IDAHO DEPARTMENT OF
WATER RESOURCES

322 E Front Street, Suite 648, Boise ID 83702 • PO Box 83720, Boise ID 83720-0098
Phone: 208-287-4800 • Fax: 208-287-6700 • Email: idwrinfo@idwr.idaho.gov • Website: idwr.idaho.gov

Governor Brad Little **Director Gary Spackman**

RETURNED

September 07, 2023

D L EVANS BANK
PO BOX 64
RIGBY ID 83442-0064

RE: Security Interest Water Right No(s): 1-10607 & 1-10490

Dear Interested Parties:

The Idaho Department of Water Resources (Department) received a Notice of Security Interest (Notice) from you on May 18, 2023 for the above referenced water rights. The Notice could not be processed because water rights 1-10607 and 1-10490 are not appurtenant to any property listed as real property on the mortgage document that was provided.

The Department is returning your Notice of Security Interest and the attachments. The Department is also returning the Notice of Change in Water Right Ownership you submitted on behalf of Bear Crest Limited, LLC. A refund of $100 has been requested and will be mailed to D L Evans Bank under separate cover from the Idaho State Controller's Office.

If you have any questions regarding this matter, please contact me at (208) 287-4942.

Sincerely,

Jean Hersley
Technical Records Specialist 2

Enclosure(s)

c: Bear Crest Limited LLC

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Form 42-248(9) 3/22

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RECEIVED

MAY 18 2023

DEPARTMENT OF WATER RESOURCES

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

Notice of Security Interest in a Water Right

and a request to be notified of a change in ownership or any proposed or final action to amend, transfer, or otherwise modify the water right(s)

Attach pages with additional information. Incomplete forms will be returned.

DE

1.

Water Right/Claim No.	Water Right/Claim No.	Water Right/Claim No.	Water Right/Claim No.
1-10490			
1-10607			

2. The following **REQUIRED** information must be submitted with this form:

   A) Evidence of the security interest. This may be a copy of a **DEED of TRUST, MORTGAGE, CONTRACT OF SALE** or other legal document indicating your interest in the property and water rights or claims in question, **WITH ATTACHED LEGAL DESCRIPTION**.

   B) A **FEE** of **$25.00 per** water right or adjudication claim.

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

   D. L. Evans Bank
   135 Farnsworth Way
   PO Box 64
   Rigby ID 83442
   Phone (208) 745-8107
   Email Danna.Beckman@dlevans.com

4. Name of Water Right Owner/Claimant(s) Bear Crest Limited LLC

5. Expiration Date of Notification Period 12/10/2043

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

7. Signature(s) of Security Interest Holder(s)

   Title, if applicable Danna Beckman, VP/ Branch Manager

For Office Use Only

Receipted by KM Date 5.18.23 Receipt No. C116277 Fee $ 50.00

Processed by AJ _____ Date _____ WR _____ Date _____

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RECORDATION REQUESTED BY:
D. L. Evans Bank
Rigby Branch
P. O. Box 64
135 Farnsworth Way
Rigby, ID 83442

WHEN RECORDED MAIL TO:
D. L. Evans Bank
Rigby Branch
P. O. Box 64
135 Farnsworth Way
Rigby, ID 83442

SEND TAX NOTICES TO:
Bear Crest Limited LLC
PO Box 413
Rexburg, ID 83440

Microfile No. 455648
6 DAY Apr 2023
At 02 O'Clock 31 PM
KIM H. MUIR
MADISON CO RECORDER
Fee $45.00
Deputy
Recorded at Request of
FLYING S TITLE AND ESCROW - REXI

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

Flying S Title & Escrow

1086425-RX

MORTGAGE

THIS MORTGAGE dated April 5, 2023, is made and executed between Bear Crest Limited LLC, an Idaho limited liability company (referred to below as "Grantor") and D. L. Evans Bank, whose address is P. O. Box 64, 135 Farnsworth Way, Rigby, ID 83442 (referred to below as "Lender").

GRANT OF MORTGAGE. For valuable consideration, Grantor mortgages, grants, bargains, sells and conveys to Lender all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights, watercourses and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, **(the "Real Property") located in Madison County, State of Idaho:**

