orders, penalties, costs and expenses (including any fees and expenses incurred in enforcing this indemnity, any out-of-pocket litigation costs and the reasonable fees and expenses of counsel) of any kind whatsoever ("Claims") paid, incurred or suffered by, or asserted against Mortgagee, including but not limited to Claims arising out of loss of life, injury to persons, trespass or damage to or contamination of property or natural resources, or injury to business, in connection with or arising out of the activities of Mortgagor on the Property, Mortgagor's predecessors in interest, third parties who have been invited, permitted or trespassed on the Property, or parties in a contractual relationship with Mortgagor, or any of them, or which directly or indirectly arise out of or result from or in any way connected with the Property, whether or not caused by Mortgagor or within the control of Mortgagor, including without limitation: (i) the presence, use, generation, treatment, storage, disposal, release, threatened release, or discharge of any Hazardous Material or Contaminant at or from the Property and/or the cleanup of Hazardous Materials or Contaminants within, on or under the Property; (ii) Mortgagor's breach of any of the representations, warranties and covenants contained herein; and (iii) Mortgagor's violation or alleged violation of any applicable Environmental Law, regulation or ordinance.

(e) Mortgagor's representations, warranties, covenants and indemnities contained herein shall survive the occurrence of any event whatsoever, including without limitation the payoff of any promissory note(s) secured hereby, the release or foreclosure of this Mortgage, the acceptance by Mortgagee of a deed in lieu of foreclosure, or any transfer or abandonment of the Property.

(f) The term "Environmental Law" shall mean any federal, state or local law, statute, ordinance, or regulation, now in effect or hereinafter enacted, pertaining to health, industrial hygiene, or the environmental conditions on, under or about the Property, including but not limited to enactments requiring the removal or containment of asbestos-containing materials in private buildings.

(g) Mortgagor shall permit, or cause any tenant of Mortgagor to permit, Mortgagee or its agents, or independent contractors to enter and inspect the Property at any reasonable time for purposes of determining, as Mortgagee deems necessary or desirable: (i) the existence, location and nature of any Hazardous Materials or Hazardous Wastes on, under or about the Property, (ii) the existence, location, nature, magnitude and spread of any Hazardous Materials or Hazardous Waste that has been spilled, disposed of, discharged or released on, under or about the Property, or (iii) whether or not Mortgagor and any tenant of Mortgagor is in compliance with applicable Environmental Law. If Mortgagor or its tenants fail to comply fully with the terms of this subdivision (g), Mortgagee may obtain affirmative injunctive relief to compel such compliance.

10. Grazing Rights. If any portion of the Property described in this Mortgage is used by Mortgagor as the basis for obtaining grazing permits or other grazing rights issued by any governmental agency, including without limitations the Forest Service, U.S. Department of Agriculture or the Bureau of Land Management, U.S. Department of Interior, Mortgagor covenants and agrees as follows:

(a) Said grazing permits or other rights are in good standing and have not been modified, reduced or limited in any other respect, except as fully disclosed in writing to Mortgagee;

(b) Mortgagor will perform all obligations imposed as a requirement of exercise of said grazing permits or other rights and will comply with all laws, rules and regulations applicable thereto;

(b) A water transfer is any transfer, assignment, sale, exchange, gift, encumbrance, pledge, hypothecation, alienation, grant of option to purchase, or other disposition of, directly, indirectly or in trust, voluntarily or involuntarily, by operation of law or otherwise, or the entry into a binding agreement to do any of the foregoing with respect to all or any part of (i) the groundwater on, under, pumped from or otherwise available to the Property, (ii) Mortgagor's right to remove and extract any such groundwater including any permits, rights or licenses granted by any governmental authority or agency and any rights granted or created by any easement, covenant, agreement or contract with any person or entity, (iii) any rights to which the Property is entitled with respect to surface water, whether such right is appropriative, riparian, prescriptive or otherwise and whether or not pursuant to permit or other governmental authorization, or the right to store any such water, (iv) any water, water right, water allocation, distribution right, delivery right, water storage right, water allocation, or other water-related entitlement appurtenant or otherwise applicable to the Property by virtue of the Property's being situated within the boundaries of any district, agency, or other governmental entity or within the boundaries of any private water company, mutual water company, or other non-governmental entity, or (v) any shares (or any rights under such shares) of any private water company, mutual water company, or other non-governmental entity pursuant to which Mortgagor or the Property may receive any rights.

