

IDAHO DEPARTMENT OF WATER ADMINISTRATION
EASTERN DISTRICT OFFICE
240 S. HOLMES
IDAHO FALLS, IDAHO 83401

Identification No. 15 7006
Application No. _____

STATE OF IDAHO
DEPARTMENT OF WATER ADMINISTRATION
APPLICATION FOR PERMIT

APPROVED

To Appropriate the Public Waters of the State of Idaho
(TYPE OR PRINT IN INK)

1. Name of applicant John C. Hill
post office address P.O. Box 174 A, Malad, Idaho
2. Source of water supply ground water which is a tributary of _____
3. a. Location of point of diversion is NE $\frac{1}{4}$ of NW $\frac{1}{4}$ of Section 19 Township 12S
Range 35E B.M. Oneida County; additional points of diversion if any: None

b. If water is not consumed, it will be discharged into N.A. at a point in _____ $\frac{1}{4}$
of _____ $\frac{1}{4}$ of Section _____ Township _____ Range _____ B.M. _____
4. Water will be used for the following purposes:
Amount 3.0 for irrigation purpose from May 1 to Oct. 1 (both dates inclusive)
(cfs or acre-feet per annum)
Amount 0.10 for stockwater purpose from Jan. 1 to Dec. 31 (both dates inclusive)
(cfs or acre-feet per annum)
Amount _____ for _____ purpose from _____ to _____ (both dates inclusive)
(cfs or acre-feet per annum)
5. Total quantity to be appropriated:
a. 3.0 cubic feet per second and/or
b. _____ acre feet per annum.
6. Proposed diverting works:
a. Description of ditches, flumes, pumps, headgates, etc. Gas or propane pump and motor
pumping into sprinkler system.

b. Height of storage dam N.A. feet, active reservoir capacity _____ acre feet; total reservoir
capacity _____ acre feet, materials used in storage dam: _____
Period of year during which storage will occur _____ to _____ inclusive.
(Mo. Day) (Mo. Day)
c. Proposed well diameter is 14 inches; proposed depth of well is 200/300 feet.
7. a. Time required for the completion of the works and application of the water to the proposed beneficial use
is 5 years.
b. Estimated construction cost is \$ 30,000.
8. Description of proposed uses:
a. If water is **not** for irrigation:
(1) Give the place of use of water: SE $\frac{1}{4}$ of NW $\frac{1}{4}$ of Section 19 Township 12S
Range 35E B.M.
(2) Amount of power to be generated: _____ hp under _____ feet of head.
(3) List number of each kind of livestock to be watered 200 head

(4) Name of municipality to be served _____, or number of families to be
supplied with domestic water _____.
(5) If water is to be used for other purposes describe: _____

15 7006

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b. If water is for irrigation, indicate acreage in each subdivision in the tabulation below:

[illegible]

Total number of acres to be irrigated.

c. Describe any other water rights used for the same purposes as described above. None

9. a. Who owns the property at the point of diversion John C. Hill

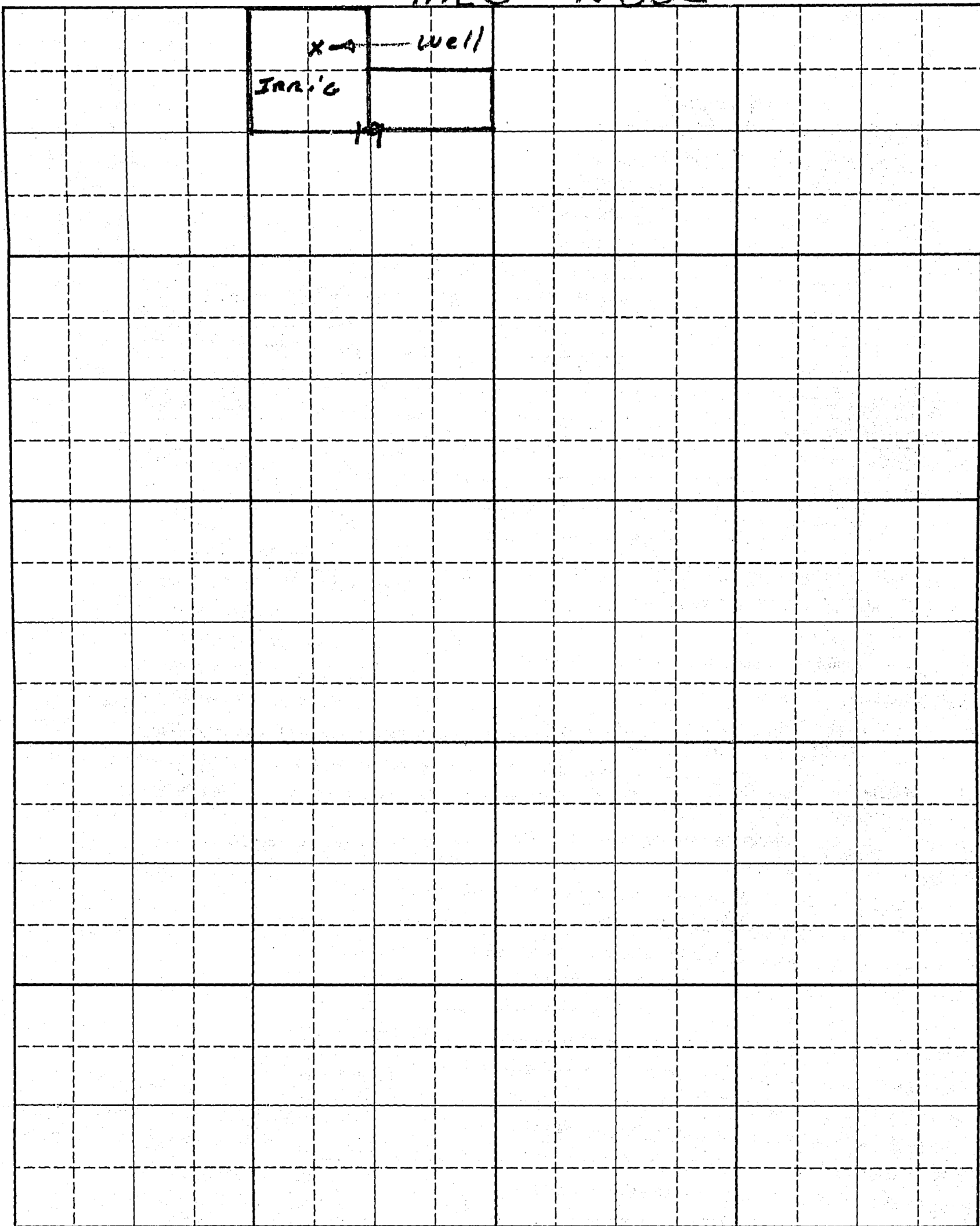
b. Who owns the land to be irrigated or place of use John C. Hill

c. If the property is owned by a person other than the applicant, describe the arrangement enabling the applicant to make this filing _____

10. Remarks

11. Map of proposed project: show clearly the proposed point of diversion, place of use, section number, township and range number.

T. 12 S R. 35 E



Scale: 2 inches equal 1 mile

BE IT KNOWN that the undersigned hereby makes application for permit to appropriate the public waters of the State of Idaho as herein set forth.

John C. Hill
(Applicant)

15 5000

15 7006

Received by bj Date 9/1/71 Time 1:15 P.M.
Preliminary check by MC Fee \$ 45.00 Receipt # 7216
Received by bj Date 9/1/71
Publication prepared by bj Date 9/7/71
Published in Idaho Enterprise, Malad, Idaho
Publication dates 9/16/71 - 9/23/71
Publication approved CR Date 9-29-71
Priority ~~reduced to~~ 9-1-71 Reason _____

Protests filed by: _____

Copies of protests forwarded by _____
Hearing held by _____ Date _____
Recommended for approval denial by SD D BDF/lt

ACTION OF THE DIRECTOR, DEPARTMENT OF WATER ADMINISTRATION

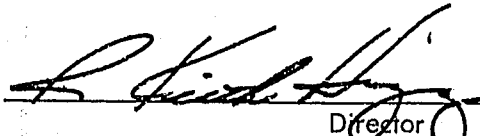
This is to certify that I have examined Application for Permit to appropriate the public waters of the State of Idaho No. 15-7006, and said application is hereby APPROVED.

1. Approval of said application is subject to the following limitations and conditions:

- a. SUBJECT TO ALL PRIOR WATER RIGHTS.
- b. Proof of construction of works and application of water to beneficial use shall be submitted on or before October 1, 1976.
- c. Other: The Permit holder shall permanently install and maintain as a part of the diverting works a measuring device at the point of diversion of a type approved by this Department.

2. Denial of said application is for the following reasons: _____

Witness my hand this 15 day of October, 1971.


Director

Affidavit of Publication

State of Idaho
County of Oneida, ss.

Norma Champneys being first duly sworn on
her oath, states: That she is *clerk*.....

of the Idaho Enterprise, a newspaper of general circulation in Oneida County, Idaho published weekly at Malad, in said county, that said newspaper has been published in said county uninterruptedly and continuously for over seventy-eight consecutive weeks, prior to the first publication of the annexed notice or advertisement:

That said Idaho Enterprise was at all of the times of publication of said notice a newspaper of general circulation made up of at least four pages of at least five columns each, printed from type matter or stereotyped forms of at least seventeen and three fourths inches depth, and said newspaper during all of the times of publication aforesaid had more than 200 bonafide subscribers thereto living within the county of Oneida in which said newspaper was published at regular intervals not less frequently than once a week.

That the annexed notice was published per clipping attached in the regular and entire edition of said newspaper and not in any supplement thereof for ... successive weekly issues thereof the date of the first publication being the *16* day of *Sept.*.... 19*71* the date of the last publication being the *23* day of *Sept.*.... 19*71*.

Norma Champneys

Subscribed and sworn to before me this *24th* day of

September....., 19*71*.....
H. D. Taylor

Notary Public, residing at Malad, Idaho

My Commission expires the *10* day of *Oct.*...., 19*72*.

Costs: *33* lines at *23* per line first insertion \$. *7.59*

..... lines tabulated at *34⁵* per line \$.
15 per line each subsequent insertion \$. *4.95*

TOTAL \$*12.54*

(Rates for legal notices are fixed by Idaho law)

15 7006

NOTICE OF APPLICATION FOR WATER PERMIT

Notice is hereby given that John C. Hill, P. O. Box 174A, Malad, Idaho, has on September 1, 1971 submitted Application No. **15-7006** for a permit to appropriate 3.0 cubic feet per second of water from a ground-water source by means of well and pump within the NE $\frac{1}{4}$ NW $\frac{1}{4}$, Sec. 19, T. 12S, R. 35E, B.M., Oneida Coupty, to be used from Jan. 1 to Dec. 31 for stockwater purpose within the SE $\frac{1}{4}$ NW $\frac{1}{4}$, Sec. 19, T. 12S, R. 35E, B.M., and from May 1 to Oct. 1 for the irrigation of 240 acres within the S $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, Sec. 19, T. 12S, R. 35E, B. M.

If issued, this permit will be subject to all prior water rights. Protests against the granting of the permit must be filed with the Idaho Dept. of Water Administra-

tion, 240 So. Holmes, Idaho Falls, Idaho, 83401, on or before Oct. 4, 1971.

R. KEITH HIGGINSON
Director

Published in the Idaho Enterprise, Malad City, Idaho on Sept. 16 and Sept. 23, 1971.

NOTICE OF APPLICATION FOR WATER PERMIT

Notice is hereby given that John C. Hill, P.O. Box 174 A, Malad, Idaho,

has on September 1, 1971 submitted Application No. 15-7006
for a permit to appropriate 3.0 cubic feet per second ~~at the following location~~
of water from a ground-water source
by means of well and pump
within the NE1/4NW1/4, Sec. 19, T. 12S, R. 35E, B.M., Oneida County,

to be used from Jan. 1 to Dec. 31
for stockwater purpose within the SE1/4NW1/4, Sec. 19, T. 12S, R. 35E, B.M., and from
May 1 to Oct. 1 for the irrigation of 240 acres within the SE1/4NW1/4, Sec. 19,
~~within the~~ T. 12S, R. 35E, B.M.

If issued, this permit will be subject to all prior water rights. Protests against the granting of the permit must be filed with the Idaho Dept. of Water Administration, 240 So. Holmes, Idaho Falls, Idaho, 83401, on or before Oct. 4, 1971

R. KEITH HIGGINSON

Director

Published in the Idaho Enterprise, Malad City, Idaho
on Sept. 16 and Sept. 23, 1971.

15 7006

Galley

**NOTICE OF APPLICATION
FOR WATER PERMIT**

Notice is hereby given that John C. Hill, P. O. Box 174A, Malad, Idaho, has on September 1, 1971 submitted Application No. ~~15-7006~~ for a permit to appropriate 3.0 cubic feet per second of water from a ground-water source by means of well and pump within the NE $\frac{1}{4}$ NW $\frac{1}{4}$, Sec. 19, T. 12S, R. 35E, B.M., Oneida Coupty, to be used from Jan. 1 to Dec. 31 for stockwater purpose within the SE $\frac{1}{4}$ NW $\frac{1}{4}$, Sec. 19, T. 12S, R. 35E, B.M., and from May 1 to Oct. 1 for the irrigation of 240 acres within the S $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, Sec. 19, T. 12S, R. 35E, B. M.

If issued, this permit will be subject to all prior water rights. Protests against the granting of the permit must be filed with the Idaho Dept. of Water Administration, 240 So. Holmes, Idaho Falls, Idaho, 83401, on or before Oct. 4, 1971.

R. KEITH HIGGINSON
Director

Published in the Idaho Enterprise, Malad City, Idaho on Sept. 16 and Sept. 23, 1971.

15 7006

September 7, 1971

Re: Application No. 15-7006 - John C. Hill

Idaho Enterprise
P.O. Box 205
Malad City, Idaho 83252

Gentlemen:

Enclosed you will find a legal notice which we wish to have published once a week for two consecutive weekly issues of your newspaper. We have inserted the publication dates allowing ample time for you to submit us a galley proof for our review before publication.

After sending us a galley proof, proceed with the publication on the dates we have inserted assuming the notice is correct. If we have any corrections, we will notify you before the first publication date. If you cannot publish the notice on the proposed dates, please contact us immediately.

An affidavit of publication must be submitted to the Department along with the publication bill. In order to receive payment, the following certification must appear on the bill:

"I hereby certify that the foregoing account is just and correct, that the amount claimed is legally due, after allowing all just credits, and that no part of the same has been paid."

(signature of claimant)

Very truly yours,

Norman C. Young
District Engineer

Bill submitted to Boise Office 9-29-71 by CR

NCY:BJ
Enc: Legal notice

15 7006

October 15, 1971

Re: Permit No. 15-7006 - John C. Hill

John C. Hill
P.O. Box 174 A
Malad, Idaho 83252

Dear Mr. Hill:

Enclosed is a copy of your approved Application for Permit No. 15-7006. We direct your attention to the conditions of approval as listed on the fourth page.

