

RECEIVED

APR 30 2008

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCESDEPARTMENT OF
WATER RESOURCES

DEV

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): 35-13734 ^{WR} and 35-13736 ^{WR} OK
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

~~Harold Liljenquist and George Davis~~

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

~~Russell Klempel~~

5. Expiration Date of Notification Period August 1, 2013
6. Is this a Renewal of Request for Notification? ☐ YES ☒ NO
7. Signature(s) of Security Interest holder(s) Harold Liljenquist George Davis
 (and title if applicable) By WDA

For Office Use Only

Received by <u>JB</u>	Date <u>4-15-08</u>	Fee <u>50.00</u>
Received by <u>JB</u>	Date <u>4-15-08</u>	Receipt No. <u>E033960</u>
Processed by _____	AJ Date _____	WR _____ Date _____

SUPPORT DATAIN FILE # 35-13734

SCANNED

4 2008

February 22, 2008

(DATE)

1. Russell J. Klempel

(NAME)

3080 W. 1500 S.

(NO AND STREET)

Aberdeen, ID. 83210

(CITY)

Bingham

(COUNTY)

(STATE)

(hereinafter called "Debtor") hereby grants to George Davis and Harold E. Liljenquist and (hereinafter called
Lynn M. Liljenquist

"Secured Party"), their successors and assigns, a security interest in the following goods together with all replacements
thereof and accessories, parts, additions and accessions now or hereafter affixed or used in connection therewith (hereinafter
called the "Collateral"):

(Insert full description of Collateral, including identifying data such as year, make, model, serial and identification numbers.)

- A) Model 8000 Valley Irrigation Pivot 1298' with all fixtures and fittings
- B) 75 HP Electric Pump with switches and pannels
- C) Water Rights #35-2131 and 35-2550 on file with IDWR

This equipment and water rights are used to irrigate land in
Section 13, Township 5 S., Range 30 EBM. (Full legal description attached)

or as described on exhibits attached hereto.

2. The security interest granted hereby is to secure payment
and performance of the liabilities and obligations of Debtor to
Secured Party of every kind and description, direct or indirect,
absolute or contingent, due or to become due, now existing or
hereafter arising (all hereinafter called "Obligations").

3. DEBTOR HEREBY WARRANTS AND COVENANTS:

3. 01 TITLE. Debtor is now or; by using the proceeds of loans
by the Secured Party, will become the owner of the Collateral
free from any adverse lien, security interest or encumbrance.

3. 02 USE. The Collateral is bought or used primarily for
☐ Personal, family or household purposes.

(Check one) ☐ Farming operations
☐ Business use

and if checked here ☐, is being acquired with the proceeds of
loans by Secured Party to Debtor.

3. 03 LOCATION OF COLLATERAL: The Collateral will be

located in _____ County, Idaho. Debtor will not
remove the Collateral from said state without written con-
sent of Secured Party.

3. 04 RESIDENCY. Debtor resides in the county set forth
above, unless some other county is indicated here:

_____, County, Idaho.
3. 05 FIXTURES. If checked here ☐, the Collateral is to be
or has been attached to real estate. Except as otherwise indicat-
ed, the parties intend that said Collateral shall always remain
personal property. A legal description of the real estate is as
follows:

or as described on exhibits attached hereto, and the name of
the record owner is _____

THE TERMS AND CONDITIONS APPEARING ON THE BACK HEREOF ARE PART OF THIS SECURITY AGREEMENT
Signed and delivered to Secured Party on the day and year first above written.

Russell J. Klempel
Russell J. Klempel

(SIGNATURE OF DEBTOR)

CERTIFICATE OF TRUE COPY

STATE OF Idaho

COUNTY OF Bingham

SS.

I hereby certify that this is a true and correct copy of the original instrument.

W. D. Bauer
Notary Public

Residing at Blackfoot

County, State of Idaho

IBA FORM 5 PRIMUS REV. 71
U.C.