9. In the event any one or more of the provisions contained in this Mortgage or in any promissory note(s) hereby secured shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Mortgage or said promissory note(s), but this Mortgage and said promissory note(s) shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein.

Ronald J. Funk
RONALD J. FUNK

Rita K. Funk
RITA K. FUNK

ACKNOWLEDGMENT.

STATE OF IDAHO

County of Power

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}ss.

On this 28th day of August, 2008, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared Ronald J. Funk and Rita K. Funk, husband and wife, known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Stanford H. Taysom
STANFORD H. TAYSOM

Notary Public Notary Public for the State of Idaho

State of Idaho Residing at Rockland,

My Commission Expires: 6/06/12

SCHEDULE A
REAL ESTATE DESCRIPTION TOGETHER WITH FIXTURES AND APPURTENANT SPRINKLER EQUIPMENT IF ANY FOR
MORTGAGE DATED August 27, 2008

Ronald J. Funk
Loan No. 231-007-0006498965-5570425-101

REAL ESTATE DESCRIPTION:

Township 6 South, Range 29 East, Power County, Idaho

Section 26: S $\frac{1}{2}$

Section 27: E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$, W $\frac{1}{2}$ SW $\frac{1}{4}$

Excepting therefrom: the East 1800 feet of the N $\frac{1}{2}$ SE $\frac{1}{4}$

Section 34: E $\frac{1}{2}$ and E $\frac{1}{2}$ W $\frac{1}{2}$ (except cemetery in SW corner of SE $\frac{1}{4}$ SW $\frac{1}{4}$, 418 X 418 in size) described as follows: Beginning at the SW corner of SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 34; thence East 418 feet, thence North 418 feet, thence West 418 feet, thence South 418 feet to the point of beginning.

Section 35: S $\frac{1}{2}$

Also:

The West-half of the Northwest quarter (W $\frac{1}{2}$ NW $\frac{1}{4}$), Section 27, Township 6 South, Range 29 East, Boise Meridian.

FIXTURE AND/OR SPRINKLER EQUIPMENT DESCRIPTION:

Well I26 - 400 hp General Electric Motor, variable speed, 500 foot well depth and 332 foot static water level. Bowls set at 380 feet. Motor Serial Number is XF6423035. System operates 2 full pivots and one pivot used as a wiper.

Well I27 - 400 hp General Electric Motor, variable speed, 200 hp booster motor. 525 foot well depth. 352 static water level. Bowls set at 393 feet. System operates 3 full pivots, one pivot used as a wiper and 4 wheel lines.

Well I35 - 400 hp Worthington Motor, Serial No. YA473038. 125 hp booster motor. 400 foot well depth. 330 static water level. Bowls set at 360 feet. System operates 2 full pivots and 8 wheel lines.

Mainline system is 10 inch buried PVC.

8 - Funk Electric Drive Wheel lines

1 - Lindsey Zimmatic Pivot, with AMS computer system Serial #L43986

1 - Lindsey Zimmatic Pivot, with AMS computer system Serial #L44047

1 - Lindsey Zimmatic Pivot, with AMS computer system Serial #B12236

1 - Lindsey Zimmatic Pivot, with AMS computer system Serial #B12233

1 - Lindsey Zimmatic Pivot, with AMS computer system Serial #L61796

1 - Lindsey Zimmatic Pivot, with AMS computer system Serial #L61909

1 - Lindsey Zimmatic Pivot, with AMS computer system Serial #L73841

1 - Lindsey Zimmatic Pivot, with AMS computer system Serial #L48351

1 - Lindsey Zimmatic Pivot, with AMS computer system Serial #L48352


RONALD J. FUNK


RITA K. FUNK