Be sure to note that a special condition requiring you to install and maintain a measuring device at your point of diversion has been placed upon your permit. We are enclosing a letter describing different types of measuring devices accepted by this office.

Very truly yours,

BOBBY D. FLEENOR
Assistant Director

BDF:cr

Enclosures

15 7006

October 15, 1971

C Re: Permit No. 15-7006 - John C. Hill
" " 21-7014 - M. R. &/or Ch. H. Archibald
" " 22-7048 - Donald Staker & Warren Walters
" " 35-7186 - Connecticut Mutual Life Ins. Co.

Norman C. Young
STATE OF IDAHO
DEPT. OF WATER ADMINISTRATION
240 South Holmes
Idaho Falls, Idaho 83401

Dear Norm:

P Please find enclosed copies of the above referenced permits which have been approved
by this office.

If you have any questions, please contact us.

Very truly yours,

Y BOBBY D. FLEENOR
Assistant Director

BDF:cr

Enc: copies

15 7006

DEPARTMENT OF WATER ADMINISTRATION

STAFF ANALYSIS

Application No. 15-7006 Name John C. Hill

Source ground water

Point of Diversion NE $\frac{1}{4}$ NW $\frac{1}{4}$, Sec. 19, T. 12S, R. 35E, B.M., Oneida County

Quantity 0.10 Use stockwater Period Jan. 1 to Dec. 31

Quantity 3.0 Use irrigation Period May 1 to Oct. 1

Quantity Use Period

Well Size Diameter Proposed Depth Feet

Use Stockwater purpose within the SE $\frac{1}{4}$ NW $\frac{1}{4}$, Sec. 19, T. 12S, R. 35E, B.M., and the

irrigation of 240 acres within the S $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, Sec. 19, T. 12S, R. 35E, B.M. 3.0 Total

Date Forwarded 9/27/71 Date Returned Received by

COMMENTS: No observation wells maintained in the
area. No well logs for the area. No
irrigation usage made of groundwater in area.

RECOMMENDED:

Applied: Qty. 3.0 cfs Use irrig Period May 1 to Oct 1 AF/A 3.0 AF 720

Qty. 0.10 cfs Use stock Period 1-1 to 12-31 AF/A — AF 4

Qty. Use Period AF/A AF

Maximum: Qty. 4.8 cfs Use irrig Period 4/15 to 10/15 AF/A 3.0 AF 720

Qty. 0.10 cfs Use stock Period 1-1 to 12-31 AF/A AF 4

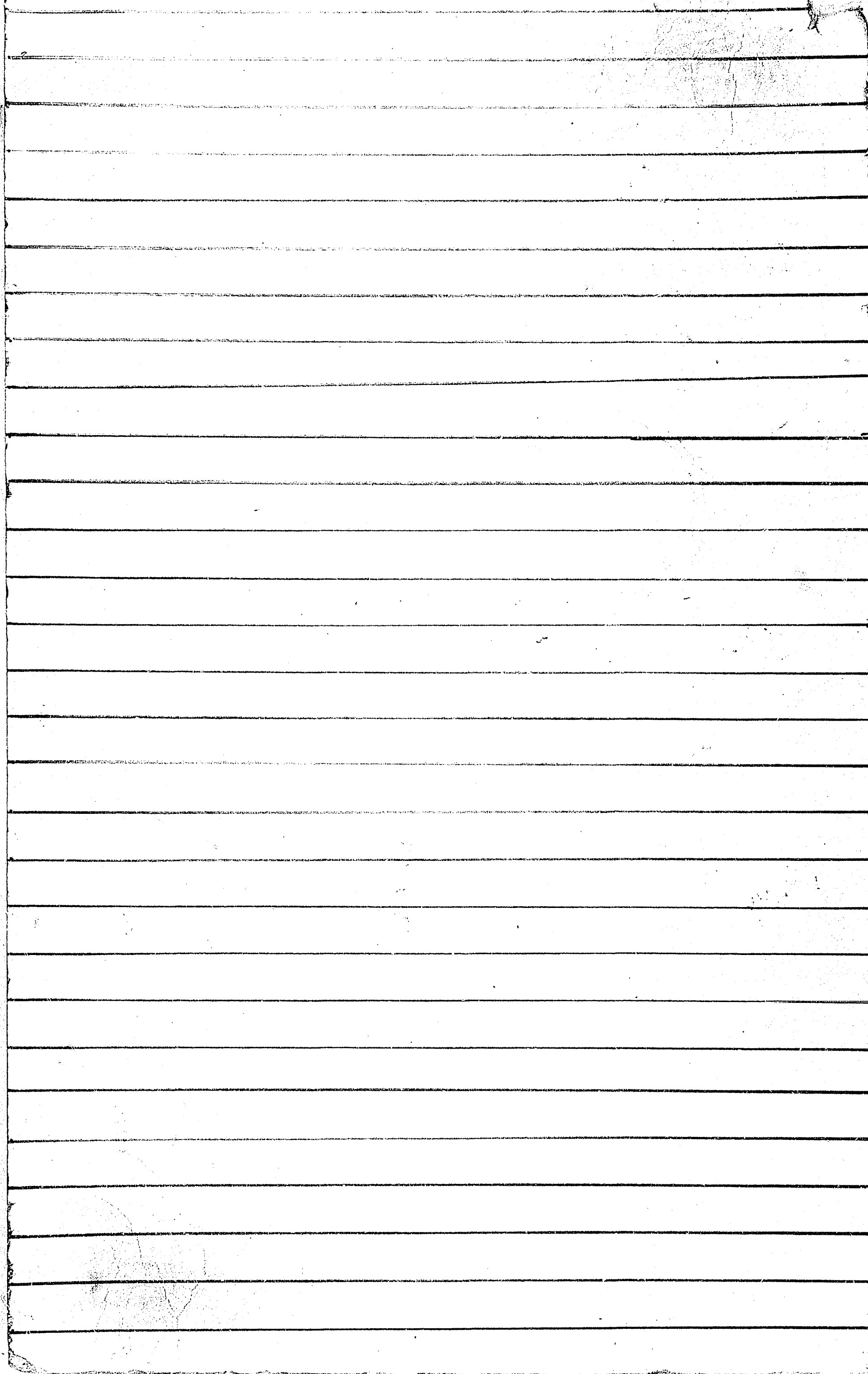
Qty. Use Period AF/A AF

ACTION: Approved X Denied

Conditions of approval or reason for denial:

By Norman C. Young Title Dist. Engr
Date 9/2/71

15 7006



Receipt # 15565

RECEIVED

JAN 16 1976

Department of Water Resources
Eastern District Office

Permit No. 15-7006

Comes now John C. Hill of (address)

Box 174-A, Malad City, Idaho 83252, and represents to the Director of
the Idaho Department of Water Resources:

That he is the owner and holder of Permit to appropriate the Public Waters of the State of Idaho No. 15-7006, and requests that the permit and permit map be changed as follows:

1. Point of diversion: NW $\frac{1}{4}$ NE $\frac{1}{4}$, Sec. 19 Twp. 12 S
Rge. 35 E, B. M., County of Oneida. Other points of diversion:

2. Period and nature of use: (irrigation, domestic, stockwatering, industrial, etc.)
NO CHANGE

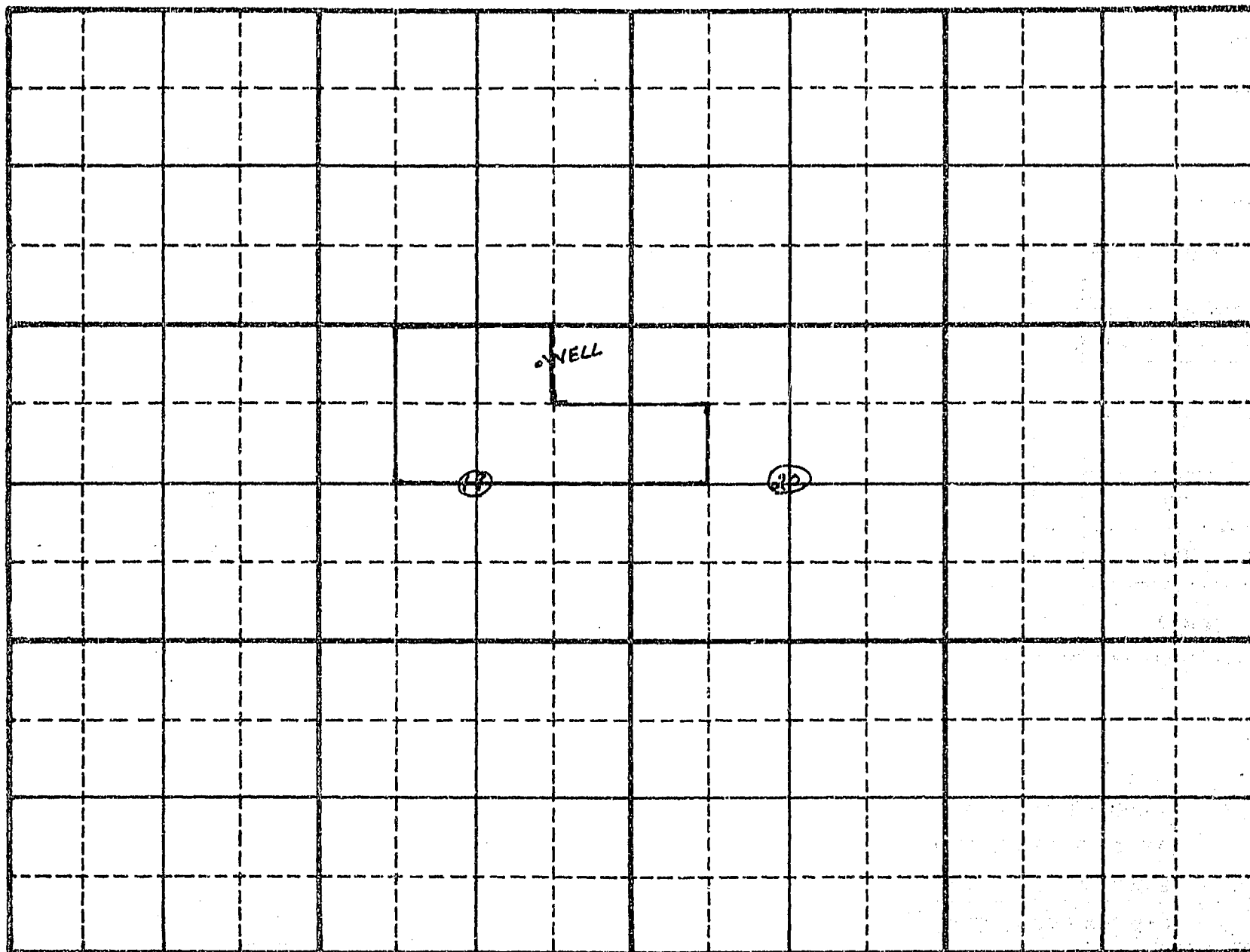
Amount _____ for _____ purposes from _____ to _____ (both dates inclusive)
 Amount _____ for _____ purposes from _____ to _____ (both dates inclusive)
 Amount _____ for _____ purposes from _____ to _____ (both dates inclusive)
 Amount _____ for _____ purposes from _____ to _____ (both dates inclusive)
 (cfs or acre feet per annum)

3. Place of use or land to be irrigated:

[illegible]

Total number of acres to be irrigated 240

Complete the following map by showing land and point of diversion as proposed by this amendment. Show 40-acre subdivisions, townships, ranges and ditches.



Scale: 2 inches equal 1 mile

That no one will be injured by such change, and that such change will be made at permit holders own risk.

Signed at Malad, this 6th day of January, 19 76.

[Signature]
(signature)

ACTION OF THE DIRECTOR, DEPARTMENT OF WATER RESOURCES

I, A. KENNETH DUNN Administrator, Operations Division
~~Director~~ of the Department of Water Resources
hereby approve the above application for amendment for Permit no. 15-7006.

Witness my hand this 11 day of March, 19 76

[Signature]
Director

FEDERAL LAND BANK ASSOCIATION OF PRESTON

P.O. BOX 386 102 NORTH STATE PRESTON, IDAHO 83263

TELEPHONE: 852-2145



J. P. GARNER, MANAGER

RECEIVED

JAN 16 1976

Department of Water Resources
Eastern District Office

January 15, 1976

Re: Loan # 162713-6 - Hill

Idaho Dept of Water Adm.
Eastern District Office
1515 Lincoln Road
Idaho Falls, Idaho 83401

Gentlemen:

Enclosed is the Application for Amendment for Permit No. 15-7006 of John C. Hill's. Also enclosed is our draft No. 304881 in the amount of \$10 to cover the filing fee.

If you have any questions concerning this amendment, please contact this office.

Thank you.

Yours truly,

Gayle C Beeton
Ass't to Manager

gcb

enclosure



C
O
P
Y
January 16, 1976

RE: Application for Amendment No. 15-7006

Gayle C. Beeton
Assistant to Manager
Federal Land Bank Association of Preston
P.O. Box 386
Preston, Idaho 83263

Dear Ms. Beeton:

Attached herewith is Departmental receipt No. 15565 in the amount of \$10.00 for the above referenced application for amendment.

Very truly yours,

RONALD D. CARLSON
Supervisor,
Eastern Region

RDC:ME

Attachment

NOTICE OF PROPOSED AMENDING OF WATER PERMIT

Notice is hereby given that Permit No. 15-7006 in the name of John C. Hill was issued for the diversion of 3.00 c.f.s. of water from a ground-water source with point of diversion within the NE $\frac{1}{4}$ NW $\frac{1}{4}$, Sec. 19, T. 12S, R. 35E, B.M., Oneida County; to be used from Jan. 1 to Dec. 31 for stockwatering purposes for 200 head of cattle within the SE $\frac{1}{4}$ NW $\frac{1}{4}$, Sec. 19, T. 12S, R. 35E, and from May 1 to Oct. 1 for the irrigation of 240 acres within the S $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, Sec. 19, T. 12S, R. 35E, B.M.

The permit holder now proposes to amend Permit No. 15-7006, changing the point of diversion to the NW $\frac{1}{4}$ NE $\frac{1}{4}$, Sec. 19, T. 12S, R. 35E, B.M., Oneida County, and the place of use to the W $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, Sec. 19, SW $\frac{1}{4}$ NW $\frac{1}{4}$, Sec. 20, T. 12S, R. 35E, B.M.

Any protest to the proposed amending of the permit must be filed with the Idaho Department of Water Resources, 1515 Lincoln Road, Idaho Falls, Idaho, 83401, on or before February 16, 1976.

R. KEITH BIGGINSON

Director

Published in the Idaho Enterprise, Malad City, Idaho, on January 29 and February 5, 1976.

J.
CW-A.

January 22, 1976

RE: Application for Amendment No. 15-7006

The Idaho Enterprise
P.O. Box 205
Malad City, Idaho 83252

Gentlemen:

Enclosed you will find a legal notice which we wish to have published once a week for two consecutive weekly issues of your newspaper. We have inserted the publication dates allowing time for you to submit us a galley proof for review before publication.

