

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

DE ✓

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.

OK

1. Water Right No(s): 35-8195A and 35-13417

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) ^{UCC-1 and Mortgage} A **FEE** of **\$25.00 per water right** or adjudication claim.

3. Name and Mailing Address of Person or Company holding Security Interest

Larry Simmons 120 N. 12th #6, Pocatello, ID 83201

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) Larry Simmons
(and title if applicable)

For Office Use Only

Received by JL Date 4-15-08 Fee 50.00
 Received by JL Date 4-15-08 Receipt No. E038961
 Processed by _____ AJ Date _____ WR _____ Date _____

SUPPORT DATA RECEIVED

IN FILE # 35-8195A APR 14 2008

Department of Water Resources
Eastern Region

IDAHO SECRETARY OF STATE

02/29/2008 05:00

CK: 2683 CT: 102531 BH: 1101989

1 @ 6.00 = 6.00 UCC1 FILE # 2

Filing Number:

8-2008-1042197-3

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)
B. SEND ACKNOWLEDGEMENT TO: (Name and Address)
Financial Consulting Corp. 120 N. 12th #6 Pocatello, ID 83201

Instrument # 586158

BINGHAM COUNTY

2007-09-28 04:50:48 No. of Pages: 1

Recorded for: FIRST AMERICAN TITLE COMPANY

SARA J. STAUB

Fee: 3.00

Ex-Officio Recorder Deputy

OM

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		FIRST NAME	MIDDLE NAME	SUFFIX
	Klempel		Russell	J.	
1c. MAILING ADDRESS			CITY	STATE	POSTAL CODE
3080 W. 1500 S.			Aberdeen	ID	83210
1d. TAX ID #: SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL ID #, if any	
				☐ NONE	

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		FIRST NAME	MIDDLE NAME	SUFFIX
2c. MAILING ADDRESS			CITY	STATE	POSTAL CODE
2d. TAX ID #: SSN OR EIN	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		FIRST NAME	MIDDLE NAME	SUFFIX
	Simmons		Larry		
3c. MAILING ADDRESS			CITY	STATE	POSTAL CODE
720 E. Industrial			Soda Springs	ID	83276

4. This FINANCING STATEMENT covers the following collateral:

- 1) 5/8 mile Farmland center move wheel lines
- 2) 3/8 Mile portable main line consisting of :
 - a) 1/4 mile of 8"
 - b) 1/8 mile of 6"
- 3) 100 HP Pump with electrical pannels
- 4) 63 Shares/acres of deep well water rights. Water Right Numbers 35-8195A and 35-13417 on file with the IDWR

5. ALTERNATIVE DESIGNATION (if applicable):		☐ LESSEE/LESSOR	☐ CONSIGNEE/CONSIGNOR	☐ BAILEE/BAIOLR	☐ SELLER/BUYER	☐ AG. LIEN	☐ NON-UCC FILING
6. ☐ This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum		7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional)		☐ All Debtors ☐ Debtor 1 ☐ Debtor 2			
8. OPTIONAL FILER REFERENCE DATA							

OR EQUIPMENT INCLUDING FARM EQUIPMENT
(MAY BE USED FOR MOTOR VEHICLES)

September 25, 2007

(DATE)

1. Russell J. Klempel

(NAME)

3080 W. 1500 S.

(NO AND STREET)

Aberdeen

(CITY)

Bingham

(COUNTY)

Idaho

(STATE)

(hereinafter called "Debtor") hereby grants to Larry Simmons (hereinafter called

"Secured Party"), his 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.)

- 1) 5/8 mile Farmland center move wheel lines
- 2) 3/8 mile Portable main line consisting of:
 - a) 1/4 mile 8"
 - b) 1/8 mile 6"
- 3) 100 Hp pump with electrical pannels
- 4) 63 Shares/acres of deep well water rights Water Right Numbers 35-8195A and 35-13417 on file with the IDWR

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 Bingham County, Idaho. Debtor will not remove the Collateral from said state without written consent of Secured Party.

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.

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 indicated, 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

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.

Viki D. Bauer
Notary Public
VIKI D. BAUER
NOTARY PUBLIC
STATE OF IDAHO

Residing at Blackfoot County, State of Idaho

Debtor will on demand of Secured Party furnish the latter with a disclaimer or disclaimers, signed by all persons having an interest in the real estate, of any interest in the Collateral which is prior to Secured Party's interest.

3. 06 PERFECTION OF SECURITY INTEREST. The Debtor agrees to execute and file financing statements and do whatever may be necessary under applicable law to perfect and continue the Secured Party's interest in the Collateral, all at Debtor's expense.