PARCEL 4:
A PARCEL OF LAND SITUATED IN MADISON COUNTY, STATE OF IDAHO, TOWNSHIP 5 NORTH, RANGE 39 EAST OF THE BOISE MERIDIAN, SECTION 28, MORE PARTICULARLY DESCRIBED AS FOLLOWS:
BEGINNING AT THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER (SE¼) OF THE NORTHEAST QUARTER (NE¼) OF SECTION 28, TOWNSHIP 5 NORTH, RANGE 39 EAST OF THE BOISE MERIDIAN, SAID POINT ALSO BEING THE NORTHEAST CORNER OF LOT 4, SAID POINT ALSO BEING THE TRUE POINT OF BEGINNING.
THENCE S.00°14'02"E. FOR A DISTANCE OF 1134.50 FEET TO THE WEST RIGHT-OF-WAY LINE OF U.S. HIGHWAY 191-20;
THENCE S.30°18'51"W. ALONG SAID WEST RIGHT-OF-WAY LINE FOR A DISTANCE OF 215.16 FEET, SAID POINT ALSO BEING THE SOUTHEAST CORNER OF LOT 4 AND THE NORTHEAST CORNER OF LOT 3;
THENCE S.89°44'11"W. BETWEEN LOTS 3 AND 4 FOR A DISTANCE OF 847.40 FEET, SAID POINT BEING THE SOUTHWEST CORNER OF LOT 4 AND THE NORTHWEST CORNER OF LOT 3, SAID POINT ALSO BEING A CLOSING CORNER ON THE EAST AND WEST CENTER LINE OF SECTION 28 ON THE RESTORED ORIGINAL MENDER LINE FOR THE RIGHT BANK OF THE SNAKE RIVER
THENCE N.23°42'03"W. ALONG SAID MEANDER LINE FOR A DISTANCE OF 156.39 FEET, SAID POINT BEING CALLED ANGLE POINT NUMBER 3 ON THE RESTORED ORIGINAL MEANDER LINE FOR THE RIGHT BANK OF THE SNAKE RIVER;
THENCE N.50°17'53"W. ALONG SAID MEANDER LINE FOR A DISTANCE OF 369.36 FEET, SAID POINT BEING A CLOSING CORNER ON THE NORTH AND SOUTH CENTER LINE OF THE NORTHEAST QUARTER (NE¼) OF SECTION 28, SAID POINT ALSO BEING ON THE WEST LINE OF LOT 4;
THENCE N.01°09'34"W. ALONG SAID WEST LINE FOR A DISTANCE OF 942.47 FEET TO AN EXISTING B.L.M. BRASS CAP, SAID POINT BEING THE NORTHWEST CORNER OF LOT 4 AND ALSO THE NORTHWEST CORNER OF THE SOUTHEAST QUARTER (SE¼) OF THE NORTHEAST QUARTER (NE¼) OF SECTION 28;
THENCE N.89°52'58"E. FOR A DISTANCE OF 1317.48 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 5:
A PARCEL OF LAND SITUATED IN MADISON COUNTY, STATE OF IDAHO, TOWNSHIP 5 NORTH, RANGE 39 EAST OF THE BOISE MERIDIAN, SECTION 28, MORE PARTICULARLY DESCRIBED AS FOLLOWS:
BEGINNING AT THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER (SE¼) OF THE NORTHEAST QUARTER (NE¼) OF SECTION 28, TOWNSHIP 5 NORTH, RANGE 39 EAST OF THE BOISE MERIDIAN, SAID POINT ALSO BEING THE NORTHEAST CORNER OF LOT 4,
THENCE S.00°14'02"E. FOR A DISTANCE OF 1134.50 FEET TO THE WEST RIGHT-OF-WAY LINE OF U.S. HIGHWAY 191-20,
THENCE S.30°18'51"W. ALONG SAID WEST RIGHT-OF-WAY LINE FOR A DISTANCE OF 215.16 FEET, SAID POINT ALSO BEING THE SOUTHEAST CORNER OF LOT 4 AND THE NORTHEAST CORNER OF LOT 3, SAID POINT ALSO BEING THE TRUE POINT OF BEGINNING.
THENCE S.30°18'51"W. ALONG SAID WEST RIGHT-OF-WAY LINE FOR A DISTANCE OF 531.79 FEET TO AN EXISTING RIGHT OF WAY MARKER; THENCE S.41°37'27"W. ALONG SAID WEST RIGHT-OF-WAY LINE FOR A DISTANCE OF 152.97 FEET TO AN EXISTING RIGHT-OFWAY MARKER
THENCE S.30°18'51"W. ALONG SAID WEST RIGHT-OF-WAY LINE FOR A DISTANCE OF 266.84 FEET TO AN EXISTING B.L.M. BRASS CAP, SAID CORNER BEING A WITNESS POINT ON THE RESTORED ORIGINAL MEANDER LINE FOR THE RIGHT BANK OF THE SNAKE RIVER;
THENCE N.19°23'52"W. ALONG SAID MEANDER LINE FOR A DISTANCE OF 103.13 FEET TO AN EXISTING B.L.M. BRASS CAP, SAID CORNER BEING ANGLE POINT NUMBER 2 ON THE RESTORED ORIGINAL MEANDER LINE FOR THE RIGHT BANK OF THE SNAKE RIVER;
THENCE N.23°42'03"W. ALONG SAID MEANDER LINE FOR A DISTANCE OF 767.32 FEET, SAID POINT BEING A CLOSING CORNER ON THE EAST AND WEST CENTER LINE OF SECTION 28 ON THE RESTORED ORIGINAL MEANDER LINE FOR THE RIGHT BANK OF THE SNAKE RIVER;
THENCE N.89°44'11"E. BETWEEN LOTS 3 AND 4 FOR A DISTANCE OF 847.40 FEET TO THE TRUE POINT OF BEGINNING.

Together with the water rights represented by Idaho State Department of Water Resources Water Right No.1-10489 with a claimed priority of June 1, 1887 to 0.50 cfs of Irrigation from the waters of Snake River, a tributary of the Columbia River together with any and all other water rights and ditch rights appurtenant to the

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above described premises.

Together with the water rights represented by Idaho State Department of Water Resources Water Right No.1-319-A with a claimed priority of April 1, 1939 to 0.93 cfs of Irrigation from the waters of Snake River, a tributary of the Columbia River together with any and all other water rights and ditch rights appurtenant to the above described premises.

Together with the water rights represented by Idaho State Department of Water Resources Water Right No. 22-14439 with a claimed priority of April 22, 1979 to 0.03 cfs of Irrigation from Groundwater and 0.01 cfs of Commercial from Groundwater together with any and all other water rights and ditch rights appurtenant to the above described premises.

Together with the water rights represented by Idaho State Department of Water Resources Water Right No. 22-14440 with a claimed priority of December 6, 2021 to 1.22 cfs Commercial from Groundwater together with any and all other water rights and ditch rights appurtenant to the above described premises.

Together with all irrigation equipment and additions thereto and replacements thereof now owned or hereafter acquired by the Grantors and used in the irrigation of the above premises, including but not limited to pumps, pipe, casing, motor and electrical panels and accessories

The Real Property or its address is commonly known as RP05N39E281801, Rexburg, ID 83440. The Real Property tax identification number is RP05N39E281801.

Grantor presently assigns to Lender all of Grantor's right, title, and interest in and to all present and future leases of the Property and all Rents from the Property. In addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.

THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE NOTE, THE RELATED DOCUMENTS, AND THIS MORTGAGE. THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS ALSO GIVEN TO SECURE ANY AND ALL OF BORROWER'S OBLIGATIONS UNDER THAT CERTAIN CONSTRUCTION LOAN AGREEMENT BETWEEN BORROWER AND LENDER OF EVEN DATE HEREWITH. ANY EVENT OF DEFAULT UNDER THE CONSTRUCTION LOAN AGREEMENT, OR ANY OF THE RELATED DOCUMENTS REFERRED TO THEREIN, SHALL ALSO BE AN EVENT OF DEFAULT UNDER THIS MORTGAGE. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

GRANTOR'S WAIVERS. Grantor waives all rights or defenses arising by reason of any "one action" or "anti-deficiency" law, or any other law which may prevent Lender from bringing any action against Grantor, including a claim for deficiency to the extent Lender is otherwise entitled to a claim for deficiency, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale.

GRANTOR'S REPRESENTATIONS AND WARRANTIES. Grantor warrants that: (a) this Mortgage is executed at Borrower's request and not at the request of Lender; (b) Grantor has the full power, right, and authority to enter into this Mortgage and to hypothecate the Property; (c) the provisions of this Mortgage do not conflict with, or result in a default under any agreement or other instrument binding upon Grantor and do not result in a violation of any law, regulation, court decree or order applicable to Grantor; (d) Grantor has established adequate means of obtaining from Borrower on a continuing basis information about Borrower's financial condition; and (e) Lender has made no representation to Grantor about Borrower (including without limitation the creditworthiness of Borrower).

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Mortgage, Borrower shall pay to Lender all Indebtedness secured by this Mortgage as it becomes due, and Borrower and Grantor shall strictly perform all Borrower's and Grantor's obligations under this Mortgage.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Borrower and Grantor agree that Borrower's and Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until the occurrence of an Event of Default, Grantor may (1) remain in possession and control of the Property; (2) use, operate or manage the Property; and (3) collect the Rents from the Property. The following provisions relate to the use of the Property or to other limitations on the Property.

Duty to Maintain. Grantor shall maintain the Property in tenantable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Compliance With Environmental Laws. Grantor represents and warrants to Lender that: (1) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from the Property; (2) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (a) any breach or violation of any Environmental Laws, (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Property by any prior owners or occupants of the Property, or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (3) Except as previously disclosed to and acknowledged by Lender in writing, (a) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from the Property; and (b) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation all Environmental Laws. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Mortgage. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws; and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Mortgage or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the same was or should have been known to Grantor. The provisions of this section of the Mortgage, including the obligation to indemnify and defend, shall survive the payment of the Indebtedness and the satisfaction and reconveyance of the lien of this Mortgage and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

Nuisance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), coal, clay, scoria, soil, gravel or rock products without Lender's prior written consent.

Removal of Improvements. Grantor shall not demolish or remove any Improvements from the Real Property without Lender's prior written consent. As a condition to the removal of any Improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such Improvements with Improvements of at least equal value.

Lender's Right to Enter. Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Real Property for purposes of Grantor's compliance with the terms and conditions of this Mortgage.

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans With Disabilities Act. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Grantor agrees neither to abandon or leave unattended the Property. Grantor shall do all other acts, in addition to those

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acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

CONSTRUCTION LOAN. If some or all of the proceeds of the loan creating the Indebtedness are to be used to construct or complete construction of any Improvements on the Property, the Improvements shall be completed no later than the maturity date of the Note (or such earlier date as Lender may reasonably establish) and Grantor shall pay in full all costs and expenses in connection with the work. Lender will disburse loan proceeds under such terms and conditions as Lender may deem reasonably necessary to insure that the interest created by this Mortgage shall have priority over all possible liens, including those of material suppliers and workmen. Lender may require, among other things, that disbursement requests be supported by receipted bills, expense affidavits, waivers of liens, construction progress reports, and such other documentation as Lender may reasonably request.

DUE ON SALE - CONSENT BY LENDER. Lender may, at Lender's option, declare immediately due and payable all sums secured by this Mortgage upon the sale or transfer, without Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest in the Real Property; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of an interest in the Real Property. If any Grantor is a corporation, partnership or limited liability company, transfer also includes any restructuring of the legal entity (whether by merger, division or otherwise) or any change in ownership of more than twenty-five percent (25%) of the voting stock, partnership interests or limited liability company interests, as the case may be, of such Grantor. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by Idaho law.

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are part of this Mortgage:

Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, payroll taxes, special taxes, assessments, water charges and sewer service charges levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of any liens having priority over or equal to the interest of Lender under this Mortgage, except for those liens specifically agreed to in writing by Lender, and except for the lien of taxes and assessments not due as further specified in the Right to Contest paragraph.

Right to Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and reasonable attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Evidence of Payment. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

Notice of Construction. Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialmen's lien, or other lien could be asserted on account of the work, services, or materials and the cost exceeds $1,000.00. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Mortgage:

Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all Improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Grantor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Lender being named as additional insureds in such liability insurance policies. Additionally, Grantor shall maintain such other insurance, including but not limited to hazard, business interruption and boiler insurance as Lender may require. Policies shall be written by such insurance companies and in such form as may be reasonably acceptable to Lender. Grantor shall deliver to Lender certificates of coverage from each insurer containing a stipulation that coverage will not be cancelled or diminished without a minimum of fifteen (15) days' prior written notice to Lender and not containing any disclaimer of the insurer's liability for failure to give such notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Real Property be located in an area designated by the Administrator of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain flood insurance, if available, within 45 days after notice is given by Lender that the Property is located in a special flood hazard area, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan. Flood insurance may be purchased under the National Flood Insurance Program, from private insurers providing "private flood insurance" as defined by applicable federal flood insurance statutes and regulations, or from another flood insurance provider that is both acceptable to Lender in its sole discretion and permitted by applicable federal flood insurance statutes and regulations.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property if the estimated cost of repair or replacement exceeds $1,000.00. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at Lender's election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the Indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed Improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default under this Mortgage. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Mortgage, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the Indebtedness. If Lender holds any proceeds after payment in full of the Indebtedness, such proceeds shall be paid to Grantor as Grantor's interests may appear.