After sending us a galley proof, proceed with the publication on the dates we have inserted, assuming the notice is correct. If we have any corrections, we will notify you before the first publication. If you cannot publish the notice on the proposed dates, please contact us immediately.

An affidavit of publication must be submitted to the Department along with the publication bill.

Very truly yours,

RONALD D. CARLSON

Supervisor,
Eastern Region

Bill submitted 2-09-76 by me

RDC:ME

Legal Notice (1)

NOTICE OF CORRECTION

Notice is hereby given that Application for Amendment No. 15-7006 in the name of John C. Hill was advertised incorrectly on January 29 and February 5, 1976. The place of use for stockwatering purposes for 200 head of cattle was advertised as being within the 35E.

WHEREAS, the actual place of use for stockwatering purposes for 200 head of cattle is within the SE $\frac{1}{4}$ NW $\frac{1}{4}$, Sec. 19, T. 12S, R. 35E, B.M.

Any protests against the granting of this permit as a result of this correction must be filed with the Idaho Department of Water Resources, 1515 Lincoln Road, Idaho Falls, Idaho, 83401, on or before March 8, 1976.

R. KEITH HIGGINSON

Director

Published in the Idaho Enterprise, Malad City, Idaho, on February 12 and February 19, 1976.

OW-L.
me-A.

February 11, 1976

RE: Application for Amendment No. 15-7006

The Idaho Enterprise
P.O. Box 205
Malad City, Idaho 83252

Gentlemen:

We are resubmitting a notice of proposed amendment of a water permit to be published on February 19 and February 26, 1976. This notice was originally published in your newspaper on January 29 and February 5, 1976, but unfortunately it was advertised incorrectly. Since we did not receive a galley proof we had no way of checking the correctness of this application advertisement before it went to print.

In reviewing the affidavit of publication we find that a portion of the legal description was omitted. We therefore request that this be advertised again at your expense. Please submit a galley proof before the first date of publication for our review.

After sending us a galley proof, proceed with the publication on the dates we have inserted, assuming the notice is correct. If we have any corrections, we will notify you before the first publication. If you cannot publish the notice on the proposed dates, please contact us immediately.

An affidavit of publication must be submitted to the Department along with the certified publication bill.

Very truly yours,

RONALD D. CARLSON
Supervisor,
Eastern Region
RDC:ME
Legal Notice (1)
cc: IDWR - State Office

Bill Submitted by NO BILL by cal

RECEIVED

MAR 1 1976

Department of Water Resources
Eastern District Office

NOTICE OF CORRECTION
NOTICE IS HEREBY GIVEN
that Application for Amend-
ment No. 15-7006 in the name of
John C. Hill was advertised in-
correctly on January 29 and
February 5, 1976. The place of use
for stockwatering purposes for
200 head of cattle was advertised
as being within the 35E.
WHEREAS, the actual place of
use for stockwatering purposes
for 200 head of cattle is within the
SE 1/4 NW 1/4, Sec. 19, T. 12S, R.
35E, B.M.
Any protests against the grant-
ing of this permit as a result of
this correction must be filed with
the Idaho Department of Water
Resources, 1515 Lincoln Road,
Idaho Falls, Idaho, 83401, on or
before March 8, 1976.
R. KEITH HIGGINSON
Director

AFFIDAVIT OF PUBLICATION

State of Idaho
County of Oneida, ss.

Paula Heindel being first duly sworn on
her oath, states: That she is clerk
of the Idaho Enterprise, a newspaper of general circula-
tion in Oneida County, Idaho published weekly at Malad,
in said county, that said newspaper has been published
in said county uninterruptedly and continuously for over
seventy-eight consecutive weeks, prior to the first publi-
cation of the annexed notice or advertisement:

That said Idaho Enterprise was at all of the times of
publication of said notice a newspaper of general circu-
lation made up of at least four pages of at least five
columns each, printed from type matter or stereotyped
forms of at least seventeen and three fourths inches
depth, and said newspaper during all of the times of
publication aforesaid had more than 200 bonafide sub-
scribers thereto living within the county of Oneida in
which said newspaper was published at regular intervals
not less frequently than once a week.

That the annexed notice was published per clipping
attached in the regular and entire edition of said
newspaper and not in any supplement thereof for 2
successive weekly issues thereof the date of the first
publication being the 19 day of Feb, 1976
the date of the last publication being the 26 day of
Feb, 1976.

Paula Heindel

Subscribed and sworn to before me this 27th day of
February, 1976.

Daniel O. Jones

Notary Public, residing at Malad, Idaho

My Commission expires the 6th day of Aug, 1977

Costs:

..... lines at 23c per line first insertion \$.....

..... lines tabulated at 34 1/2c per line \$.....

15c per line each subsequent insertion \$.....

TOTAL \$ 0

(Rates for legal notices are fixed by Idaho law)

RECEIVED

FEB 9 1976

Department of Water Resources
Bozeman District Office

NOTICE OF PROPOSED
AMENDING OF
WATER PERMIT

Notice is hereby given that Permit No. 15-7006 in the name of John C. Hill was issued for the diversion of 3.00 c.f.s. of water from a ground-water source with point of diversion within the NE $\frac{1}{4}$ NW $\frac{1}{4}$, Sec. 19, T. 12S, R. 35E, B.M., Oneida County, to be used from Jan. 1 to Dec. 31 for stockwatering purposes for 200 head of cattle within the SE $\frac{1}{4}$, and from May 1 to Oct 1 for the irrigation of 240 acres within the S $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, Sec. 19, T. 12S, R. 35E, B.M.

SENE 19 12S

The permit holder now proposes to amend Permit No. 15-7006, changing the point of diversion to the NW $\frac{1}{4}$ NE $\frac{1}{4}$, Sec. 19, T. 12S, R. 35E, B.M. Oneida County, and the place of use to the W $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, Sec. 19, SW $\frac{1}{4}$ NW $\frac{1}{4}$, Sec. 20, T. 12S, R. 35E, B.M.

Any protest to the proposed amending of the permit must be filed with the Idaho Department of Water Resources, 1515 Lincoln Road, Idaho Falls, Idaho, 83401, on or before February 16, 1976.

R. KEITH HIGGINSON
Director

Published in the Idaho Enterprise, Malad City, Idaho, on January 29 and February 5, 1976.

AFFIDAVIT OF PUBLICATION

State of Idaho
County of Oneida, ss.

Frank Seindell being first duly sworn on his oath, states: That he is secretary of the Idaho Enterprise, a newspaper of general circulation in Oneida County, Idaho published weekly at Malad, in said county, that said newspaper has been published in said county uninterruptedly and continuously for over seventy-eight consecutive weeks, prior to the first publication of the annexed notice or advertisement:

That said Idaho Enterprise was at all of the times of publication of said notice a newspaper of general circulation made up of at least four pages of at least five columns each, printed from type matter or stereotyped forms of at least seventeen and three fourths inches depth, and said newspaper during all of the times of publication aforesaid had more than 200 bonafide subscribers thereto living within the county of Oneida in which said newspaper was published at regular intervals not less frequently than once a week.

That the annexed notice was published per clipping attached in the regular and entire edition of said newspaper and not in any supplement thereof for 2 successive weekly issues thereof the date of the first publication being the 29 day of January, 1976 the date of the last publication being the 5 day of February, 1976.

Frank Seindell

Subscribed and sworn to before me this 6 day of Feb, 1976.

H. D. Scaplor

Notary Public, residing at Malad, Idaho

My Commission expires the 10 day of Oct, 1977

Costs:

38 lines at 23c per line first insertion \$ 8.74

lines tabulated at 34 $\frac{1}{2}$ c per line \$

15c per line each subsequent insertion \$ 5.70

TOTAL \$ 14.44

(Rates for legal notices are fixed by Idaho law)

March 15, 1976

Re: Permit No. 15-7006

John C. Hill
Box 174-A
Malad City, Idaho 83252

Dear Mr. Hill:

Enclosed is a copy of the approved application for amendment issued on Permit No. 15-7006.

Sincerely,

D. DARLENE REICH
Water Rights Supervisor

DDR:JFR

Enclosure



July 30, 1976

CERTIFIED MAIL

138814

Re: Permit No. 15-7006

John C. Hill
Box 174-A
Malad City, Idaho 83252

Dear Mr. Hill:

One of the conditions of approval of your water Permit No. 15-7006 (see last page of your approved permit) was that evidence of the extent of development be submitted as proof of application of water to beneficial use to this office on or before October 1, 1976. Enclosed is an affidavit form which must be used to submit the required proof of beneficial use.

If you have not fully completed your project, and you have not previously received an extension of time, you may request an extension of time provided the delay is for reasonable cause as indicated in Section 42-204, Idaho Code, amended. If you have been prevented from proceeding by a governmental agency or by litigation, more than one extension of time can be granted.

Either the beneficial use affidavit or a request for an extension of time must be received by this Department on or before the above mentioned date, otherwise the permit will lapse and be of no further force or effect.

R. Keith Higginson

R. KEITH HIGGINSON
Director

RKH:jg
Enc: Proof affidavit

FEDERAL LAND BANK ASSOCIATION OF PRESTON

P.O. BOX 386 102 NORTH STATE PRESTON, IDAHO 83263

TELEPHONE: 852-2145



J. P. GARNER, MANAGER

August 25, 1976

Re: Loan # 162713-6 - Hill

Department of Water Resources
Statehouse
Boise, Idaho 83720

Re: Permit No. 15-7006
John C. Hill

Gentlemen:

Enclosed herewith is "Proof of Application of Water to Beneficial Use"
properly completed and executed by John C. Hill.

Very truly yours,


J. P. Garner,
Manager

JPG:gcb

enclosure

cc: John C. Hill



SERVING FRANKLIN, CARIBOU, ONEIDA, BEAR LAKE, & BANNOCK COUNTIES

Identification No. _____

Permit No. 15-7006

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

RECEIVED

AUG 26 1976

Department of Water Resources

PROOF OF APPLICATION OF WATER TO BENEFICIAL USE

1. a) Name of Permit Holder John C. Hill
b) Post Office Address Box 174 A Malad, Idaho 83252
2. Permit Number 15-7006
3. Date of Priority that you are prepared to establish 9-10-1971
4. a) Source from which water was appropriated well (ground water)
b) Location of the point of diversion: NW $\frac{1}{4}$ NE $\frac{1}{4}$, Section 19
Township 12 S, Range 35 E Boise Meridian, Other points of diversion: _____
5. a) The amount of water and use to which the water has been applied:
Amount 3.00 cfs for irrigation purposes from 5-1 to 10-1 incl.
(cfs and/or acre-feet per annum) (Month-Day) (Month-Day)
Amount .10 cfs for stock water purposes from 1-1 to 12-31 incl.
(cfs and/or acre-feet per annum) (Month-Day) (Month-Day)
Amount _____ for _____ purposes from _____ to _____ incl.
(cfs and/or acre-feet per annum) (Month-Day) (Month-Day)
b) Total amount appropriated _____ cfs and/or acre-feet per annum
c) Describe how and by whom measurement of rate of flow or amount of storage was made and the qualifications of the person making the measurement: Bullen Equipment, Logan, Utah and Ivan Bortz, Gracer, Idaho, driller
6. If the means of diversion and conveyance are owned by someone other than the Permit Holder:
a) Give the name or description of the canal, ditch or other works by which the water is conducted to the place of use:

b) Describe the agreement or understanding by which you take water from the works: _____
7. a) Briefly describe the works for diverting and conveying the water to the place of use, (if from a subterranean source, give the pump size, motor size, size of well casing, depth of well; if from surface water, give brief description of diversion structure and/or canal or ditch) 180 H. P. Caterpillar Motor and Singer-Western pump.
10-to 4 " PVC pipe 14" casing
b) Describe the type and size of measuring device which you have installed at your point of diversion: Saddle Type, Rockwell International, flow meter, model 405-100 PSI
10"
c) Give well driller's name and address and the date the well was completed: Ivan Bortz Box 86 Grace, Idaho
8. If for other than irrigation, describe the beneficial use to which you have applied the water and the place of use:
.10 cfs for stock water Twp 12 S, Rng 35 EBM Sec. 19: W $\frac{1}{2}$ NE $\frac{1}{4}$; SE $\frac{1}{4}$ NE $\frac{1}{4}$

9. Irrigation uses: describe the lands irrigated by giving the acreages irrigated within each 40 acre subdivision: _____

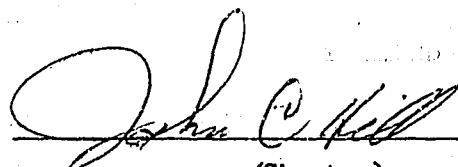
T	R	SEC.	NE¼				NW¼				SW¼				SE¼				TOTAL
			NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	
12	35	19		40	40	40	40			40									200
12	35	20							40										40

Total number of acres irrigated 240

10. Remarks: _____

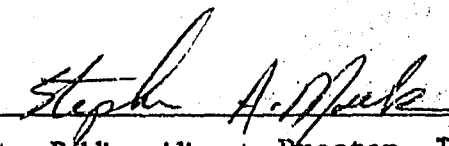
The above information is a true statement of the extent to which the above numbered permit has been developed.

December 5, 1975
(Date)


(Signature)

State of IDAHO)
County of Franklin) ss.

On this 5th day of December, 19 75, personally appeared before me the signer(s) of the above instrument, who duly acknowledged to me that he (she) (they) executed the same.


Notary Public residing at Preston, Idaho

My commission expires Lifetime

September 15, 1976

Re: Permit No. 15-7006

John C. Hill
Box 174 A
Malad, Idaho 83252

Dear Mr. Hill:

We acknowledge receipt of the affidavit submitted as proof of beneficial use for the above referenced permit.