Comm Expires! 3/29/08

NOTARY PUBLIC
STATE OF IDAHO

INSTRUMENT # 591322
 FIRST AMERICAN TITLE COMPANY OF EAST IDAHO

BY: _____

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional): Doyle G. Ray (208) 234-4764	
B. SEND ACKNOWLEDGEMENT TO: (Name and Address) George Davis and Harold E. Liljenquist and Lynn M. Liljenquist 120 N. 12th Suite 6 Pocatello, ID. 83201	

Instrument # 591322

BINGHAM COUNTY

2008-02-25

04:24:22 No. of Pages: 2

Recorded for: FIRST AMERICAN TITLE COMPANY

SARA J. STAUB

Fee: 6.00

Ex-Officio Recorder Deputy *KJB*

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (1a or 1b) - do not abbreviate or combine names				
1a. ORGANIZATION'S NAME				
OR 1b. INDIVIDUAL'S LAST NAME				
1c. MAILING ADDRESS		FIRST NAME	MIDDLE NAME	SUFFIX
3080 W. 1500 S.		Russell	J.	
1d. TAX ID #: SSN OR EIN		CITY	STATE	POSTAL CODE
ADD'L INFO RE: ORGANIZATION DEBTOR		Aberdeen	ID	83210
1e. TYPE OF ORGANIZATION		1f. JURISDICTION OF ORGANIZATION		1g. ORGANIZATIONAL ID #, if any
				USA
2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (2a or 2b) - do not abbreviate or combine names				
2a. ORGANIZATION'S NAME				
OR 2b. INDIVIDUAL'S LAST NAME				
2c. MAILING ADDRESS		FIRST NAME	MIDDLE NAME	SUFFIX
2d. TAX ID #: SSN OR EIN		CITY	STATE	POSTAL CODE
ADD'L INFO RE: ORGANIZATION DEBTOR				
2e. TYPE OF ORGANIZATION		2f. JURISDICTION OF ORGANIZATION		2g. ORGANIZATIONAL ID #, if any
				NONE
3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - Insert only one secured party name (3a or 3b)				
3a. ORGANIZATION'S NAME				
OR 3b. INDIVIDUAL'S LAST NAME				
3c. MAILING ADDRESS		FIRST NAME	MIDDLE NAME	SUFFIX
120 N. 12th Suite 6		Pocatello	ID	83201
				USA

4. This FINANCING STATEMENT covers the following collateral:

- A) Model 8000 Valley Irrigation Pivot 1298' with all fittings and fixtures
- B) 75 HP Electric Pump with switches and pannels
- C) Water Rights #35-2131 and 35-2550 on file with IDWR

This equipment and water rights are used to irrigate land in
 Section 13, Township 5 S., Range 30 EBM.
 (Full legal description attached)

5. ALTERNATIVE DESIGNATION (if applicable): ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILO		
6. ☐ This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable)		
7. Check to REQUEST SEARCH REPORT (ADDITIONAL FEE)		
8. OPTIONAL FILER REFERENCE DATA		

IDAHO SECRETARY OF STATE
 03/20/2008 05:00
 CK: 1506864 CT: 172099 RH: 1105755
 1 @ 6.00 = 6.00 UCC1 FILE # 2
 Filing Number:
 B 2008-1043355-3

REAL ESTATE MORTGAGE

THIS MORTGAGE, Made by **Russell J. Klempel** as MORTGAGOR, whose current address is: 3080 W 1500 S, Aberdeen, ID 83210 and **George Davis, as to a 66.67% interest, and Harold E. and Lynn M. Liljenquist, as to a 33.33% interest** MORTGAGEE

WITNESSETH, That the said MORTGAGOR, for good and valuable consideration, the receipt where of is hereby acknowledged, does hereby grant, bargain, sell and convey unto the said MORTGAGEE, their heirs and assigns forever, the following real estate situated in Bingham County, State of Idaho, to-wit:

**TOWNSHIP 5 SOUTH, RANGE 30 E.B.M., BINGHAM COUNTY, IDAHO
SECTION 13: NW¼, EXCEPT THE SOUTH 840 FEET.**

TOGETHER WITH all the improvements, privileges and appurtenances thereunto belonging and all rights of homestead exemption, together with all ditch and water rights of every nature, however evidenced, used on the said land or belonging to the same or said MORTGAGOR, which may be hereafter acquired or used upon said land. Said MORTGAGOR does hereby warrant the title to said land and water rights against all persons whomsoever, and agree to defend the same.