3. 07 SALE PROHIBITED. Debtor will not sell or offer to sell or otherwise transfer the Collateral or any interest therein without the written consent of Secured Party. By claiming proceeds or products of the collateral in any financing statement prepared in conjunction with this security agreement, the Secured Party shall not be deemed to have given Debtor an implied power to sell or otherwise transfer the Collateral or any interest therein.

3. 08 INSURANCE. Debtor will keep the Collateral continuously insured by an insurer approved by Secured Party against fire, theft and other hazards designated at any time by Secured Party, in an amount equal to the full insurable value thereof, or to all sum secured hereby, with such form of loss payable clause as designated by and in favor of Secured Party, and will deliver the policies and receipts showing payment of premiums to the Secured Party. In the event of loss, Secured Party shall have full power to collect any and all insurance upon the Collateral and to apply the same at its option to any obligation secured hereby, whether or not matured, or to the restoration or repair of the property. Secured Party shall have no liability whatsoever for any loss that may occur by reason of the omission or lack of coverage of any such insurance.

3. 09 ADVERSE LIENS AND USE. Debtor will keep the Collateral free from any adverse lien, security interest or encumbrance. Debtor will not create nor permit the existence of any adverse lien, security interest or encumbrance other than that created hereby on the property without the written consent of Secured Party. Any certificate of title now or hereafter existing on any of the property will be delivered to Secured Party and will recite the interest of Secured Party. Debtor will keep the Collateral in good order and repair and will not waste or destroy the Collateral or any part thereof. Debtor will not use or permit anyone to use, the Collateral in violation of any statute, ordinance, or state or federal regulation; and Secured Party may examine and inspect the Collateral at any reasonable time, wherever located.

3. 10 TAXES AND ASSESSMENTS. Debtor will pay promptly when due all taxes and assessments upon the Collateral or for its use or operation or upon this agreement or upon any note or notes evidencing the obligations.

4. PURCHASE MONEY. To the extent the proceeds of any note shall be used to acquire said collateral, Secured Party shall have a purchase money security interest therein. Debtor hereby authorizes Secured Party to disburse said proceeds to the seller of the Collateral and/or to the insurance agent or broker, as shown on the records of the Secured Party.

5. SECURED PARTY'S RIGHT TO PAY TAXES, ETC.; DEBTOR'S RIGHT TO POSSESSION. The Secured Party is not required to, but may, at its option discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the Collateral, pay for insurance on the Collateral, pay for the maintenance and preservation of the Collateral, pay any filing or recording fees, or any other charges payable by Debtor; and any amount so paid, shall be added to the debt and shall be secured hereby and shall be repayable by Debtor on demand. The rights granted by this paragraph are not a waiver of any other rights of Secured Party arising from breach of any of the covenants hereof by Debtor.

5. 1 Until default Debtor may have possession of the Collateral and use it in any lawful manner not inconsistent with this agreement and not inconsistent with any policy of insurance thereon.

6. DEFAULT. Time is of the essence of this Security Agreement, and Debtor shall be in default under this agreement upon the happening of any of the following events or conditions:

6. 01 Default in the payment or performance of any obligation, covenant or liability contained or referred to herein or in any note evidencing the same;

6. 02 Any warranty, representation or statement made or furnished to Secured Party by or on behalf of Debtor proves to have been false in any material respect when made or furnished;

6.03 Any event which results in the acceleration of the maturity of the indebtedness of Debtor to others under any indenture agreement or undertaking;

6. 04 Loss, theft, damage, destruction, sale or encumbrance to or of any of the Collateral, or the making of any levy, seizure or attachment thereof or thereon;

6.05 Death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against, Debtor or any guarantor or surety for Debtor, or entry of any judgment against them, or failure of any guarantor or surety for Debtor to provide Secured Party with financial information promptly when requested by Secured Party.

6. 06 The Secured Party deems itself insecure.

7. REMEDIES. Upon the occurrence of any default hereunder and at any time thereafter, the Secured Party may without notice or demand declare immediately due and payable all amounts secured hereby and shall have the remedies of a Secured Party under the Idaho Uniform Commercial Code or other applicable law; and without limiting the generality of the foregoing:

7. 01 Debtor agrees to put Secured Party in possession of the Collateral on demand; and

7. 02 Secured Party is authorized to enter any premises where the Collateral is situated and take possession of said property without notice or demand and without legal proceedings; and

7. 03 At the request of Secured Party, Debtor will assemble the Collateral and make it available to Secured Party at a place designated by Secured Party which is reasonably convenient to both parties; and

7. 04 Debtor agrees that a period of five (5) days from the time notice is sent, by first class mail or otherwise, shall be a reasonable period of notification of a sale or other disposition of the Collateral; and