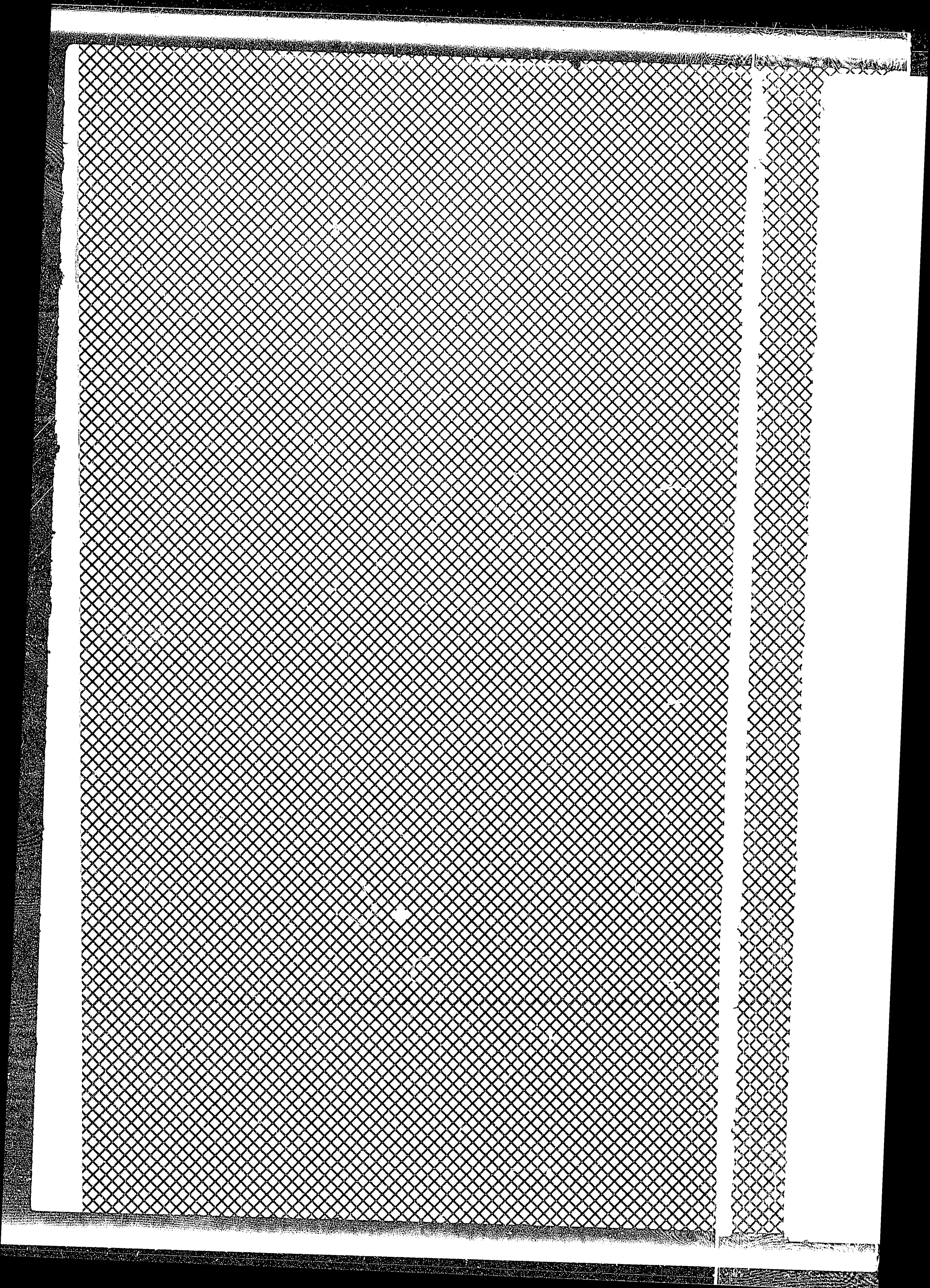
Before a license can be issued, a field examination must be made by a representative of this Department. We cannot tell during which part of the irrigation season this examination will be made, however, our examiner will try to contact you at the time he makes the exam so that you may show him the system.

If you have any questions concerning the field exam, please contact our District Office in Idaho Falls.

Sincerely,

D. Darlene Reich
Water Rights Supervisor

DDR:JG



STATE OF IDAHO
Department of Water Resources

No 13365^e

Boise, Idaho, May 23, 1979

RECEIVED FROM John C. Hill of Malad \$20⁰⁰
Twenty and no/100 DOLLARS
Eugene Hill

FOR

<u>Amendment</u>	\$	
<u># 15-7006</u>	\$	
	\$	
	\$	
	\$	
TOTAL - - -	\$	<u>20</u>

CK 209
92-86/1241
Roberta Barnett

Our Box number ^{174A}
has changed to
Box 201. Enclosed
is a check for
\$20.00.

State of Idaho
Department of Water Resources

WATER RIGHT LICENSE

License of Water Right No. 15-7006 Priority September 1, 1971 Amount 3.0 cfs

THIS IS TO CERTIFY, that JOHN C. HILL
of Malad, Idaho, has complied with the terms and conditions of Permit
No. 15-7006 issued pursuant to Application for Permit dated September 1, 1971,
and has submitted proof to the Department of Water Resources on August 26, 1976,
that he has applied water to a beneficial use; an examination by the Department indicates that the works have a
capacity for the diversion of 4.31 cfs of water from a groundwater source,
tributary to _____, and that the permit holder has applied to a beneficial use and
established a right to use water as follows:

Beneficial Use	Period of Use	Rate of Diversion	Annual Volume
<u>Irrigation</u>	from <u>May 1</u> to <u>October 1</u>	at <u>3.0</u> cfs and	<u>742 acre feet</u>
<u>Stockwater</u>	from <u>September 1</u> to <u>December 31</u>	at <u>0.03</u> cfs and	<u>1.3 acre feet</u>
	from _____ to _____	at _____ cfs and	

(both dates inclusive)

Subject, however, to the condition that no more than 3.0 cfs of water be diverted at any one time, and
that the amount of water so diverted and to which such right is entitled and confirmed is for the purpose
aforementioned and is limited to the amount which can actually be beneficially used and shall not exceed
743.3 acre feet per year, said waters to be diverted within the NW $\frac{1}{4}$ NE $\frac{1}{4}$, Sec. 19, Twp. 12S,
Rge. 35E, B.M. in the County of Oneida

Description and location of place of use:

Twp.	Range	Sec.	NE $\frac{1}{4}$				NW $\frac{1}{4}$				SW $\frac{1}{4}$				SE $\frac{1}{4}$				Totals
			NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	
12S	35E	19	16	38	39	39	40			40									212

Total number of acres irrigated 212

NOTE: Modifications to or variance from this license must be made within the limits of Section 42-222, Idaho Code, or the applicable Idaho Law. This right may be forfeited by five years of non-use.

The right to the use of the water hereby confirmed is restricted and appurtenant to the lands or place of use herein described, as provided by the laws of Idaho.

Witness the seal and signature of the Director, affixed at Boise, Idaho, this _____ day of
June, 19 79.

Director

LICENSING AMENDMENT

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

APPROVED

APPLICATION FOR AMENDMENT OF A PERMIT

To change the point of diversion and/or the place of use.

RECEIVED

MAY 23 1979

Comes now John C. Hill

Department of Water Resources

of (address) Box 174-A, Malad City, Idaho 83252, and represents to the

Director of the Idaho Department of Water Resources:

That he is the owner and holder of Permit to Appropriate the Public Waters of the State of Idaho No. 15-7006, and requests that the permit and permit map be changed as follows:

1. Point of diversion: NO CHANGE $\frac{1}{4}$ $\frac{1}{4}$, Section _____, Township _____, Range _____, B.M., County of _____. Other points of diversion: _____

2. Period and nature of use: (irrigation, domestic, stockwatering, industrial, etc.)

Amount 3.0 for Irrigation purposes from May 1 to Oct. 1 (both dates inclusive)
(cfs or acre feet per annum)

Amount 0.03 for Stockwater purposes from Sept. 1 to Dec. 31 (both dates inclusive)
(cfs or acre feet per annum)

Amount _____ for _____ purposes from _____ to _____ (both dates inclusive)
(cfs or acre feet per annum)

Amount _____ for _____ purposes from _____ to _____ (both dates inclusive)
(cfs or acre feet per annum)

3. Place of use or land to be irrigated:

TWP	RGE	SEC	NE $\frac{1}{4}$				NW $\frac{1}{4}$				SW $\frac{1}{4}$				SE $\frac{1}{4}$				TOTALS
			NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	
12S	35E	19	16	38	39	39	40			40									212

Total number of acres to be irrigated = 212

4. a. Who owns the property at the point of diversion? Applicant
- b. Who owns the land to be irrigated or the place of use? Applicant
- c. If the property is owned by a person other than the applicant, describe the arrangement enabling the applicant to make this filing: _____

Complete the following map by showing land and point of diversion as proposed by this amendment.
Show 40-acre subdivisions, townships, ranges and ditches.

Scale: 2 inches equal 1 mile.

That no one will be injured by such change, and that such change will be made at permit holder's own risk.

Signed at _____, this _____ day of _____, 19____.

[Signature]
(Signature)

FOR DEPARTMENT USE ONLY

Preliminary check by G Fee = \$20.00

Received by if Date 5/23/79 #13365

Publication prepared by N/A Date N/A

Published in N/A

Publication dates N/A

ACTION OF THE DIRECTOR, DEPARTMENT OF WATER RESOURCES

I, C. Stephen Allred, Director of the Department of Water Resources hereby
approves the above application for amendment.

Witness my hand this 14 day of June, 1979.

[Signature]
Director

DEPARTMENT OF WATER ADMINISTRATION
FIELD REPORT

RECEIVED

1. Name of permit holder John C. Hill
Post office address Box 174 A, Malad, ID Phone SEP 16 1976
Person to contact _____ Department of Water Resources
_____ Eastern District Office

2. Source of water supply: Groundwater ☒ Surface water ☐ _____
(name spring, stream, etc.)
Tributary to _____

3. Water will be used for the following purposes:

Amount 3.0 c.f.s. for Irrigation
_____ AF/Annum (nature of use)

Period of Use: from May 1 to Oct. 1
(mo.-day) inclusive (mo.-day)

Amount 0.10 c.f.s. for Stockwater
_____ AF/Annum (nature of use)

Period of Use: from Jan. 1 to Dec. 31
(mo.-day) inclusive (mo.-day)

Amount _____ c.f.s. for _____
_____ AF/Annum (nature of use)

Period of Use: from _____ to _____
(mo.-day) inclusive (mo.-day)

Other uses: _____

4. Total amount to be appropriated:

Max Rate of Diversion 3.0 cubic feet per second and annual volume _____ AF/Annum.

5. Location of Point(s) of Diversion:

Township 12S N/S, Range 35E E/W, B.M., Section 19, Subdivision NW 1/4 NE 1/4, Oneida
County

Township _____ N/S, Range _____ E/W, B.M., Section _____, Subdivision _____ 1/4 _____ 1/4, _____
County

Township _____ N/S, Range _____ E/W, B.M., Section _____, Subdivision _____ 1/4 _____ 1/4, _____
County

Other Points of Diversions: _____

Description of diverting works: 180 hp Caterpillar Motor and Singer-Western Pump. 10 to 4"
PVC pipe casing

Measuring device required: yes ☒ no ☐

6. Lands to be irrigated or place of use.

TWP.	RANGE	SEC.	NE 1/4				NW 1/4				SW 1/4				SE 1/4				TOTALS
			NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	
12S	35E	19		40	40	40	40			X 40									200
		20							40										40

TOTAL ACREAGE 240

Permit No. 15-7006
Examination for b/u

T
12S

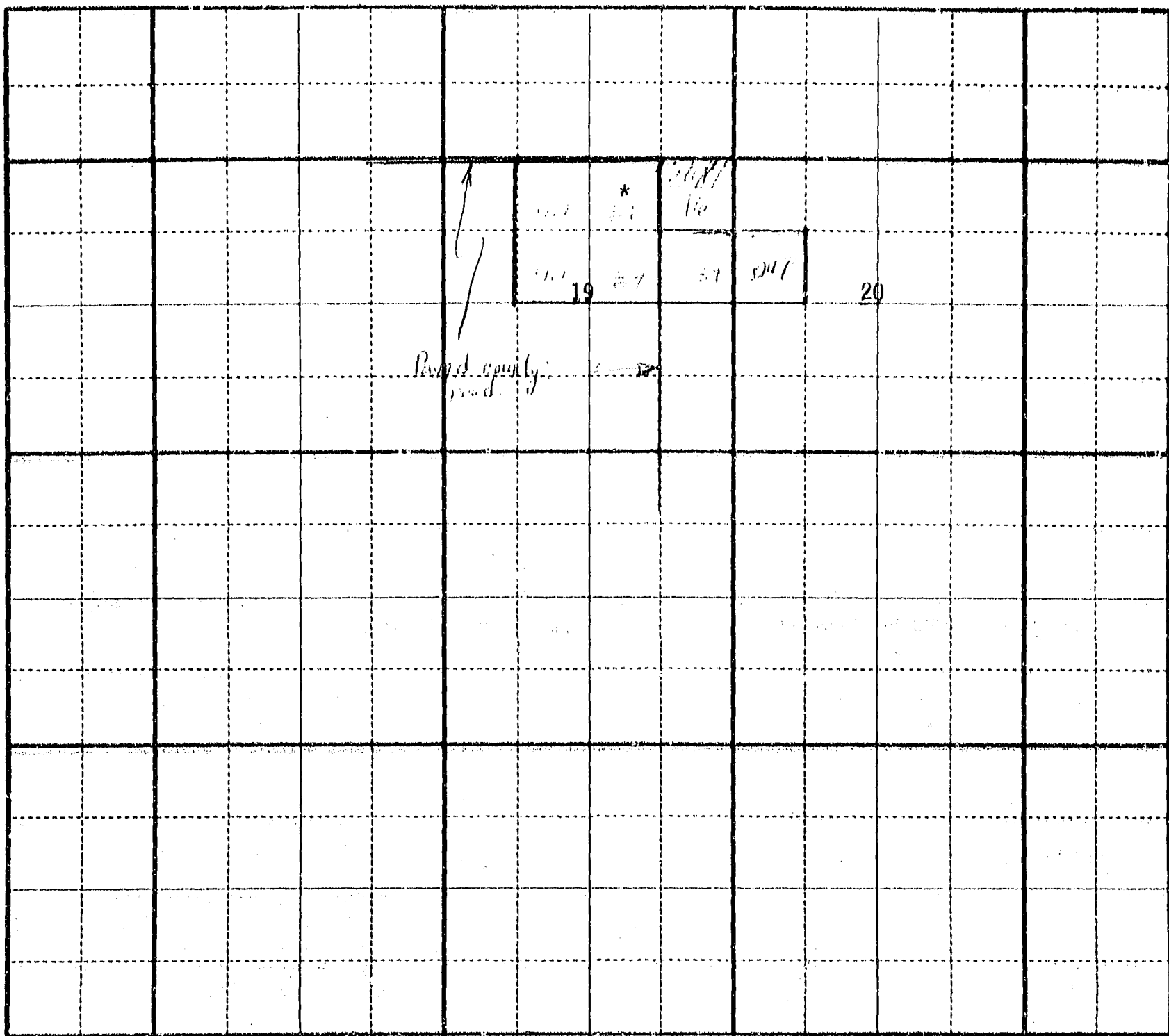
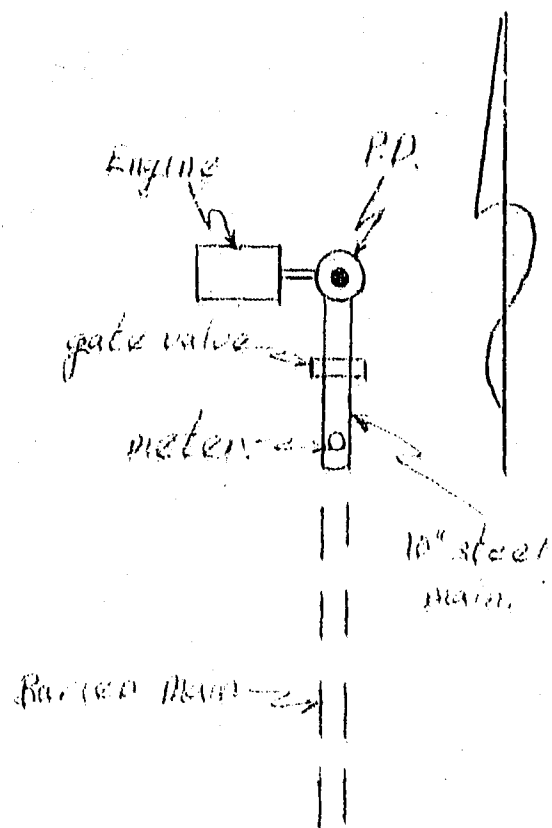


Diagram of System



DATE OF EXAM 6/7/77

ACREAGE

Found 212
Recommended 212

Irrigation Requirement 3.5 Ac Ft/Ac

USE

Irrigation Q = 3.00 c.f.s. V = 742 AF/Ann. from May 1 to Oct 1
Domestic Q = c.f.s. V = AF/Ann. from to
Livestock Q = 0.08 c.f.s. V = 0.76 AF/Ann. from SEPT. 1 to DEC 31

Is water co-mingled? yes no X

Name source:
twp. N/S, Rge E/W, B.M., Sec. , Sub. 1/4 1/4 County

Exchange? yes no X

Name source exchanged with:
twp. N/S, Rge E/W, B.M., Sec. , Sub. 1/4 1/4 County

Point of injection: N/A
twp. N/S, Rge E/W, B.M., Sec. , Sub. 1/4 1/4 County

Point of exchange: N/A
twp. N/S, Rge E/W, B.M., Sec. , Sub. 1/4 1/4 County

Total Q measured 4.31 Method of measurement LINE METER

Total Q recommended 3.00 cfs Meter No. 12067 Type FLOW CONTROL Condition STD

Total V recommended 742.46 AF/ANN.