Grantor's Report on Insurance. Upon request of Lender, however not more than once a year, Grantor shall furnish to Lender a report on each existing policy of insurance showing: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured, the then current replacement value of such property, and the manner of determining that value; and (5) the expiration date of the policy. Grantor shall, upon request of Lender, have an independent appraiser satisfactory to Lender determine the cash value replacement cost of the Property.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Grantor fails to comply with any provision of this Mortgage or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Mortgage or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Mortgage also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon the occurrence of any

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Event of Default.

WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Mortgage:

Title. Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Mortgage, and (b) Grantor has the full right, power, and authority to execute and deliver this Mortgage to Lender.

Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Lender under this Mortgage, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

Compliance With Laws. Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Mortgage shall survive the execution and delivery of this Mortgage, shall be continuing in nature, and shall remain in full force and effect until such time as Borrower's Indebtedness shall be paid in full.

CONDEMNATION. The following provisions relating to condemnation proceedings are a part of this Mortgage:

Proceedings. If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments and documentation as may be requested by Lender from time to time to permit such participation.

Application of Net Proceeds. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the Indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees incurred by Lender in connection with the condemnation.

IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES. The following provisions relating to governmental taxes, fees and charges are a part of this Mortgage:

Current Taxes, Fees and Charges. Upon request by Lender, Grantor shall execute such documents in addition to this Mortgage and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Grantor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Mortgage, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Mortgage.

Taxes. The following shall constitute taxes to which this section applies: (1) a specific tax upon this type of Mortgage or upon all or any part of the Indebtedness secured by this Mortgage; (2) a specific tax on Borrower which Borrower is authorized or required to deduct from payments on the Indebtedness secured by this type of Mortgage; (3) a tax on this type of Mortgage chargeable against the Lender or the holder of the Note; and (4) a specific tax on all or any portion of the Indebtedness or on payments of principal and interest made by Borrower.

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Mortgage, this event shall have the same effect as an Event of Default, and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (1) pays the tax before it becomes delinquent, or (2) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to this Mortgage as a security agreement are a part of this Mortgage:

Security Agreement. This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Grantor shall take whatever action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. In addition to recording this Mortgage in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Mortgage as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall not remove, sever or detach the Personal Property from the Property. Upon default, Grantor shall assemble any Personal Property not affixed to the Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender to the extent permitted by applicable law.

Addresses. The mailing addresses of Grantor (debtor) and Lender (secured party) from which information concerning the security interest granted by this Mortgage may be obtained (each as required by the Uniform Commercial Code) are as stated on the first page of this Mortgage.

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-fact are a part of this Mortgage:

Further Assurances. At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Borrower's and Grantor's obligations under the Note, this Mortgage, and the Related Documents, and (2) the liens and security interests created by this Mortgage as first and prior liens on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or Lender agrees to the contrary in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

Attorney-in-Fact. If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

FULL PERFORMANCE. If Borrower and Grantor pay all the Indebtedness when due, and Grantor otherwise performs all the obligations imposed upon Grantor under this Mortgage, Lender shall execute and deliver to Grantor a suitable satisfaction of this Mortgage and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Grantor will pay, if permitted by applicable law, any reasonable termination fee as determined by Lender from time to time.

EVENTS OF DEFAULT. Each of the following, at Lender's option, shall constitute an Event of Default under this Mortgage:

Payment Default. Borrower fails to make any payment when due under the Indebtedness.

Default on Other Payments. Failure of Grantor within the time required by this Mortgage to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

Other Defaults. Borrower or Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this

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Mortgage or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower or Grantor.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or Grantor or on Borrower's or Grantor's behalf under this Mortgage or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Mortgage or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Death or Insolvency. The dissolution or termination of Borrower's or Grantor's existence as a going business, the insolvency of Borrower or Grantor, the appointment of a receiver for any part of Borrower's or Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower or Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or Grantor or by any governmental agency against any property securing the Indebtedness. This includes a garnishment of any of Borrower's or Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower or Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower or Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Breach of Other Agreement. Any breach by Borrower or Grantor under the terms of any other agreement between Borrower or Grantor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Borrower or Grantor to Lender, whether existing now or later.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the Indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of an Event of Default and at any time thereafter, Lender, at Lender's option, may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

Accelerate Indebtedness. Lender shall have the right at its option without notice to Borrower or Grantor to declare the entire Indebtedness immediately due and payable, including any prepayment penalty that Borrower would be required to pay.

UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

Collect Rents. Lender shall have the right, without notice to Borrower or Grantor, to take possession of the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Judicial Foreclosure. Lender may obtain a judicial decree foreclosing Grantor's interest in all or any part of the Property.

Nonjudicial Sale. If permitted by applicable law, Lender may foreclose Grantor's interest in all or in any part of the Personal Property or the Real Property by non-judicial sale.

Deficiency Judgment. If permitted by applicable law, Lender may obtain a judgment for any deficiency remaining in the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this section.

Tenancy at Sufferance. If Grantor remains in possession of the Property after the Property is sold as provided above or Lender otherwise becomes entitled to possession of the Property upon default of Borrower or Grantor, Grantor shall become a tenant at sufferance of Lender or the purchaser of the Property and shall, at Lender's option, either (1) pay a reasonable rental for the use of the Property, or (2) vacate the Property immediately upon the demand of Lender.

Other Remedies. Lender shall have all other rights and remedies provided in this Mortgage or the Note or available at law or in equity.

Sale of the Property. To the extent permitted by applicable law, Borrower and Grantor hereby waive any and all right to have the Property marshalled. In exercising its rights and remedies, Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property.

Notice of Sale. Lender shall give Grantor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition. Any sale of the Personal Property may be made in conjunction with any sale of the Real Property.