THIS CONVEYANCE is intended as a mortgage to secure the payment of the principal sum of **ONE HUNDRED FIFTY THOUSAND DOLLARS, \$150,000.00**, lawful money of the United States of America, evidenced by a promissory note executed and delivered by MORTGAGOR herein, dated 02/22/2008, with final payment due **August 1st, 2013**.

TOGETHER WITH interest, costs, and expenses, as therein provided, payable to the order of the MORTGAGEE at the times and in the manner and with interest as therein set forth, together with any extensions, renewals, modifications and future advances thereof or thereunder; the performance of each agreement of MORTGAGOR herein contained; and the payment of all sums expended or advanced by MORTGAGEE under or pursuant to the terms of this Mortgage and/or the note(s), together with interest thereon as provided therein.

To Protect the Security of the Mortgage, Mortgagor Covenants and Agrees:

1. To keep said property in good order and condition as it now is and not commit or permit any waste thereof;
2. To promptly make all repairs, replacements, additions, improvements and alternations thereto, interior and exterior, structural and nonstructural, which are necessary or appropriate to keep the same in good order and condition;
3. To complete or restore promptly and in a good and workmanlike manner any building or other improvement which may be constructed, damaged or destroyed thereon, and pay when due all costs incurred therefor;
4. To not remove or demolish any building or other improvement thereof now or hereafter existing on the property;
5. To comply with all laws, ordinances, regulations, covenants, conditions, and restrictions affecting said property;

Instrument # 591321

BINGHAM COUNTY

2008-02-25

04:23:03 No. of Pages: 6

Recorded for : FIRST AMERICAN TITLE COMPANY

SARA J. STAUB

Fee: 18.00

Ex-Officio Recorder Deputy

6. To not: 1) allow changes in the use of the property from the date of this Mortgage; 2) maintain, operate or occupy the property or allow the property to be used, maintained, operated or occupied in any manner which violates any laws, safeguarded as required by law, which constitutes a public or private nuisance, or such makes void, voidable, or cancellable or increases the premiums of any insurance required to be maintained under this Mortgage; or 3) initiate or acquiesce in a change in the zoning classification of the property; unless required by applicable law or unless MORTGAGEE had given its prior written consent.
7. To not alter the property and not, except as is necessary to maintain the property in a state of good condition and repair, make or permit to be made any alterations or additions to the property of a material nature without the prior written consent of MORTGAGEE.
8. To keep the buildings, improvements, fixtures, equipment, machinery, and appliances of the above described property, or to be hereafter constructed or placed thereon, insured against loss by fire or other hazards, casualties, and contingencies included in the term "extended coverage," in such forms of insurance, and in such amounts, as may be required by to the MORTGAGEE, but not in an amount less than the full replacement cost of all buildings, fixtures, and other insurable improvements of the property for the benefit of the MORTGAGEE, with loss payable solely to MORTGAGEE, and to deliver all policies to MORTGAGEE, which delivery shall constitute an assignment to MORTGAGEE of all return premiums; Neither destruction of the property in whole or in part nor the application of insurance proceeds to reconstruct the premises or to reduce the indebtedness secured by this Mortgage shall cause suspension, extension or abatement of payments under the note, serviced hereby unless the entire indebtedness is paid by the application of said insurance proceeds;
9. To pay in full immediately and discharge before delinquent all encumbrances, taxes and assessments, charges, liens and other impositions, with interest and penalties, on said property or any part thereof, including, and to pay in full immediately and discharge before delinquent, all dues or assessments upon said ditch or water rights or water stock. MORTGAGOR shall pay, when due, all claims of all persons supplying labor or materials to or in connection with the property when due.
10. To pay all costs, fees, and expenses, of this Mortgage, including, but not limited to, cost of search and evidence of title and advertising expense and attorneys' fees incurred in enforcing any of the provisions of this Mortgage, or in exercising any remedies hereunder, whether the same be incurred pursuant to limitations, any form of bankruptcy proceedings or otherwise, which sums shall also be secured by this Mortgage. Nothing in this paragraph shall limit any provision of any statute which requires MORTGAGOR to pay more attorneys' fees than as provided in this paragraph.