Recommended Amendments:

P.D.
Place of Use Amitt ~~Sec 20~~ Sec 20 add. NE & NE Sec 19.
Other
None

MEASUREMENT CALCULATION:

Timed: 2000 gal / 42 sec. = 1935.48 gpm ÷ 488.8 = 4.31 cfs.

$V = 3.5 \times 212 = 742$ $\cdot 1.54 \text{ days} \times 3.0 \times 1.9835 = 916.38$ EMC
+ 46 stockwater = 742.46 6/7/77

SYSTEM DESCRIPTION:

AMARILLO PTO PUMP Serial # 5 BL 45499 w/ CATERPILLAR ENGINE
SERIAL # 713155 MODEL C: 10 INCH STEEL MAIN AT P.D. BURIED MAIN
LINE IS 10" 8" & 6" & IS 7/8 miles long. SYSTEM RUNS 6, 4 mile
lateral lines, 4" diameter, w/ 1/4" nozzles.

REMARKS:

JOHN C. HILL ACCOMPANIED AGENT DURING EXAM:
SUPPLIES STOCKWATER FOR 100 HEAD CATTLE FROM SEPT 1 TO
DEC 31, USE 200 gal stock trough & fill as needed.

Examiner's Signature Ernest M. Carlson Date 6/7/77

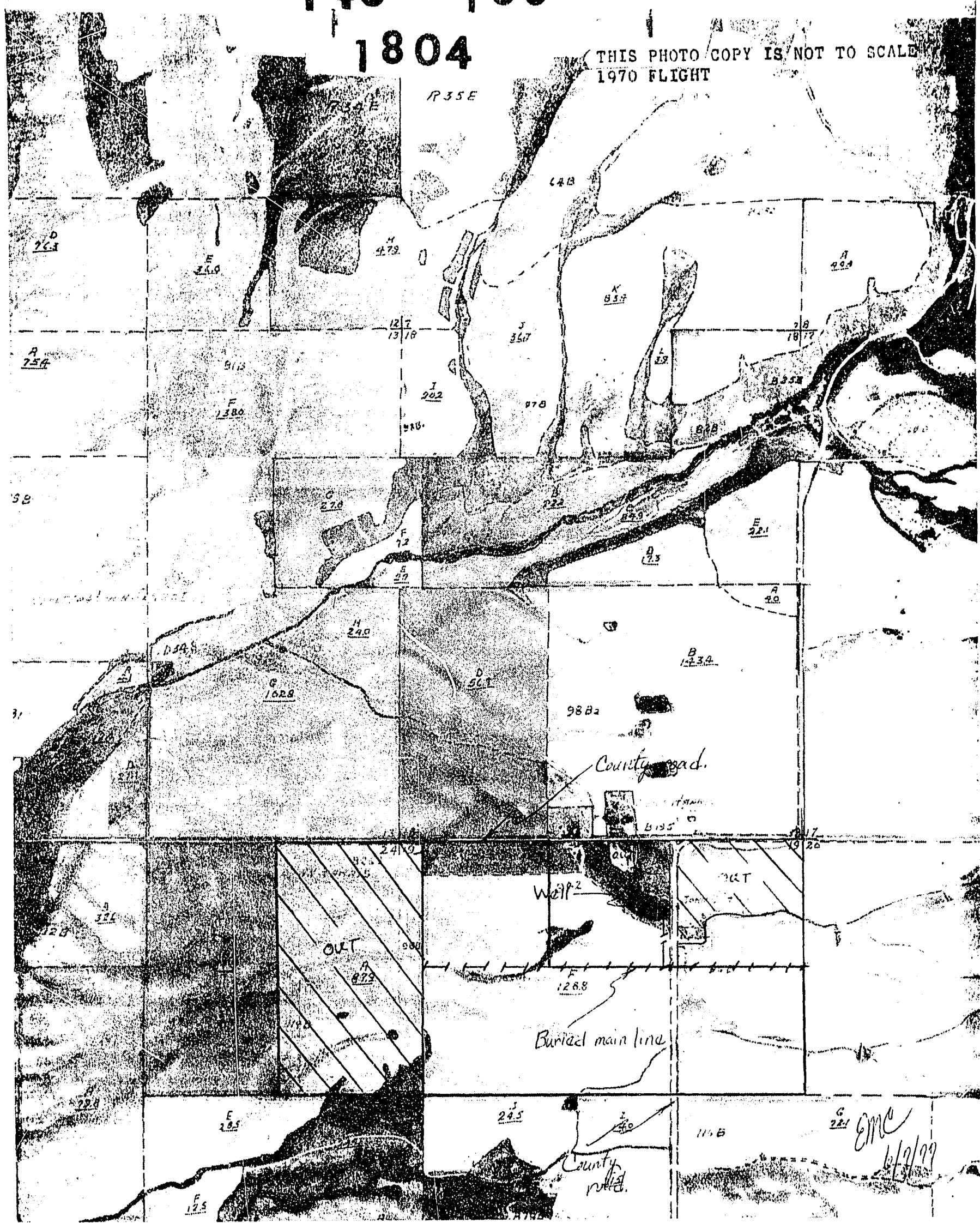
Checked by Anthony R. Kozlowski Date Jan 10, 1978

Approved by Date

-140 -100

1804

(THIS PHOTO COPY IS NOT TO SCALE)
1970 FLIGHT





State of Idaho
DEPARTMENT OF WATER RESOURCES
STATE OFFICE, 373 W. Franklin Street, Boise, Idaho

JOHN V. EVANS
Governor

C. STEPHEN ALLRED
Director

Mailing address:
Statehouse
Boise, Idaho 83720
(208) 384-2215

April 26, 1979

Re: Permit No. 15-7006

John C. Hill
Box 174-A
Malad City, Idaho 83252

Dear Mr. Hill:

A representative of this Department made an examination of the works covered by your Permit No. 15-7006 on June 7, 1977, and has found the following:

Amount of water that can be recognized as beneficially used under
Idaho law: 3.0 cfs Source: groundwater

The maximum quantity diverted shall not exceed 743.3 acre feet
per year.

Point of diversion: NW $\frac{1}{4}$ NE $\frac{1}{4}$, Sec. 19, Twp. 12S, Rge. 35E, B. M.

Beneficial use: Stockwater and irrigation of 212 acres within the
NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, Sec. 19, Twp. 12S, Rge. 35E, B. M.

Priority date established: September 1, 1971

In order for the Department to issue the above license, it will be necessary for you to amend the permit to correspond with the findings of the field examiner. We are enclosing a partially completed amendment form for your use in this matter.

Please sign the amendment application and return it to this office along with a \$20.00 filing fee within 30 days in order that we might issue your license as set forth above. If you do not concur with these findings or have any questions, please contact us within the 30-day period.

Sincerely,

JAN GROVER
Water Rights Supervisor

JG/kw
Enclosure

June 18, 1979

Re: Permit No. 15-7006

John C. Hill
Box 174-A
Malad City, Idaho 93252

Dear Mr. Hill:

Enclosed is a copy of the Water Right License issued on the above referenced permit. Also enclosed is a copy of your approved Application for Amendment.

Sincerely,

JAN GROVER
Water Rights Supervisor

JG:lr

Enclosures

NOTICE OF PLEDGE

STATE OF IDAHO
Division of Water Rights
1301 North Orchard Street
Boise, ID 83706

Loan No. 4300071501/502

Attention: State Engineer

Please be notified that

C3'S RANCH, LLC, an Idaho Limited Liability Company

have this date executed Mortgages (2) in favor of the Western AgCredit, FLCA, covering certain land in **Bannock** and **Oneida** Counties, State of Idaho, together with all of the Mortgagor's right to use the following:

WATER USER NO. AND PURPOSE OF WATER USE

WUC #15-7006

The said Mortgages (2), given to secure promissory notes (2) of even date, were recorded
133543 and 20228012
Oneida Co and Bannock Co., in the office of the County Recorders of the above referenced
Counties, as Instrument No(s). 133543 and 20228012.

Please file this notice with your records of the above referenced and direct notice of any intended change of the place of use or other change which materially affects the beneficiary's security interest in the said rights to the Western AgCredit, FLCA, 406 West South Jordan Parkway (Suite 500), South Jordan, Utah 84095.

Dated: November 26, 2002

Western AgCredit, FLCA

By: David G. Brown
David G. Brown
Assistant Vice President

RECEIVED

MAR 10 2003

Department of Water Resources

COPY



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Boise, ID 83706 - P.O. Box 83720, Boise, ID 83720-0098
Phone: (208) 327-7900 Fax: (208) 327-7866 Web Site: www.idwr.state.id.us

March 11, 2003

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

WESTERN AG CREDIT FLCA
ATTN: DAVID G BROWN
406 W SOUTH JORDAN PARKWAY #500
SOUTH JORDAN UT 84095

RE: Notice of Pledge for Water Right 15-7006

Dear Mr. Brown:

We have received your Notice of Pledge for the above listed water right in the name of C3'S Ranch, LLC. We understand that there is a security interest involved here, however you have not provided sufficient information for us to complete your request.

I am returning your request and enclosing a Notice of Security Interest in a Water Right form for you to complete and return with the required support date and filing fee.

If you have any questions regarding this matter, please call me at 208-327-7941.

Sincerely,

Kari Lynn Townsend
Secretary

KLT:k

Enclosures

No response in 30 days
Kari Lynn
4.14.03

NOTICE OF PLEDGE

STATE OF IDAHO
Division of Water Rights
1301 North Orchard Street
Boise, ID 83706

Loan No. 4300071501/502

Attention: State Engineer

Please be notified that

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have this date executed Mortgages (2) in favor of the Western AgCredit, FLCA, covering certain land in **Bannock** and **Oneida** Counties, State of Idaho, together with all of the Mortgagor's right to use the following:

WATER USER NO. AND PURPOSE OF WATER USE

WUC #15-7006

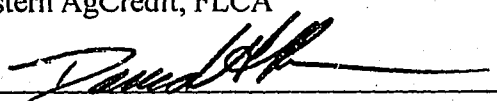
The said Mortgages (2), given to secure promissory notes (2) of even date, were recorded

133543 20228012
Oneida Co and Bannock Co., in the office of the County Recorders of the above referenced
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Please file this notice with your records of the above referenced and direct notice of any intended change of the place of use or other change which materially affects the beneficiary's security interest in the said rights to the Western AgCredit, FLCA, 406 West South Jordan Parkway (Suite 500), South Jordan, Utah 84095.

Dated: November 26, 2002

Western AgCredit, FLCA

By: 

David G. Brown
Assistant Vice President

RECEIVED

MAR 10 2003

Department of Water Resources

Recording Requested by:

WHEN RECORDED MAIL TO:

WESTERN AgCREDIT, FLCA
BOX 95850
SOUTH JORDAN UT 84095-0850

COPY

Microfilm No. 133543

23 Day December 2002

At 1:25 o'clock PM

Rebecca S. Anderson
Oneida Co. Recorder

Fee \$ 21.00

Recorded at Request of
C. S. Smith

Loan No(s). 4300071502/4300071501

**REAL ESTATE MORTGAGE,
FIXTURE FILING AND SECURITY AGREEMENT**

THIS MORTGAGE is made this **26th** day of **November, 2002** between

C3'S RANCH, LLC, an Idaho Limited Liability Company

hereinafter called "Mortgagor", and **WESTERN AgCREDIT, FLCA** hereinafter called "Mortgagee", a corporation, existing and operating under the Farm Credit Act of 1971, as amended, having its principal place of business in South Jordan, Utah.

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 of Oneida, State of Idaho:

FOR DESCRIPTION OF REAL PROPERTY SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

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, 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 existing and future grazing rights, leases, permits and licenses; all oil, gas, and mineral leases, permits and rights used with the property; all tenements, hereditaments, easements, rights-of-way and appurtenances to the property; and all right, title, and interest at any time of Mortgagor (or any of its bailees, agents, or instrumentalities), whether now existing or hereafter arising or acquired, whether direct or indirect, whether owned legally, of record, equitably or beneficially, whether constituting real or personal property (or subject to any other characterizations), whether created or authorized under existing or future laws or regulations, and however arising in, including without limitation, the water, water rights and other assets and items described below in subparagraphs (a) through (h) which shall collectively be called "Water Assets" (hereafter collectively referred to as the "Property"). References to "water" and "water rights" are used herein in the broadest and most comprehensive sense of the term(s). The term "water" includes water rights and right to water or whatever rights to money, proceeds, property or other benefits are exchanged or received for or on account of any Water Assets or any conservation or other nonuse of water, including whatever rights are achieved by depositing one's shares of any Water Assets in any water bank or with any water authority, or any other water reallocation rights:

a. All water (including any water inventory in storage), water rights and entitlements, other rights to water and other rights to receive water or water rights of every kind or nature whatsoever including (i) the groundwater on, under, pumped from or otherwise available to the Property, whether as the result of groundwater rights, contractual rights or otherwise, (ii) Mortgagor's right to remove and extract any such groundwater including any permits, rights or licenses granted by any governmental authority or agency or any rights granted or created by any use, easements, 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, decreed 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, or other water-related entitlement appurtenant or otherwise applicable to the Property by virtue of the Property 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;

b. All stock, interest or rights (including any water allocations, voting or decision rights) in any entity, together with any and all rights from any entity or other person to acquire, receive, exchange, sell, lease, or otherwise transfer any water or other Water Assets, to store, deposit or otherwise create water credits in a water bank or similar or other arrangement for allocating water, to transport or deliver water, or otherwise to deal with any Water Asset;

c. All licenses, permits, approvals, contracts decrees, rights and interest to acquire or appropriate any water or other Water Assets, water bank or other credits evidencing any right to water or other Water Assets, to store, carry, transport or deliver water or other Water Assets, to sell, lease, exchange, or otherwise transfer any water or other Water Asset, or to change the point for diversion of water, the location of any water or Water Asset, the place of use of any water or Water Asset, or the purpose of the use of any water or Water Asset;

d. All rights, claims, causes of action, judgments, awards, and other judicial, arbiter or administrative relief in any way relating to any water or Water Asset;

e. All storage and treatment rights for any water or any other Water Asset, whether on or off the Property or other property of Mortgagor, together with all storage tanks, and other equipment used or usable in connection with such storage and any water bank deposit credits, deposit accounts or other rights arising on account of the storage or nonuse of any water or any other Water Asset;

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f. All rights to transport, carry, allocate or otherwise deliver water or other Water Assets by any means wherever located;

g. All guaranties, warranties, marketing, management or service contracts, indemnity agreements, and water right agreements, other water related contracts and water reallocation rights, all insurance policies regarding or relating to any Water Asset;

h. All rents, issues, profits, proceeds and other accounts, instruments, chattel paper, contract rights, general intangibles, deposit accounts, and other rights to payment arising from or on account of any use, nonuse, sale, lease, transfer or other disposition of any Water Asset.