7. 05 Debtor agrees that any notice or other communication by Secured Party to Debtor shall be sent to the mailing address of the Debtor stated herein; and

7. 06 Debtor agrees to pay on demand the amount of all expenses reasonably incurred by Secured Party in protecting or realizing on the property. In the event that this Security Agreement or any obligation secured by it is referred to an attorney for protecting or defending the priority of Secured Party's interest or for collection or realization procedures, Debtor agrees to pay a reasonable attorney's fee, including fees incurred in both trial and appellate courts, or fees incurred without suit, and expenses of title search and all court costs and costs of public officials. The sums agreed to be paid in this subparagraph shall be secured hereby; and

7. 07 If Secured Party disposes of the property, Debtor agrees to pay any deficiency allowable under the Uniform Consumer Credit Code remaining after application of the net proceeds to any indebtedness secured hereby.

7. 08 Secured Party shall have the right immediately and without further action by it, to set off against the obligations of Debtor all money owed by Secured Party in any capacity to Debtor, whether or not due, and Secured Party shall be deemed to have exercised such right of setoff and to have made a charge against any such money immediately upon occurrence of such default even though such charge is made or entered on the books of Secured Party subsequent thereto.

8. GENERAL. This agreement constitutes the entire agreement between the parties and may not be altered or amended except by a writing signed by the Debtor, accepted by Secured Party and attached hereto. Any provision found to be invalid shall not invalidate the remainder hereof. Waiver of any default shall not constitute a waiver of any subsequent default. All Secured Party's rights and remedies, whether evidenced hereby or by any other writing shall be cumulative and may be exercised singularly or concurrently. Any demand upon or notice to Debtor that Secured Party may give shall be effective when addressed and mailed to Debtor's address at which Secured Party customarily communicates with Debtor. This agreement and all rights and liabilities hereunder and in and to any and all obligations secured hereby, and in and to all collateral described above, shall inure to the benefit of the Secured Party and its successors and assigns, and shall be binding upon the Debtor and its successors and assigns. Whenever there is no outstanding obligation and no commitment on the part of Secured Party under any agreement which might give rise to an obligation, Debtor may terminate this agreement upon written notice to Secured Party. Prior to such termination, this shall be a continuing agreement in every respect. This instrument is to be governed by the laws of the State of Idaho. If this instrument is signed by more than one Debtor, the obligations of Debtor shall be joint and several. All words used herein shall be construed to be of such gender and number as the circumstances require and all references to Debtor shall include all other persons primarily or secondarily liable hereunder. This agreement is intended to take effect when signed by Debtor and delivered to Secured Party. This agreement shall be binding upon the heirs, personal representatives, successors and assigns of the Debtor and shall inure to the benefit of the Secured Party, its successors and assigns.

REAL ESTATE MORTGAGE

THIS MORTGAGE, Made by **Russell J. Klempel** as MORTGAGOR, whose current address is: 3080 W 1500 S, Aberdeen, ID 83210 and **Larry Simmons** 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 23: E $\frac{1}{2}$ SE $\frac{1}{4}$**

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 (including but not limited to water rights numbers 35-8195A and 35-13417 on file with the IDWR), 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 (including but not limited to water rights numbers 35-8195A and 35-13417 on file with the IDWR) 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 **SIXTY ONE THOUSAND DOLLARS, \$61,000.00**, lawful money of the United States of America, evidenced by a promissory note executed and delivered by MORTGAGOR herein, dated 09/28/2007, with final payment due **September 30, 2012**.

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 # 228761
2007-09-28 **09/28/07** **Id. 07/28/07**
Recorded by: FIRST ASSURANCE TITLE COMPANY
SPRIN J. JAMES **Rev. 10/00**
Idaho County Recorder (Seal)

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:

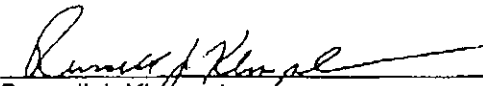
- (a) Any notice to MORTGAGOR provided for in the Mortgage shall be given by personal delivery or by mailing such notice addressed to MORTGAGOR as the following current address: Aberdeen, ID 83210 or at such other address as MORTGAGOR may designate by notice to MORTGAGEE as provided herein, and shall 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: 720 E Industrial, Soda Springs, ID 83276 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)

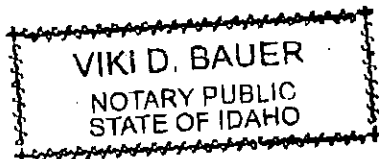
Date: 9-28-07


Russell J. Klompel

STATE OF Idaho)
)
) ss.
COUNTY OF Bingham)

On this 28 day of **September, 2007**, 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



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