It is Mutually Agreed that:

11. Should the property or any part thereof be taken or damaged by reason of any public improvement or condemnation proceeding, or damaged by fire, or earthquake, or in any other manner, MORTGAGEE shall be entitled to all compensation, awards and other payments or relief thereof, and shall be entitled at their option to commence, appear in and prosecute in their own names, any action or proceedings or to make any compromise or settlement, in connection with such taking or damage. All such compensation, awards, damages, rights or action and proceeds, including the proceeds of any policies of fire and other insurance affecting said property, are hereby assigned to MORTGAGEE, who may after deducting therefrom all of its expenses, including attorneys' fees, release any moneys so received by it or apply the same on any indebtedness secured hereby. MORTGAGOR agrees to promptly notify MORTGAGEE of any action or proceeding relating to any condemnation or other taking, whether direct or indirect, of the property, or part thereof, and MORTGAGOR shall appear in and prosecute any such action or proceeding unless otherwise directed in writing by MORTGAGEE. MORTGAGOR authorizes MORTGAGEE, at MORTGAGEE'S option, as attorney-in-fact for MORTGAGOR, to commence, appear in, and prosecute, in MORTGAGEE'S or MORTGAGOR'S name, any action or proceedings relating to any condemnation or taking of the property, whether direct or indirect, and to settle or compromise any claim in connection with such condemnation or taking. MORTGAGOR agrees

to execute such further evidence of assignment of awards, proceeds, damages, or claims arising in connection with such condemnation as MORTGAGEE may require. Unless said indebtedness is paid in full by the application of said awards, no such award or application thereof shall constitute a reduction in or abatement of any payments required by the Note.

12. MORTGAGOR shall pay the indebtedness, secured by this Mortgage as and when called for in the documents evidencing the same and will fully and promptly preform all of the obligations under the Note and this Mortgage as such performance becomes due.
13. The term "Event of Default," as used in this Mortgage, shall mean the occurrence or happening, at any time and from time to time, or any one or more of the following:
 - (a) If MORTGAGOR shall fail to pay, in full, any payment or any portion of the indebtedness secured by this Mortgage, when the same shall become due and payable, whether at the due date thereof stipulated in the Note and this Mortgage, or by acceleration or otherwise; or
 - (b) If MORTGAGOR shall fail, refuse or neglect to perform and discharge fully and timely any of the other obligations of MORTGAGOR under the Note and/or this Mortgage; or
 - (c) If the property is materially demolished, destroyed or substantially damaged and suitable arrangements are not made with MORTGAGEE by MORTGAGOR to reconstruct the same or if the same cannot be repaired within 120 days from the date of destruction.
14. Upon the occurrence of any Event of Default, as that term is defined above, MORTGAGEE, at MORTGAGEE'S option, may declare all of the indebtedness and other sums secured by this Mortgage to be immediately due and payable without further demand, and those remedies hereunder, under any of the Note and/or permitted by applicable law regarding Mortgages may be invoked.
15. In addition to the foregoing, MORTGAGEE'S rights in the Event of Default shall include, but shall not be limited to, the right of MORTGAGEE to:
 - (a) Take possession and hold, occupy, operate, and use the property, together with the personality, without liability or obligation on its part, and to do all acts affecting said property as MORTGAGEE may deem necessary to keep the property in good condition and repair and to conserve the value thereof;
 - (b) To the extent permitted by law, bring an action to collect any installment which is due or past due and payable without affecting or losing the security of this Mortgage or waiving any other right or remedy allowed by law;
 - (c) Foreclose this Mortgage in the manner provided by law for the foreclosure of mortgages on real property, bring an action for damages, or exercise such other remedy or combination of remedies as MORTGAGEE may have under law or equity.