Absolute Assignment of All Revenue From Water Assets - Mortgagor hereby absolutely and unconditionally assigns to Mortgagee all proceeds, rents, issues and profits from any use (apart from watering plants on the Property or other ordinary use on the Property), nonuse, sale, lease, transfer or disposition of any kind of any water or any other Water Asset subject to a lien in favor of Mortgagee. That assignment shall be perfected automatically without appointment of a receiver or Mortgagee becoming a mortgagee in possession and Mortgagee shall have the right, before or after the occurrence of any default or event of default, to notify any account debtor to pay all amounts owing with respect to those proceeds, rents, issues and profits directly to Mortgagee. Except as otherwise agreed in writing by Mortgagee, Mortgagee may apply any such collection (and any rents, issues, profits and proceeds) to any indebtedness owed to Mortgagee in any order, priority or manner desired by Mortgagee.

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.

PERSONAL PROPERTY SECURITY AGREEMENT - All of the Property will be considered to the fullest extent of the law to be real property for purposes of this Mortgage. To the extent that any of the Property, (including without limitation any Water Assets or fixtures), is deemed to constitute, is adjudicated to be, or declared to be personal property, this Mortgage shall also be deemed to be a security agreement. Mortgagor does hereby create and grant to Mortgagee a security interest in all such personal property described herein; and further, grants to Mortgagee all of the rights and remedies of a secured party under the Uniform Commercial Code and other applicable state law, which rights are cumulative.

FIXTURE FILING - This Mortgage shall also be deemed to be a fixture filing under the Uniform Commercial Code and is to be recorded in the county real estate records.

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):

Dated	Maturity	Face Amount	Dated	Maturity	Face Amount
11/26/2002	01/01/2023	\$350,000.00			
11/26/2002	12/01/2022	\$410,000.00			

(2) The payment of such additional loans or advances, including advances under a revolving line of credit, with interest thereon, as hereafter may be made to Mortgagor, or Mortgagor's successors or assigns, and/or to parties whose obligation Mortgagor is guaranteeing, evidenced by a promissory note or otherwise and any obligations evidenced by any guaranties executed by Mortgagor in favor of Mortgagee; PROVIDED HOWEVER, THAT, such additional loans advances guaranty obligations shall be secured by this Mortgage only if the promissory note, guaranty, or other document evidencing such loans or advances shall recite that it is to be secured by this Mortgage; (3) the payment of any substitute notes, renewals, reamortizations, and extensions of all indebtedness secured by this Mortgage; (4) the performance of every obligation and agreement of Mortgagor whether contained or incorporated by reference in this Mortgage, or contained in any loan document or guaranty executed by Mortgagor in favor of Mortgagee, with respect to any loan, advance, or guaranty secured by this Mortgage; and (5) the payment of all sums expended or advanced by Mortgagee under or pursuant to the terms of this Mortgage, together with interest thereon as herein provided. The continuing validity and priority of this Mortgage as security for future loans, advances, or guaranties shall not be impaired by the fact that at certain times hereafter there may exist no outstanding indebtedness from Mortgagor to Mortgagee or no commitment to make loans or advances.

A. TO PROTECT THE SECURITY OF THIS MORTGAGE, MORTGAGOR AGREES:

1. To use loan proceeds solely for the purposes set forth in the loan application(s) or agreements; to comply with the Farm Credit Act of 1971, as amended, and/or the regulations of the Farm Credit Administration, now existing or as hereafter amended.
2. To keep the Property in good condition, working order and repair; care for the Property in accordance with standards of good husbandry and to keep all trees, vines and crops on said land properly cultivated, irrigated, fertilized, sprayed, and fumigated; not to remove, destroy or suffer the removal or destruction of any building, fence, canal, well or other improvements or fixtures thereon; not to remove, replace or alter any horticultural or viticultural tree, vine or shrub planted thereon without the prior written consent of Mortgagee, except in the ordinary course of business; to complete or restore promptly and in good and workmanlike manner any building which may be

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constructed, damaged or destroyed thereon; to comply with all laws, covenants and restrictions affecting the Property; not to commit or permit waste thereof; not to commit, suffer or permit any act upon the Property in violation of law; to do all other acts which from the character or use of the Property may be reasonably necessary, the specific enumerations herein not excluding the general; to observe and perform all obligations of Mortgagor under any lease of the Property.

3. To provide, maintain and deliver to Mortgagee fire and all other types of insurance of the type and in amounts as Mortgagee may require, with loss payable clauses solely in favor of Mortgagee. In the event of loss, the insurance proceeds, or any part thereof, may be applied by Mortgagee, at its option, to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged. In the event that the Mortgagor shall fail to provide satisfactory hazard insurance, Mortgagee may procure, on Mortgagor's behalf, insurance in favor of Mortgagee alone. If insurance cannot be secured by Mortgagor to provide the required coverage, such inability shall constitute an event of default hereunder.
4. To appear in and litigate any action or proceeding purporting to affect the security hereof, the title to the Property, or the rights or powers of Mortgagee; Mortgagee may appear in and litigate any such action or proceedings, including any bankruptcy, partition or condemnation proceeding, affecting the Property, or Mortgagee's interest therein, in which event Mortgagor agrees to pay all costs and expenses thereof, including attorney's fees and costs of securing evidence of title.
5. To pay on or before the due date all taxes and assessments affecting the Property, including all assessments upon water company stock and all rents, assessments and charges for water, appurtenant to or used in connection with the Property; to pay, when due, all encumbrances, charges, and liens, on the Property or any part thereof, which at any time appear to be prior or superior hereto.
6. In case of any suit to foreclose this Mortgage or to collect any charge arising out of the debt hereby secured, or of any suit which the Mortgagee may deem necessary to prosecute or defend to effect or protect the lien herein, including any proceeding in bankruptcy, or if Mortgagee retains an attorney to advise Mortgagee in connection with this Mortgage or any other agreement related to the indebtedness secured by this Mortgage, Mortgagor agrees to pay a reasonable sum as attorney's fees and all costs and legal expenses in connection with said suit, and further agrees to pay the reasonable costs of searching the records and abstracting or insuring the title, and such sums, costs and expenses shall be secured hereby and shall be included in any decree of foreclosure. The fees and costs described herein and elsewhere in this Mortgage shall be in addition to those set forth in the loan agreement or any other written agreement between Mortgagor and Mortgagee.
7. Should Mortgagor fail to make any payment or to do any act as provided for in this Mortgage, then Mortgagee, but without obligation to do so and without notice to or demand upon Mortgagor and without releasing Mortgagor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the Property, Mortgagee being authorized to enter upon the Property for such purposes; commence, appear in and litigate any action or proceeding purporting to affect the security hereof or the rights or powers of Mortgagee, including any bankruptcy proceeding affecting the Property; pay, purchase, contest, or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and in exercising any such powers, incur any liability, expend whatever amounts in its absolute discretion it may deem necessary therefore, including attorney's, accountant's, and appraisal fees, environmental fees, and costs of securing evidence of title, and all amounts so expended shall be obligations of Mortgagor secured by this Mortgage. Nothing contained herein shall prohibit Mortgagee from entering the Property, at a reasonable time and upon reasonable notice to Mortgagor, without incurring or assuming any obligations or liabilities whatsoever, for the sole purpose of inspecting the Property.
8. To pay immediately and without demand all sums expended by Mortgagee pursuant to the provisions hereof, with interest from date of expenditure at the same rate as is provided for in the note or notes secured by this Mortgage. In the event that such sums are not immediately paid, they shall be added, along with the appropriate amount of capital stock or participation certificates, to the principal balance of the indebtedness secured hereby and shall accrue interest as herein set forth. All such sums shall be secured hereby.
9. Environmental Representations, Warranties and Covenants.

(a) Except as disclosed in writing to Mortgagee, or except as otherwise provided in any loan agreement between Mortgagee and Mortgagor which specifically refers to the Property, to the best knowledge of Mortgagor after due inquiry, Mortgagor hereby further represents, warrants and covenants as follows:

(i) No pollutants, contaminants (including oil or other petroleum products), toxic or hazardous substances, or solid or hazardous wastes, as such terms are defined under any federal, state or local Environmental Law, regulation or ordinance (hereinafter "Contaminants") have been, are being or will be generated, manufactured, produced, stored, disposed of, discharged, released threatened to be released, or otherwise allowed to migrate or escape on, under or from the Property in such quantities or concentrations as would violate any federal, state or local Environmental Law, regulation or ordinance or as would require Mortgagor to report such condition to any governmental authority or to undertake removal or remedial action to clean up such contaminants;

(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 damages 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:

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(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;

(c) Mortgagor will take such timely action as may be required to cause the renewal or reissuance of said grazing permits or other rights from time to time as they expire during the term thereof. Mortgagor agrees and acknowledges that the failure to renew or cause the reissuance of any said permits for any reason, whether the result of an act or omission of Mortgagor or for reasons beyond Mortgagor's control, is an event of default hereunder and Mortgagee shall have the right to exercise the rights hereinafter set forth in this Mortgage; and

(d) Mortgagor agrees to pay all fees, charges, rents or other payments accruing under said permits or any renewals thereof prior to delinquency. In the event Mortgagor fails to pay any such payment, the amount unpaid shall become a part of the indebtedness secured by this Mortgage and shall be immediately due and payable.

B IT IS MUTUALLY AGREED THAT:

1. Any award of damages in connection with any taking or condemnation or injury to the Property by reason of public use, or for damages resulting from private trespass or injury to the Property, is absolutely and unconditionally assigned and shall be paid to Mortgagee, under the terms and conditions of this Mortgage pertaining to Rents. Upon receipt of such money Mortgagee may apply the same on the indebtedness secured hereby. Mortgagor agrees to execute such further documents as may be required to effect the assignments herein made as Mortgagee may require.
2. At any time, without affecting the liability of any person for the payment of the indebtedness secured hereby, and without otherwise affecting the security hereof, Mortgagee may (a) consent to or join in the making of any map or plat of the Property; (b) grant any easement or create any restriction thereof; (c) subordinate this Mortgage; (d) extend or modify the term of the loan or loans secured hereby; and (e) release without warranty, all or any part of the Property.
3. Prior to any default by Mortgagor in the payment, observance, performance and discharge of any condition, obligation, covenant, or agreement of Mortgagor contained herein, Mortgagor may, for collection and distribution purposes only, collect and receive the Rents as they come due and payable; the Rents are to be applied by Mortgagor to the payment of the principal and interest and all other sums due or payable on any promissory note or guaranty secured by this Mortgage and to the payment of all other sums payable under this Mortgage and, thereafter, so long as the aforesaid has occurred, the balance shall be distributed to the account of Mortgagor. Upon any such default, Mortgagee may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Property or any part thereof, in his own name, sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Mortgagee may determine; also perform such acts of repair, cultivation, irrigation or protection, as may be necessary or proper to conserve the value of the Property; also lease the same or any part thereof for such rental, term, and upon such conditions as its judgment may dictate; also prepare for harvest, remove, and sell any crops that may be growing upon the Property, and apply the proceeds thereof upon the indebtedness secured hereby.
4. The entering upon and taking possession of the Property, the collection of such rents, issues, and profits, or the proceeds of fire and other insurance policies, or compensation or awards for any taking of or damage to the Property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.
5. Upon default by Mortgagor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, all sums secured hereby shall immediately become due and payable at the option of the Mortgagee and in accordance with applicable state law. In the event of default, Mortgagee may employ counsel to enforce payment of the obligations secured hereby, may foreclose and, if applicable, sell the Property by advertisement and sale, and in accordance with other applicable state law, and may exercise such other rights and remedies granted by law and equity, which rights and remedies shall be cumulative and not exclusive. Mortgagee may resort to and realize upon the security hereunder and any other real or personal property security now or hereafter held by Mortgagee for the obligations secured hereby in such order and manner as Mortgagee may, in its sole discretion, determine. Resort to any or all such security may be taken concurrently or successively and in one or several consolidated or independent judicial actions or lawful nonjudicial proceedings, or both. If the obligation secured by this Mortgage is also secured by personal property, fixtures or crops, Mortgagee may enforce its security interest in the personal property, fixtures and crops and its lien under this Mortgage in any manner and in any order or sequence permitted by applicable law. All remedies are cumulative and none are exclusive; no election by Mortgagee to pursue one remedy or item of collateral shall be deemed to be a release or waiver of any other item of collateral or a release or modification of the liability of Mortgagor or any guarantor to pay and perform in full all obligations to Mortgagee. The procedures governing the enforcement by Mortgagee of its foreclosure and provisional remedies against Mortgagor shall be governed by the laws of the state in which the Property is located. Nothing contained herein shall be construed to provide that the substantive law of the state in which the Property is located shall apply to Mortgagee's rights and Mortgagor's obligations hereunder or under the promissory note(s) or guaranties described herein, which are and shall continue to be governed by the substantive law of the state in which the promissory note(s) or guaranties were executed.
6. The failure on the part of the Mortgagee to promptly enforce any right hereunder shall not operate as a waiver of such right and the waiver by Mortgagee of any default shall not constitute a waiver of any other subsequent defaults. Subsequent acceptance of any

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payment by the holder hereof shall not be deemed a waiver of any default by Mortgagor, or of Mortgagee's rights hereunder as the result of any sale, agreement to sell, conveyance, or alienation, regardless of holder's knowledge of such default, sale, agreement to sell, conveyance, or alienation at the time of acceptance of such payment.