Election of Remedies. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Mortgage, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies. Nothing under this Mortgage or otherwise shall be construed so as to limit or restrict the rights and remedies available to Lender following an Event of Default, or in any way to limit or restrict the rights and ability of Lender to proceed directly against Grantor and/or Borrower and/or against any other co-maker, guarantor, surety or endorser and/or to proceed against any other collateral directly or indirectly securing the Indebtedness.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Mortgage, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees and title insurance, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

NOTICES. Any notice required to be given under this Mortgage, including without limitation any notice of default and any notice of sale shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when

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deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Mortgage. All copies of notices of foreclosure from the holder of any lien which has priority over this Mortgage shall be sent to Lender's address, as shown near the beginning of this Mortgage. Any party may change its address for notices under this Mortgage by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Mortgage:

Amendments. This Mortgage, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Mortgage. No alteration of or amendment to this Mortgage shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Annual Reports. If the Property is used for purposes other than Grantor's residence, Grantor shall furnish to Lender, upon request, a certified statement of net operating income received from the Property during Grantor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

Caption Headings. Caption headings in this Mortgage are for convenience purposes only and are not to be used to interpret or define the provisions of this Mortgage.

Governing Law. This Mortgage will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Idaho without regard to its conflicts of law provisions. This Mortgage has been accepted by Lender in the State of Idaho.

Choice of Venue. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of Jefferson County, State of Idaho.

Joint and Several Liability. All obligations of Borrower and Grantor under this Mortgage shall be joint and several, and all references to Grantor shall mean each and every Grantor, and all references to Borrower shall mean each and every Borrower. This means that each Grantor signing below is responsible for all obligations in this Mortgage. Where any one or more of the parties is a corporation, partnership, limited liability company or similar entity, it is not necessary for Lender to inquire into the powers of any of the officers, directors, partners, members, or other agents acting or purporting to act on the entity's behalf, and any obligations made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Mortgage.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Mortgage unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Mortgage shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Mortgage. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Mortgage, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Severability. If a court of competent jurisdiction finds any provision of this Mortgage to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Mortgage. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Mortgage shall not affect the legality, validity or enforceability of any other provision of this Mortgage.

Merger. There shall be no merger of the interest or estate created by this Mortgage with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Successors and Assigns. Subject to any limitations stated in this Mortgage on transfer of Grantor's interest, this Mortgage shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Mortgage and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Mortgage or liability under the Indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Mortgage.

Waive Jury. All parties to this Mortgage hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

Waiver of Homestead Exemption. Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Idaho as to all Indebtedness secured by this Mortgage.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Mortgage. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Mortgage shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Yellowstone Bear World Inc., Bear Crest Limited LLC, Courtney Nephi Ferguson and Michael David Ferguson and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Mortgage in the events of default section of this Mortgage.

Grantor. The word "Grantor" means Bear Crest Limited LLC.

Guaranty. The word "Guaranty" means the guaranty from guarantor, endorser, surety, or accommodation party to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Improvements. The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Lender to enforce Grantor's obligations under this Mortgage, together with interest on such amounts as provided in this Mortgage.

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Lender. The word "Lender" means D. L. Evans Bank, its successors and assigns.

Mortgage. The word "Mortgage" means this Mortgage between Grantor and Lender.

Note. The word "Note" means the promissory note dated April 5, 2023, **in the original principal amount of $750,000.00** from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. The maturity date of this Mortgage is January 5, 2024. **NOTICE TO GRANTOR: THE NOTE CONTAINS A VARIABLE INTEREST RATE.**

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property. However, should the Real Property be located in an area designated by the Administrator of the Federal Emergency Management Agency as a special flood hazard area, Personal Property is limited to only those items specifically covered (currently or hereafter) by Coverage A of the standard flood insurance policy issued in accordance with the National Flood Insurance Program or under equivalent coverage similarly issued by a private insurer to satisfy the National Flood Insurance Act (as amended).

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Mortgage.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness; except that the words do not mean any guaranty or environmental agreement, whether now or hereafter existing, executed in connection with the Indebtedness.

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MORTGAGE, AND GRANTOR AGREES TO ITS TERMS.

GRANTOR:

BEAR CREST LIMITED LLC

By: _____
Courtney Nephi Ferguson, Member of Bear Crest Limited LLC

By: _____
Michael David Ferguson, Manager of Bear Crest Limited LLC

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF Idaho)
) SS
COUNTY OF Jefferson)

This record was acknowledged before me on April 5, 2023 by Courtney Nephi Ferguson, Member of Bear Crest Limited LLC, an Idaho Limited Liability Company and Michael David Ferguson, Manager of Bear Crest Limited LLC, an Idaho Limited Liability Company, and Bear Crest Limited LLC, an Idaho Limited Liability Company, is the maker of the foregoing record.

DANNA BECKMAN NOTARY PUBLIC
STATE OF IDAHO
Expires: 05/01/2023

DANNA BECKMAN NOTARY PUBLIC
RESIDING AT IDAHO FALLS, IDAHO
MY COMMISSION EXPIRES: 5/1/2023

Notary Public in and for the State of Idaho

My commission expires _____

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RECORDATION REQUESTED BY:
D. L. Evans Bank
Rigby Branch
P. O. Box 64
135 Farnsworth Way
Rigby, ID 83442

WHEN RECORDED MAIL TO:
D. L. Evans Bank
Rigby Branch
P. O. Box 64
135 Farnsworth Way
Rigby, ID 83442

SEND TAX NOTICES TO:
Bear Crest Limited LLC
PO Box 413
Rexburg, ID 83440

Microfile No. 455649
6 DAY Apr 2023
At 02 O'Clock 31 PM
KIM H. MUIR
MADISON CO RECORDER
Fee $45.00
Deputy
Recorded at Request of
FLYING S TITLE AND ESCROW - REXI

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

Flying S Title & Escrow
1086425-RY

MORTGAGE

THIS MORTGAGE dated April 5, 2023, is made and executed between Bear Crest Limited LLC, an Idaho limited liability company (referred to below as "Grantor") and D. L. Evans Bank, whose address is P. O. Box 64, 135 Farnsworth Way, Rigby, ID 83442 (referred to below as "Lender").