- (d) Apply to a Court of competent jurisdiction for the appointment of a receiver to take charge of the property and, with or without the appointment of a receiver: 1) collect the rents, issues and profits therefrom; 2) care for and repair the same, and improve the same when necessary or desirable; 3) lease and rent the property or portions thereof (including leases existing beyond the term or receivership); and 4) otherwise use and utilize the property, and have such other powers as may be fixed by any Court of competent jurisdiction. MORTGAGOR specifically agrees that the receiver may be appointed without any notice to MORTGAGOR whatsoever, and the Court may appoint the receiver without reference to the adequacy or inadequacy of the security, or the solvency or insolvency of MORTGAGOR, and without reference to other matters normally taken into account by courts in the discretionary appointment of receivers, it being the intention of MORTGAGOR to hereby authorize the appointment of a receiver when MORTGAGOR is in default and MORTGAGEE has requested the appointment of a receiver. MORTGAGOR hereby agrees and consents to the appointment as receiver the person or firm designated by MORTGAGEE and hereby waive its rights to suggest or nominate any such person or firm in opposition to MORTGAGEE.

No remedy herein provided shall be exclusive of any other remedy which now exists or such may hereafter exist under the Note in favor of MORTGAGEE or by law. Every power or remedy given to MORTGAGEE or to which they may be otherwise entitled, may be exercised from time to time and as often as may be deemed expedient by them, and they may pursue inconsistent remedies. If MORTGAGEE holds any additional security for any obligation secured hereby it may enforce the sale thereof at its option, either before, contemporaneously with, or after the sale is made hereunder, and in the event of any default of MORTGAGOR, MORTGAGEE may, at its option, offset against any indebtedness secured hereby. Should it become necessary for MORTGAGEE, by its election, to pursue any of the remedies herein above described, either personally or through its agents, to enter upon and take possession of the property or any part thereof, and collect the rents, issues and profits therefrom, MORTGAGEE shall be entitled to receive as compensation for its management fee an amount customarily charged for such services by reputable management firms.

The purchasers at any foreclosure sale hereunder may disaffirm any easement or right-of-way granted or rental or lease contract made after the execution of this Mortgage may take immediate possession of the property free from, and despite the terms of, such grant and/or rental and/or lease contract.

MORTGAGEE shall have all rights, remedies and recourses granted in the Note and this Mortgage available at law or equity and the same (a) shall be cumulative and concurrent, (b) may be pursued against MORTGAGOR, at the sole discretion of MORTGAGEE, (c) may be exercised as often as occasion therefore shall arise, it being agreed by MORTGAGOR that the exercise or failure to exercise any of the same shall in no event be constructed as a waiver or release thereof or of any other right, remedy or recourse, and (d) are intended to be, and shall be, non-exclusive.

The liability of the MORTGAGOR for payment of the indebtedness and performance of the obligations shall be joint and several.

If all or any part of the property of interest therein is sold or transferred by MORTGAGOR including, but not limited to, (1) the execution by MORTGAGOR of a contract sale with respect to the property, (2) the grant of a leasehold estate in the property or any part thereof for a period of greater than five (5) years, (3) the transfer or sale of the property by a creditor or judgment holder with respect to MORTGAGOR or (4) the transfer of a leasehold estate in the property or any part thereof containing an option to purchase without MORTGAGEE'S prior written consent, excluding the grant of any leasehold estate in the property of five (5) years or less not containing an option to purchase, MORTGAGEE may, at MORTGAGEE'S option, declare all of the indebtedness to be immediately due and payable. MORTGAGEE shall be waived such option to accelerate if, prior to the sale or transfer, MORTGAGEE, MORTGAGOR and the person or entity to whom the property is to be sold or transferred reach an agreement in writing otherwise.