7. This Mortgage applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Mortgagee shall mean the holder and owner of any note secured hereby; or, if the note has been pledged, the pledgee thereof. In this Mortgage, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural. All obligations of Mortgagor hereunder are joint and several.
8. (a) In the event the herein-described Property, or any part thereof, or any interest therein, is sold, agreed to be sold, conveyed, alienated or transferred, including any water transfer as defined in subsection (b) below, by Mortgagor, or by operation of law or otherwise, except by inheritance, without Mortgagee's prior written consent, all obligations secured hereby, irrespective of the maturity dates, at the option of the holder hereof, and without demand or notice, shall immediately become due and payable. Failure to exercise such option shall not constitute a waiver of the right to exercise this option in the event of subsequent sale, agreement to sell, conveyance or alienation.

(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.

Signature(s):

C3'S RANCH, LLC, an Idaho Limited Liability Company

By: Thomas W. Close Manager
Thomas W. Close, Manager

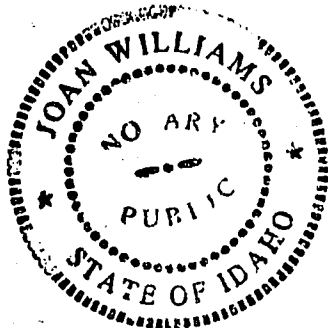
By: Julie A. Close Manager
Julie A. Close, Manager

Notary Acknowledgment:

STATE OF IDAHO)
)
COUNTY OF ONEIDA)

On this 20th day of December, 2002 before me, the undersigned Notary Public in and for said County and State, personally appeared THOMAS W. CLOSE; JULIE A. CLOSE [() personally known to me] [() proved to me on the basis of satisfactory evidence] to be the person(s) who executed the within instrument as MANAGERS of the Limited Liability Company therein named, on behalf of the Limited Liability Company, and acknowledged to me that the Limited Liability Company executed it.

WITNESS my hand and official seal



Joan Williams
Notary Public in and for said County and State
Residing at Malad City, ID
Comm. Expires: 5-6-2003

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EXHIBIT A

PARCEL 1: Township 12 South, Range 35 East, Boise Meridian

Section 16: W1/2 NW1/4, SE1/4NW1/4

Section 17: SW1/4SE1/4

Section 18: Commencing at the SW corner of the SE1/4; thence East 30 rods; thence North 20 rods; thence West 30 rods; thence South 20 rods to the place of beginning. T-162, T-2781, T-1255

Section 19: E1/2NW1/4; NE1/4; T-928; EXCEPT: Commencing at a point in the center of County Road, 22 rods West of the NE corner of the NW1/4NE1/4 of Section 19; thence South 22 rods; thence West 20 rods; thence North 22 rods; thence East 20 rods.

Section 20: NW1/4; NW1/4NE1/4

PARCEL 2: Township 11 South, Range 35 East, Boise Meridian

Section 15: SW1/4SE1/4; SW1/4

Section 21: E1/2NE1/4

Section 22: NW1/4; S1/2; W1/2NE1/4; SE1/4NE1/4

Section 23: NW1/4NW1/4; S1/2NW1/4; SW1/4

Section 27: All

Section 28: E1/2NE1/4

PARCEL 3: The Northeast Quarter of the Northwest Quarter, Section 23, Township 11 South, Range 35 East Boise Meridian.

TAX PARCEL NUMBERS:

RP-0204300

RP-0205900

RP-0206100

RP-0206200

RP-0206800

RP-0206900

RP-0213300

RP-0213800

RP-0214200

RP-0214300

RP-0214400

RP-0214500

RP-0215000

R4429001400

TOGETHER WITH THE FOLLOWING WATER RIGHTS REGISTERED WITH THE STATE OF IDAHO DIVISION OF WATER RESOURCES: WUC#15-7006

ALSO TOGETHER WITH ALL U.S. FORESTRY GRAZING PRIVILEGES IN THE EAST DANIELS CATTLE ALLOTMENT IN THE CARIBOU NATIONAL FOREST

P 38411
Recording Requested by:

WHEN RECORDED MAIL TO:

WESTERN AgCREDIT, FLCA
BOX 95850
SOUTH JORDAN UT 84095-0850

COPY
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RECORDED AT REQUEST OF

FEE 21⁰⁰ DEPUTY md

Loan No(s). 4300071501/4300071502

**REAL ESTATE MORTGAGE,
FIXTURE FILING AND SECURITY AGREEMENT**

FIRST AMERICAN TITLE
2002 DEC 23 AM 11 23

OFFICIAL RECORD BK# 822
LARRY W GHAN RECORDER
BANNOCK COUNTY IDAHO

THIS MORTGAGE is made this 26th day of November, 2002 between

C3'S RANCH, LLC, an Idaho Limited Liability Company

hereinafter called "Mortgagor", and WESTERN AgCREDIT, FLCA hereinafter called "Mortgagee", a corporation, existing and operating under the Farm Credit Act of 1971, as amended, having its principal place of business in South Jordan, Utah.

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 of Bannock, State of Idaho:

FOR DESCRIPTION OF REAL PROPERTY SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

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, 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 existing and future grazing rights, leases, permits and licenses; all oil, gas, and mineral leases, permits and rights used with the property; all tenements, hereditaments, easements, rights-of-way and appurtenances to the property; and all right, title, and interest at any time of Mortgagor (or any of its bailees, agents, or instrumentalities), whether now existing or hereafter arising or acquired, whether direct or indirect, whether owned legally, of record, equitably or beneficially, whether constituting real or personal property (or subject to any other characterizations), whether created or authorized under existing or future laws or regulations, and however arising in, including without limitation, the water, water rights and other assets and items described below in subparagraphs (a) through (h) which shall collectively be called "Water Assets" (hereafter collectively referred to as the "Property"). References to "water" and "water rights" are used herein in the broadest and most comprehensive sense of the term(s). The term "water" includes water rights and right to water or whatever rights to money, proceeds, property or other benefits are exchanged or received for or on account of any Water Assets or any conservation or other nonuse of water, including whatever rights are achieved by depositing one's shares of any Water Assets in any water bank or with any water authority, or any other water reallocation rights:

a. All water (including any water inventory in storage), water rights and entitlements, other rights to water and other rights to receive water or water rights of every kind or nature whatsoever including (i) the groundwater on, under, pumped from or otherwise available to the Property, whether as the result of groundwater rights, contractual rights or otherwise, (ii) Mortgagor's right to remove and extract any such groundwater including any permits, rights or licenses granted by any governmental authority or agency or any rights granted or created by any use, easements, 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, decreed 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, or other water-related entitlement appurtenant or otherwise applicable to the Property by virtue of the Property 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;

b. All stock, interest or rights (including any water allocations, voting or decision rights) in any entity, together with any and all rights from any entity or other person to acquire, receive, exchange, sell, lease, or otherwise transfer any water or other Water Assets, to store, deposit or otherwise create water credits in a water bank or similar or other arrangement for allocating water, to transport or deliver water, or otherwise to deal with any Water Asset;

c. All licenses, permits, approvals, contracts decrees, rights and interest to acquire or appropriate any water or other Water Assets, water bank or other credits evidencing any right to water or other Water Assets, to store, carry, transport or deliver water or other Water Assets, to sell, lease, exchange, or otherwise transfer any water or other Water Asset, or to change the point for diversion of water, the location of any water or Water Asset, the place of use of any water or Water Asset, or the purpose of the use of any water or Water Asset;

d. All rights, claims, causes of action, judgments, awards, and other judicial, arbitral or administrative relief in any way relating to any water or Water Asset;

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e. All storage and treatment rights for any water or any other Water Asset, whether on or off the Property or other property of Mortgagor, together with all storage tanks, and other equipment used or usable in connection with such storage and any water bank deposit credits, deposit accounts or other rights arising on account of the storage or nonuse of any water or any other Water Asset;

f. All rights to transport, carry, allocate or otherwise deliver water or other Water Assets by any means wherever located;

g. All guaranties, warranties, marketing, management or service contracts, indemnity agreements, and water right agreements, other water related contracts and water reallocation rights, all insurance policies regarding or relating to any Water Asset;

h. All rents, issues, profits, proceeds and other accounts, instruments, chattel paper, contract rights, general intangibles, deposit accounts, and other rights to payment arising from or on account of any use, nonuse, sale, lease, transfer or other disposition of any Water Asset.

Absolute Assignment of All Revenue From Water Assets - Mortgagor hereby absolutely and unconditionally assigns to Mortgagee all proceeds, rents, issues and profits from any use (apart from watering plants on the Property or other ordinary use on the Property), nonuse, sale, lease, transfer or disposition of any kind of any water or any other Water Asset subject to a lien in favor of Mortgagee. That assignment shall be perfected automatically without appointment of a receiver or Mortgagee becoming a mortgagee in possession and Mortgagee shall have the right, before or after the occurrence of any default or event of default, to notify any account debtor to pay all amounts owing with respect to those proceeds, rents, issues and profits directly to Mortgagee. Except as otherwise agreed in writing by Mortgagee, Mortgagee may apply any such collection (and any rents, issues, profits and proceeds) to any indebtedness owed to Mortgagee in any order, priority or manner desired by Mortgagee.

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.

PERSONAL PROPERTY SECURITY AGREEMENT - All of the Property will be considered to the fullest extent of the law to be real property for purposes of this Mortgage. To the extent that any of the Property, (including without limitation any Water Assets or fixtures), is deemed to constitute, is adjudicated to be, or declared to be personal property, this Mortgage shall also be deemed to be a security agreement. Mortgagor does hereby create and grant to Mortgagee a security interest in all such personal property described herein; and further, grants to Mortgagee all of the rights and remedies of a secured party under the Uniform Commercial Code and other applicable state law, which rights are cumulative.

FIXTURE FILING - This Mortgage shall also be deemed to be a fixture filing under the Uniform Commercial Code and is to be recorded in the county real estate records.

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):

Dated	Maturity	Face Amount	Dated	Maturity	Face Amount
11/26/2002	12/1/2022	\$410,000.00			
11/26/2002	01/1/2023	\$350,000.00			

(2) The payment of such additional loans or advances, including advances under a revolving line of credit, with interest thereon, as hereafter may be made to Mortgagor, or Mortgagor's successors or assigns, and/or to parties whose obligation Mortgagor is guaranteeing, evidenced by a promissory note or otherwise and any obligations evidenced by any guaranties executed by Mortgagor in favor of Mortgagee; PROVIDED HOWEVER, THAT, such additional loans advances guaranty obligations shall be secured by this Mortgage only if the promissory note, guaranty, or other document evidencing such loans or advances shall recite that it is to be secured by this Mortgage; (3) the payment of any substitute notes, renewals, reamortizations, and extensions of all indebtedness secured by this Mortgage; (4) the performance of every obligation and agreement of Mortgagor whether contained or incorporated by reference in this Mortgage, or contained in any loan document or guaranty executed by Mortgagor in favor of Mortgagee, with respect to any loan, advance, or guaranty secured by this Mortgage; and (5) the payment of all sums expended or advanced by Mortgagee under or pursuant to the terms of this Mortgage, together with interest thereon as herein provided. The continuing validity and priority of this Mortgage as security for future loans, advances, or guaranties shall not be impaired by the fact that at certain times hereafter there may exist no outstanding indebtedness from Mortgagor to Mortgagee or no commitment to make loans or advances.

A. TO PROTECT THE SECURITY OF THIS MORTGAGE, MORTGAGOR AGREES:

1. To use loan proceeds solely for the purposes set forth in the loan application(s) or agreements; to comply with the Farm Credit Act of 1971, as amended, and/or the regulations of the Farm Credit Administration, now existing or as hereafter amended.
2. To keep the Property in good condition, working order and repair; care for the Property in accordance with standards of good husbandry and to keep all trees, vines and crops on said land properly cultivated, irrigated, fertilized, sprayed, and fumigated; not to remove, destroy or suffer the removal or destruction of any building, fence, canal, well or other improvements or fixtures thereon; not to remove, replace or alter any horticultural or viticultural tree, vine or shrub planted thereon without the prior written consent of Mortgagee, except in the ordinary course of business; to complete or restore promptly and in good and workmanlike manner any building which may be

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constructed, damaged or destroyed thereon; to comply with all laws, covenants and restrictions affecting the Property; not to commit or permit waste thereof; not to commit, suffer or permit any act upon the Property in violation of law; to do all other acts which from the character or use of the Property may be reasonably necessary, the specific enumerations herein not excluding the general; to observe and perform all obligations of Mortgagor under any lease of the Property.

3. To provide, maintain and deliver to Mortgagee fire and all other types of insurance of the type and in amounts as Mortgagee may require, with loss payable clauses solely in favor of Mortgagee. In the event of loss, the insurance proceeds, or any part thereof, may be applied by Mortgagee, at its option, to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged. In the event that the Mortgagor shall fail to provide satisfactory hazard insurance, Mortgagee may procure, on Mortgagor's behalf, insurance in favor of Mortgagee alone. If insurance cannot be secured by Mortgagor to provide the required coverage, such inability shall constitute an event of default hereunder.
4. To appear in and litigate any action or proceeding purporting to affect the security hereof, the title to the Property, or the rights or powers of Mortgagee; Mortgagee may appear in and litigate any such action or proceedings, including any bankruptcy, partition or condemnation proceeding, affecting the Property, or Mortgagee's interest therein, in which event Mortgagor agrees to pay all costs and expenses thereof, including attorney's fees and costs of securing evidence of title.
5. To pay on or before the due date all taxes and assessments affecting the Property, including all assessments upon water company stock and all rents, assessments and charges for water, appurtenant to or used in connection with the Property; to pay, when due, all encumbrances, charges, and liens, on the Property or any part thereof, which at any time appear to be prior or superior hereto.
6. In case of any suit to foreclose this Mortgage or to collect any charge arising out of the debt hereby secured, or of any suit which the Mortgagee may deem necessary to prosecute or defend to effect or protect the lien herein, including any proceeding in bankruptcy, or if Mortgagee retains an attorney to advise Mortgagee in connection with this Mortgage or any other agreement related to the indebtedness secured by this Mortgage, Mortgagor agrees to pay a reasonable sum as attorney's fees and all costs and legal expenses in connection with said suit, and further agrees to pay the reasonable costs of searching the records and abstracting or insuring the title, and such sums, costs and expenses shall be secured hereby and shall be included in any decree of foreclosure. The fees and costs described herein and elsewhere in this Mortgage shall be in addition to those set forth in the loan agreement or any other written agreement between Mortgagor and Mortgagee.
7. Should Mortgagor fail to make any payment or to do any act as provided for in this Mortgage, then Mortgagee, but without obligation to do so and without notice to or demand upon Mortgagor and without releasing Mortgagor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the Property, Mortgagee being authorized to enter upon the Property for such purposes; commence, appear in and litigate any action or proceeding purporting to affect the security hereof or the rights or powers of Mortgagee, including any bankruptcy proceeding affecting the Property; pay, purchase, contest, or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and in exercising any such powers, incur any liability, expend whatever amounts in its absolute discretion it may deem necessary therefore, including attorney's, accountant's, and appraisal fees, environmental fees, and costs of securing evidence of title, and all amounts so expended shall be obligations of Mortgagor secured by this Mortgage. Nothing contained herein shall prohibit Mortgagee from entering the Property, at a reasonable time and upon reasonable notice to Mortgagor, without incurring or assuming any obligations or liabilities whatsoever, for the sole purpose of inspecting the Property.
8. To pay immediately and without demand all sums expended by Mortgagee pursuant to the provisions hereof, with interest from date of expenditure at the same rate as is provided for in the note or notes secured by this Mortgage. In the event that such sums are not immediately paid, they shall be added, along with the appropriate amount of capital stock or participation certificates, to the principal balance of the indebtedness secured hereby and shall accrue interest as herein set forth. All such sums shall be secured hereby.
9. Environmental Representations, Warranties and Covenants.
 - (a) Except as disclosed in writing to Mortgagee, or except as otherwise provided in any loan agreement between Mortgagee and Mortgagor which specifically refers to the Property, to the best knowledge of Mortgagor after due inquiry, Mortgagor hereby further represents, warrants and covenants as follows:
 - (i) No pollutants, contaminants (including oil or other petroleum products), toxic or hazardous substances, or solid or hazardous wastes, as such terms are defined under any federal, state or local Environmental Law, regulation or ordinance (hereinafter "Contaminants") have been, are being or will be generated, manufactured, produced, stored, disposed of, discharged, released threatened to be released, or otherwise allowed to migrate or escape on, under or from the Property in such quantities or concentrations as would violate any federal, state or local Environmental Law, regulation or ordinance or as would require Mortgagor to report such condition to any governmental authority or to undertake removal or remedial action to clean up such contaminants;
 - (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