GRANT OF MORTGAGE. For valuable consideration, Grantor mortgages, grants, bargains, sells and conveys to Lender all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights, watercourses and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, **(the "Real Property") located in Madison County, State of Idaho:**

PARCEL 1
A PARCEL OF LAND SITUATED IN MADISON COUNTY, STATE OF IDAHO, TOWNSHIP 5 NORTH, RANGE 39 EAST OF THE BOISE MERIDIAN, SECTION 28, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHEAST CORNER OF THE NORTHEAST QUARTER (NE¼) OF THE NORTHEAST QUARTER (NE¼) OF SECTION 28, TOWNSHIP 5 NORTH, RANGE 39 EAST, SAID POINT ALSO BEING THE TRUE POINT OF BEGINNING;
THENCE S.89°52'58" W. FOR A DISTANCE OF 1317.48 FEET TO THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER (NE¼) OF THE NORTHEAST QUARTER (NE¼) OF SECTION 28, TOWNSHIP 5 NORTH, RANGE 39 EAST;
THENCE S.89°30'15" W. FOR A DISTANCE OF 45.00 FEET TO THE CENTERLINE OF A DIKE, THE FOLLOWING CALLS BEING ALONG THE CENTERLINE OF SAID DIKE:
THENCE N.46°32'02" W. FOR A DISTANCE OF 413.63 FEET;
THENCE N.44°12'10" W. FOR A DISTANCE OF 228.47 FEET;
THENCE N.39°04'18" W. FOR A DISTANCE OF 138.17 FEET;
THENCE N.25°58'48" W. FOR A DISTANCE OF 144.51 FEET;
THENCE N.19°57'11" W. FOR A DISTANCE OF 115.38 FEET;
THENCE N.23°17'57" W. FOR A DISTANCE OF 468.59 FEET;
THENCE N.16°38'20" W. FOR A DISTANCE OF 92.93 FEET TO THE NORTH LINE OF SECTION 28;
THENCE N.89°45'22" E. FOR A DISTANCE OF 2218.33 TO THE NORTHEAST CORNER OF SECTION 28; TOWNSHIP 5 NORTH, RANGE 39 EAST; THENCE S.00°14'01" E. FOR A DISTANCE OF 1319.73 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 2
A PARCEL OF LAND SITUATED IN MADISON COUNTY, STATE OF IDAHO, TOWNSHIP 5 NORTH, RANGE 39 EAST OF THE BOISE MERIDIAN, SECTION 27, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER (NW¼) OF THE NORTHWEST QUARTER (NW¼) OF SECTION 27, TOWNSHIP 5 NORTH, RANGE 39 EAST, SAID POINT ALSO BEING THE TRUE POINT OF BEGINNING;
THENCE N.00°14'01" W. FOR A DISTANCE OF 1319.73 FEET TO THE NORTHWEST COMER OF SECTION 27, TOWNSHIP 5 NORTH, RANGE 39 EAST;
THENCE S.09°27'53" E. FOR A DISTANCE OF 94.38 FEET TO THE WEST RIGHT-OF-WAY OF A COUNTY ROAD;
THENCE S.24°53'55" E. ALONG SAID RIGHT-OF-WAY FOR A DISTANCE OF 568.93 FEET;
THENCE S.19°21'34" W. FOR A DISTANCE OF 753.16 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 3
A PARCEL OF LAND LYING WITHIN THE S½SW¼ OF SECTION 22 AND THE N½ NW¼ OF SECTION 27, TOWNSHIP 5 NORTH, RANGE 39 EAST, BOISE MERIDIAN, MADISON COUNTY, IDAHO, MORE PARTICULARLY DESCRIBED AS:
COMMENCING AT THE SW CORNER OF SAID SECTION 22, AS FILED FOR RECORD AT INSTRUMENT NO. 257665 IN THE OFFICE OF THE MADISON COUNTY RECORDER; THENCE N.00°20'33" W. ALONG THE WEST LINE OF SAID SECTION 22 A DISTANCE OF 33.00 FEET TO A US BLM BRASS CAP MONUMENT SET AS WITNESS CORNER TO SAID SW CORNER OF SECTION 22; THENCE N.85°23'45" E. A DISTANCE OF 61.14 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF BEAR WORLD ROAD, A PUBLIC ROAD, SAID POINT BEING THE POINT OF BEGINNING; THENCE ALONG THE FOLLOWING FIVE (5) COURSES:
1) N.68°30'20" E. 290.14 FEET;
2) N.74°32'40" E. 631.80 FEET;
3) N.73°18'30" E. 273.20 FEET;
4) N.67°51'30" E. 296.86 FEET;
5) N.60°17'00" E. 455.61 FEET;
THENCE S.30°20'16" W. ALONG THE WESTERLY RIGHT-OF-WAY LINE OF US HIGHWAY NO. 20, A LIMITED ACCESS PUBLIC HIGHWAY, A DISTANCE OF 2179.00 FEET TO AN IDAHO TRANSPORTATION DEPARTMENT BRASS CAP; THENCE ALONG THE SAID EASTERLY RIGHT-OF-WAY LINE OF BEAR WORLD ROAD THE FOLLOWING FIVE (5) COURSES:
1) N.59°39'44" W. 163.64 FEET;
2) N.51°02'59" W. 131.02 FEET;
3) N.33°49'29" W. 131.02 FEET;
4) N.25°12'44" W. 670.90 FEET;
5) 328.04 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 11°36'44", A RADIUS OF 1618.56 FEET, AND A CHORD WHICH BEARS N.19°24'22" W. 327.48 FEET TO THE POINT OF BEGINNING.