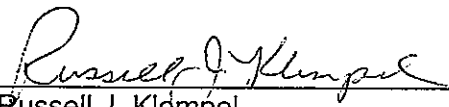
If MORTGAGEE exercises such option to accelerate, MORTGAGEE shall give MORTGAGOR notice of acceleration. Said notice shall provide a period of not less than thirty (30) days from the date of the notice is mailed in which MORTGAGOR may pay the sums declared due. If MORTGAGOR shall fail to pay such sums prior to the expiration of such period, MORTGAGEE may, without further notice of demand on MORTGAGOR, consider this Mortgage in a state of default and exercise the remedies set forth herein with respect to an Event of Default occurring under this Mortgage.

A consent by MORTGAGEE to one or more sales or above transfers of the property shall not constitute a waiver of the provisions, nor shall it constitute a consent to or for any future sales or transfers by MORTGAGOR, their successors or assigns, and any further sale or transfer of the property by MORTGAGOR, their successors or assigns, or any of them, shall give MORTGAGEE the acceleration rights provided above.

16. Except for any notice required under applicable law to be given in another manner:
- (a) Any notice to MORTGAGOR provided for in the Mortgage shall be given by personal delivery or by mailing such notice addressed to MORTGAGOR as the following current address: Aberdeen, ID 83210 or at such other address as MORTGAGOR may designate by notice to MORTGAGEE as provided herein, and shall be deemed given, upon such personal delivery or deposit in the United States mail, first class postage fully prepaid;
 - (b) Any notice to MORTGAGEE shall be given by personal delivery or by first class United States mail to: O/O Pioneer Title Company, 8151 W Rifleman Ave., Boise, ID 83704 or to such other address as MORTGAGEE may designate by notice to MORTGAGOR as provided herein, and shall be effective upon such personal delivery or deposit in such mail, postage fully prepaid.
17. This Mortgage shall be governed by the laws of the State of Idaho. In the event that any provision or clause of the Note, or this Mortgage, conflicts with applicable law, such conflict shall not affect other provisions of the Note or this Mortgage which can be given effect without the conflicting provision, and to this end the provisions of the Note and this Mortgage are declared to be severable.
18. It is hereby expressly stipulated and agreed to be the intent of MORTGAGOR, and MORTGAGEE at all times to comply with the usury, and all other laws relating to the Mortgage and the Note. If, at any time, the applicable law renders usurious any amount called for in any of this Mortgage, and/or the Note, then it is MORTGAGOR'S and MORTGAGEE'S express intent that such document be immediately deemed reformed and the amounts collectible reduced, without the necessity of the execution of any new documents, so as to comply with the then applicable law but so as to permit the recovery of the fullest amount otherwise called for in this Mortgage and the Note and any amounts previously collected in excess of the amount permitted under applicable usury laws shall be either applied as a credit against the unpaid indebtedness due under the Note, or be refunded to MORTGAGOR, at MORTGAGEE'S sole option.

IN WITNESS WHEREOF, the said Mortgagor hereunto subscribe their name(s)

Date: 2-22-08



Russell J. Klämpel

STATE OF Idaho)
)
)
COUNTY OF Bingham)
)
)

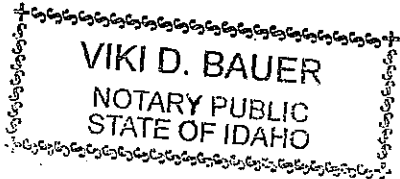
On this 22 day of February, 2008, before me, a Notary Public in and for said State, personally appeared **Russell J. Klempel**, known or identified to me to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same.

Viki D. Bauer

Notary Public for the State of Idaho

Residing at: Blackfoot, ID

My Commission Expires: 03/29/08



591321