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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 damages 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:

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(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;

(c) Mortgagor will take such timely action as may be required to cause the renewal or reissuance of said grazing permits or other rights from time to time as they expire during the term thereof. Mortgagor agrees and acknowledges that the failure to renew or cause the reissuance of any said permits for any reason, whether the result of an act or omission of Mortgagor or for reasons beyond Mortgagor's control, is an event of default hereunder and Mortgagee shall have the right to exercise the rights hereinafter set forth in this Mortgage; and

(d) Mortgagor agrees to pay all fees, charges, rents or other payments accruing under said permits or any renewals thereof prior to delinquency. In the event Mortgagor fails to pay any such payment, the amount unpaid shall become a part of the indebtedness secured by this Mortgage and shall be immediately due and payable.

B IT IS MUTUALLY AGREED THAT:

1. Any award of damages in connection with any taking or condemnation or injury to the Property by reason of public use, or for damages resulting from private trespass or injury to the Property, is absolutely and unconditionally assigned and shall be paid to Mortgagee, under the terms and conditions of this Mortgage pertaining to Rents. Upon receipt of such money Mortgagee may apply the same on the indebtedness secured hereby. Mortgagor agrees to execute such further documents as may be required to effect the assignments herein made as Mortgagee may require.
2. At any time, without affecting the liability of any person for the payment of the indebtedness secured hereby, and without otherwise affecting the security hereof, Mortgagee may (a) consent to or join in the making of any map or plat of the Property; (b) grant any easement or create any restriction thereof; (c) subordinate this Mortgage; (d) extend or modify the term of the loan or loans secured hereby; and (e) release without warranty, all or any part of the Property.
3. Prior to any default by Mortgagor in the payment, observance, performance and discharge of any condition, obligation, covenant, or agreement of Mortgagor contained herein, Mortgagor may, for collection and distribution purposes only, collect and receive the Rents as they come due and payable; the Rents are to be applied by Mortgagor to the payment of the principal and interest and all other sums due or payable on any promissory note or guaranty secured by this Mortgage and to the payment of all other sums payable under this Mortgage and, thereafter, so long as the aforesaid has occurred, the balance shall be distributed to the account of Mortgagor. Upon any such default, Mortgagee may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Property or any part thereof, in his own name, sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Mortgagee may determine; also perform such acts of repair, cultivation, irrigation or protection, as may be necessary or proper to conserve the value of the Property; also lease the same or any part thereof for such rental, term, and upon such conditions as its judgment may dictate; also prepare for harvest, remove, and sell any crops that may be growing upon the Property, and apply the proceeds thereof upon the indebtedness secured hereby.
4. The entering upon and taking possession of the Property, the collection of such rents, issues, and profits, or the proceeds of fire and other insurance policies, or compensation or awards for any taking of or damage to the Property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.
5. Upon default by Mortgagor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, all sums secured hereby shall immediately become due and payable at the option of the Mortgagee and in accordance with applicable state law. In the event of default, Mortgagee may employ counsel to enforce payment of the obligations secured hereby, may foreclose and, if applicable, sell the Property by advertisement and sale, and in accordance with other applicable state law, and may exercise such other rights and remedies granted by law and equity, which rights and remedies shall be cumulative and not exclusive. Mortgagee may resort to and realize upon the security hereunder and any other real or personal property security now or hereafter held by Mortgagee for the obligations secured hereby in such order and manner as Mortgagee may, in its sole discretion, determine. Resort to any or all such security may be taken concurrently or successively and in one or several consolidated or independent judicial actions or lawful nonjudicial proceedings, or both. If the obligation secured by this Mortgage is also secured by personal property, fixtures or crops, Mortgagee may enforce its security interest in the personal property, fixtures and crops and its lien under this Mortgage in any manner and in any order or sequence permitted by applicable law. All remedies are cumulative and none are exclusive; no election by Mortgagee to pursue one remedy or item of collateral shall be deemed to be a release or waiver of any other item of collateral or a release or modification of the liability of Mortgagor or any guarantor to pay and perform in full all obligations to Mortgagee. The procedures governing the enforcement by Mortgagee of its foreclosure and provisional remedies against Mortgagor shall be governed by the laws of the state in which the Property is located. Nothing contained herein shall be construed to provide that the substantive law of the state in which the Property is located shall apply to Mortgagee's rights and Mortgagor's obligations hereunder or under the promissory note(s) or guaranties described herein, which are and shall continue to be governed by the substantive law of the state in which the promissory note(s) or guaranties were executed.
6. The failure on the part of the Mortgagee to promptly enforce any right hereunder shall not operate as a waiver of such right and the waiver by Mortgagee of any default shall not constitute a waiver of any other subsequent defaults. Subsequent acceptance of any

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payment by the holder hereof shall not be deemed a waiver of any default by Mortgagor, or of Mortgagee's rights hereunder as the result of any sale, agreement to sell, conveyance, or alienation, regardless of holder's knowledge of such default, sale, agreement to sell, conveyance, or alienation at the time of acceptance of such payment.

7. This Mortgage applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Mortgage shall mean the holder and owner of any note secured hereby; or, if the note has been pledged, the pledgee thereof. In this Mortgage, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural. All obligations of Mortgagor hereunder are joint and several.
8. (a) In the event the herein-described Property, or any part thereof, or any interest therein, is sold, agreed to be sold, conveyed, alienated or transferred, including any water transfer as defined in subsection (b) below, by Mortgagor, or by operation of law or otherwise, except by inheritance, without Mortgagee's prior written consent, all obligations secured hereby, irrespective of the maturity dates, at the option of the holder hereof, and without demand or notice, shall immediately become due and payable. Failure to exercise such option shall not constitute a waiver of the right to exercise this option in the event of subsequent sale, agreement to sell, conveyance or alienation.

(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.

Signature(s):

C3'S RANCH, LLC, an Idaho Limited Liability Company

By: Thomas W. Close Manager
Thomas W. Close, Manager

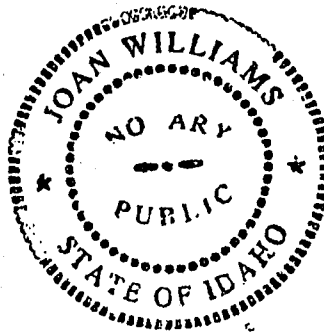
By: Julie A. Close Manager
Julie A. Close, Manager

Notary Acknowledgment:

STATE OF IDAHO)
COUNTY OF ONEIDA) ss.

On this 20th day of December, 2002, before me, the undersigned Notary Public in and for said County and State, personally appeared THOMAS W. CLOSE; JULIE A. CLOSE [() personally known to me] [() proved to me on the basis of satisfactory evidence] to be the person(s) who executed the within instrument as MANAGERS of the Limited Liability Company therein named, on behalf of the Limited Liability Company, and acknowledged to me that the Limited Liability Company executed it.

WITNESS my hand and official seal



Joan Williams
Notary Public in and for said County and State
Residing at MAIAD City, ID
Comm. Expires: 5-6-2003

20228012

7-7
EXHIBIT A

PARCEL 1: Township 12 South, Range 35 East, Boise Meridian

Section 16: W1/2 NW1/4, SE1/4NW1/4

Section 17: SW1/4SE1/4

Section 18: Commencing at the SW corner of the SE1/4; thence East 30 rods; thence North 20 rods; thence West 30 rods; thence South 20 rods to the place of beginning. T-162, T-2781, T-1255

Section 19: E1/2NW1/4; NE1/4; T-928; EXCEPT: Commencing at a point in the center of County Road, 22 rods West of the NE corner of the NW1/4NE1/4 of Section 19; thence South 22 rods; thence West 20 rods; thence North 22 rods; thence East 20 rods.

Section 20: NW1/4; NW1/4NE1/4

PARCEL 2: Township 11 South, Range 35 East, Boise Meridian

Section 15: SW1/4SE1/4; SW1/4

Section 21: E1/2NE1/4

Section 22: NW1/4; S1/2; W1/2NE1/4; SE1/4NE1/4

Section 23: NW1/4NW1/4; S1/2NW1/4; SW1/4

Section 27: All

Section 28: E1/2NE1/4

PARCEL 3: The Northeast Quarter of the Northwest Quarter, Section 23, Township 11 South, Range 35 East Boise Meridian.

TAX PARCEL NUMBERS:

RP-0204300

RP-0205900

RP-0206100

RP-0206200

RP-0206800

RP-0206900

RP-0213300

RP-0213800

RP-0214200

RP-0214300

RP-0214400

RP-0214500

RP-0215000

R4429001400

TOGETHER WITH THE FOLLOWING WATER RIGHTS REGISTERED WITH THE STATE OF IDAHO DIVISION OF WATER RESOURCES: WUC#15-7006

ALSO TOGETHER WITH ALL U.S. FORESTRY GRAZING PRIVILEGES IN THE EAST DANIELS CATTLE ALLOTMENT IN THE CARIBOU NATIONAL FOREST

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

RECEIVED
MAR 01 2004
Department of Water Resources

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): 15-7006
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
WESTERN AGCREDIT, FLCA
P.O. BOX 95850
SOUTH JORDAN, UT 84095
4. Name of Water Right Owner/Claimant(s)
C3'S RANCH, LLC
5. Expiration Date of Notification Period 01/01/2023
6. Is this a Renewal of Request for Notification? ☐ YES ☒ NO
7. Signature(s) (and title if applicable)
[Signature]
ASSISTANT VICE PRESIDENT

For Office Use Only

Received by *M*

Date

3-1-04

Fee

\$25.00

Receipted by *M*

Date

3-1-04

Receipt No.

0072864

Processed by _____

AJ

Date

WR

Date

INSTRUCTIONS

This form has been prepared to assist persons having a security interest in a water right to request notification from the Department of Water Resources (IDWR) regarding any change in ownership of the water right or of any proposed or final action to amend, transfer or otherwise modify the water right as provided in Section 42-248(6), **Idaho Code**. The filing of a request for notification is a voluntary action by the holder of the security interest and is not required by law.

1. Please enter the water right or adjudication claim number(s) at **Item 1**. If you believe there are water rights for the property but the numbers are unknown, you may wish to contact IDWR for assistance in identifying the water rights for the property in question. If claims for the rights are required, and have not been filed, IDWR will so advise you.
2. The information described at **Item 2** is required, since IDWR cannot process the request without documentation of a security interest. Common types of documentation are shown.
3. The name, mailing address, and telephone number of the person or company desiring notification is entered at **Item 3**.
4. At **Item 4**, please provide the name of the owner/claimant of the water right(s) listed.
5. At **Item 5**, please enter expiration date of the security interest or other date defining the end of the period for which notification is requested. The notification period can be renewed by completing a new form with the appropriate fees as shown below. If the security interest is terminated prior to the expiration date requested, the holder must notify IDWR within 60 days of termination.
6. At **Item 6**, please indicate if this is a renewal of a prior notice.
7. The person(s) desiring notification must sign the form in the space(s) provided at **Item 7**. For corporations or other organizations, the person signing must be an officer of the corporation or otherwise have authority to sign for the organization and must include their title with the signature.
8. Include the appropriate filing fee. There is a fee of \$25.00 per water right or adjudication claim. Renewals, if necessary, are also \$25.00 per water right or adjudication claim.
9. When complete, you should retain a copy and return the completed original form to the IDWR office nearest you:

IDWR Western Region
2735 Airport Way
Boise, ID 83705-5082
(208) 334-2190

IDWR Southern Region
1341 Fillmore St., Suite 200
Twin Falls, ID 83301-3380
(208) 736-3033

IDWR Northern Region
1910 Northwest Blvd., Suite 210
Coeur d'Alene, ID 83814-2615
(208) 769-1450

IDWR Eastern Region
900 N. Skyline Dr., Suite A
Idaho Falls, ID 83402-1718
(208) 525-7161



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Boise, ID 83706 - P.O. Box 83720, Boise, ID 83720-0098
Phone: (208) 327-7900 Fax: (208) 327-7866 Web Site: www.idwr.state.id.us

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

March 8, 2004

JOHN C HILL
PO BOX 174-A
MALAD CITY ID 83252

RE: Change of Ownership for Water Right 15-7006

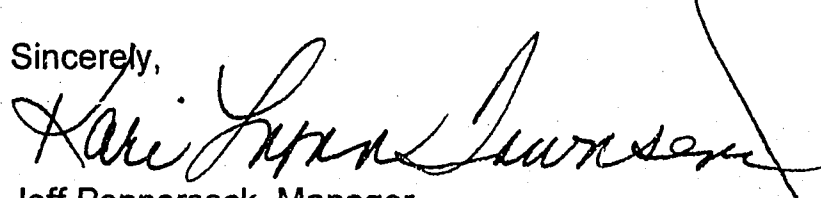
Dear Water Right Holder(s):

The department acknowledges receipt of correspondence adding a Security Interest to the ownership of the above referenced water right to Western AgCredit, FLCA. The department has modified its records to reflect the change in ownership and has enclosed a computer-generated report for your records.

Please note that as of July 1, 1996, water right owners are required to report any change of water right ownership and any change of mailing address of the owner of a water right to the department. Notice of the change must be provided to the department within 120 days of the change. Change reporting forms are available from any office of the department.

Please feel free to contact this office if you have any questions regarding this matter.

Sincerely,


Jeff Peppersack, Manager
Water Right Permits Section

JP:klt

Enclosure

cc: WESTERN AG CREDIT FLCA (Receipt #C072864 enclosed)
PO BOX 95850
SOUTH JORDAN UT 84095