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EXCEPTING THEREFROM THIS PARCEL IS SITUATED IN A PORTION OF THE SE¼ OF THE SW¼ OF SECTION 22, TOWNSHIP 5 NORTH, RANGE 39 EAST OF THE BOISE MERIDIAN, MADISON COUNTY, IDAHO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:
COMMENCING AT THE NORTHWEST CORNER OF THE NW¼ OF THE NW¼ OF SAID SECTION 22 (NW SECTION CORNER), A RAILROAD SPIKE AS PER CP&F INSTRUMENT NO. 395432;
THENCE ALONG THE WEST BOUNDARY OF SAID NW¼ OF THE NW¼,
A) S.00°05'39" E., 1310.98 FEET TO THE NORTHWEST COMER OF THE S½ OF SAID NW¼ (N 1/16 W) AN ALUMINUM CAP AS PER CP&F INSTRUMENT NO. 286826; THENCE ALONG THE NORTH BOUNDARY OF THE S½ OF SAID NW¼,
B) S.89°54'55" E. 2651.82 FEET TO THE NORTHEAST CORNER OF SAID SE¼ OF THE NW¼ (CN 1/16); AN ALUMINUM CAP AS PER CP&F INSTRUMENT NO. 257663; THENCE,
C) S.00°00'00" E. 996.09 FEET; THENCE,
D) N.90°00'00" E. 510.71 FEET TO THE NORTHWESTERLY RIGHT OF WAY OF US-20; THENCE ALONG THE NORTHWESTERLY RIGHT-OF-WAY THE FOLLOWING FOUR (4) COURSES;
E) S.30°03'42" W. 1045.01 FEET; THENCE,
F) S.30°37'35" W. 867.12 FEET; THENCE,
G) S.25°16'50" W. 387.50 FEET; THENCE,
H) S.30°18'37" W. 282.00 TO THE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID NORTHWESTERLY RIGHT-OF-WAY;
I) S.30°18'37" W. 847.16 FEET; THENCE DEPARTING SAID RIGHT-OF-WAY,
J) N.89°55'57" W. 140.17 FEET TO A POINT CURVATURE; THENCE ALONG A CURVE TO THE LEFT,
K) HAVING AN ARC LENGTH OF 158.46 FEET, A RADIUS OF 593.00 FEET, THROUGH A CENTRAL ANGLE OF 15°18'36", AND A LONG CHORD WHICH BEARS N.37°57'55" E. 157.98 FEET; THENCE,
L) N.30°18'37" E. 587.52 FEET; THENCE,
M) N.60°15'21" E. 200.43 FEET TO THE POINT OF BEGINNING.
ALSO EXCEPTING THEREFROM THIS PARCEL IS SITUATED IN A PORTION OF THE NW¼ OF THE NW¼ AND THE NE¼ OF THE NW¼ OF SECTION 27, TOWNSHIP 5 NORTH, RANGE 39 EAST OF THE BOISE MERIDIAN, MADISON COUNTY, IDAHO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:
COMMENCING AT THE NORTHWEST CORNER OF THE NW¼ OF THE NW¼ OF SAID SECTION 22 (NW SECTION CORNER), A RAILROAD SPIKE AS PER CP&F INSTRUMENT NO. 395432; THENCE ALONG THE WEST BOUNDARY OF SAID NW¼ OF THE NW¼,
A) S.00°05'39" E., 1310.98 FEET TO THE NORTHWEST CORNER OF THE S½ OF SAID NW¼ (N 1/16 W) AN ALUMINUM CAP AS PER CP&F INSTRUMENT NO. 286826; THENCE ALONG THE NORTH BOUNDARY OF THE S½ OF SAID NW¼,
B) S.89°54'55" E. 2651.82 FEET TO THE NORTHEAST CORNER OF SAID SE¼ OF THE NW¼ (C.N. 1/16); AN ALUMINUM CAP AS PER CP&F INSTRUMENT NO. 257663; THENCE,
C) S.00°00'00" E. 996.09 FEET; THENCE,
D) N.90°00'00" E. 510.71 FEET TO THE NORTHWESTERLY RIGHT OF WAY OF US-20; THENCE ALONG SAID NORTHWESTERLY RIGHT-OF-WAY THE FOLLOWING FIVE (5) COURSES;
E) S.30°03'42" W. 1045.01 FEET; THENCE,
F) S.30°37'35" W. 867.12 FEET; THENCE,
G) S.25°16'50" W. 387.50 FEET; THENCE,
H) S.30°18'37" W. 282.00; THENCE,
I) S.30°18'37"W. 847.16 TO THE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID NORTHWESTERLY RIGHT-OF-WAY;
J) S.30°18'37" W. 137.78 FEET; THENCE DEPARTING SAID RIGHT-OF-WAY,
K) S.66°06'34" W. 1154.25 FEET; THENCE,
L) N.25°14'23" W. 100.03 FEET; THENCE,
M) N.66°06'34" E. 932.69 FEET TO A POINT OF CURVATURE; THENCE ALONG A CURVE TO THE LEFT, HAVING AN ARC LENGTH OF 212.06 FEET, A RADIUS OF 593.00 FEET THROUGH A CENTRAL ANGLE OF 20°29'21", AND A LONG CHORD BEARS N.55°51'54" E. 210.93 FEET TO A POINT OF NON-TANGENCY; THENCE,
N) S.89°55'57" E. 140.17 FEET TO THE POINT OF BEGINNING.

Together with the water rights represented by Idaho State Department of Water Resources Water Right No.1-10393 with a claimed priority of June 1, 1887 to 2.03 cfs of Irrigation from the waters of Snake River, a tributary of the Columbia River together with any and all other water rights and ditch rights appurtenant to the above described premises.

Together with the water rights represented by Idaho State Department of Water Resources Water Right No.1-10489 with a claimed priority of June 1, 1887 to 0.50 cfs of Irrigation from the waters of Snake River, a tributary of the Columbia River together with any and all other water rights and ditch rights appurtenant to the above described premises.

Together with the water rights represented by Idaho State Department of Water Resources Water Right No.1-10608 with a claimed priority of June 1, 1887 to 1.16 cfs of Irrigation from the waters of Snake River, a tributary of the Columbia River together with any and all other water rights and ditch rights appurtenant to the above described premises.

Together with the water rights represented by Idaho State Department of Water Resources Water Right No.1-319-A with a claimed priority of April 1, 1939 to 0.93 cfs of Irrigation from the waters of Snake River, a tributary of the Columbia River together with any and all other water rights and ditch rights appurtenant to the above described premises.

Together with the water rights represented by Idaho State Department of Water Resources Water Right No.1-10490 with a claimed priority of June 1, 1887 to 4.00 cfs of Irrigation from the waters of Snake River, a tributary of the Columbia River together with any and all other water rights and ditch rights appurtenant to the above described premises.

Together with the water rights represented by Idaho State Department of Water Resources Water Right No.1-10607 with a claimed priority of June 1, 1887 to 1.64 cfs of Irrigation from the waters of Snake River, a tributary of the Columbia River together with any and all other water rights and ditch rights appurtenant to the above described premises.

Together with the water rights represented by Idaho State Department of Water Resources Water Right No. 22-14439 with a claimed priority of April 22, 1979 to 0.03 cfs of Irrigation from Groundwater and 0.01 cfs of Commercial from Groundwater together with any and all other water rights and ditch rights appurtenant to the above described premises.

Together with the water rights represented by Idaho State Department of Water Resources Water Right No. 22-14440 with a claimed priority of December 6, 2021 to 1.22 cfs Commercial from Groundwater together with any and all other water rights and ditch rights appurtenant to the above described premises.

Together with all irrigation equipment and additions thereto and replacements thereof now owned or hereafter

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acquired by the Grantors and used in the irrigation of the above premises, including but not limited to pumps, pipe, casing, motor and electrical panels and accessories

The Real Property or its address is commonly known as RP05N39E280002, RP05N39E273073, and RP05N39E226002, Rexburg, ID 83440. The Real Property tax identification number is RP05N39E280002; RP05N39E273073; RP05N39E226002.

Grantor presently assigns to Lender all of Grantor's right, title, and interest in and to all present and future leases of the Property and all Rents from the Property. In addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.

THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE NOTE, THE RELATED DOCUMENTS, AND THIS MORTGAGE. THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS ALSO GIVEN TO SECURE ANY AND ALL OF BORROWER'S OBLIGATIONS UNDER THAT CERTAIN CONSTRUCTION LOAN AGREEMENT BETWEEN BORROWER AND LENDER OF EVEN DATE HEREWITH. ANY EVENT OF DEFAULT UNDER THE CONSTRUCTION LOAN AGREEMENT, OR ANY OF THE RELATED DOCUMENTS REFERRED TO THEREIN, SHALL ALSO BE AN EVENT OF DEFAULT UNDER THIS MORTGAGE. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

GRANTOR'S WAIVERS. Grantor waives all rights or defenses arising by reason of any "one action" or "anti-deficiency" law, or any other law which may prevent Lender from bringing any action against Grantor, including a claim for deficiency to the extent Lender is otherwise entitled to a claim for deficiency, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale.

GRANTOR'S REPRESENTATIONS AND WARRANTIES. Grantor warrants that: (a) this Mortgage is executed at Borrower's request and not at the request of Lender; (b) Grantor has the full power, right, and authority to enter into this Mortgage and to hypothecate the Property; (c) the provisions of this Mortgage do not conflict with, or result in a default under any agreement or other instrument binding upon Grantor and do not result in a violation of any law, regulation, court decree or order applicable to Grantor; (d) Grantor has established adequate means of obtaining from Borrower on a continuing basis information about Borrower's financial condition; and (e) Lender has made no representation to Grantor about Borrower (including without limitation the creditworthiness of Borrower).

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Mortgage, Borrower shall pay to Lender all Indebtedness secured by this Mortgage as it becomes due, and Borrower and Grantor shall strictly perform all Borrower's and Grantor's obligations under this Mortgage.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Borrower and Grantor agree that Borrower's and Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until the occurrence of an Event of Default, Grantor may (1) remain in possession and control of the Property; (2) use, operate or manage the Property; and (3) collect the Rents from the Property. The following provisions relate to the use of the Property or to other limitations on the Property.

Duty to Maintain. Grantor shall maintain the Property in tenantable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Compliance With Environmental Laws. Grantor represents and warrants to Lender that: (1) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from the Property; (2) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (a) any breach or violation of any Environmental Laws, (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Property by any prior owners or occupants of the Property, or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (3) Except as previously disclosed to and acknowledged by Lender in writing, (a) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from the Property; and (b) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation all Environmental Laws. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Mortgage. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws; and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Mortgage or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the same was or should have been known to Grantor. The provisions of this section of the Mortgage, including the obligation to indemnify and defend, shall survive the payment of the Indebtedness and the satisfaction and reconveyance of the lien of this Mortgage and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

Nuisance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), coal, clay, scoria, soil, gravel or rock products without Lender's prior written consent.

Removal of Improvements. Grantor shall not demolish or remove any Improvements from the Real Property without Lender's prior written consent. As a condition to the removal of any Improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such Improvements with Improvements of at least equal value.

Lender's Right to Enter. Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Real Property for purposes of Grantor's compliance with the terms and conditions of this Mortgage.

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans With Disabilities Act. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Grantor agrees neither to abandon or leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

CONSTRUCTION LOAN. If some or all of the proceeds of the loan creating the Indebtedness are to be used to construct or complete construction of any Improvements on the Property, the Improvements shall be completed no later than the maturity date of the Note (or such earlier date as Lender may reasonably establish) and Grantor shall pay in full all costs and expenses in connection with the work. Lender will disburse loan proceeds under such terms and conditions as Lender may deem reasonably necessary to insure that the interest created by this Mortgage shall have priority over all possible liens, including those of material suppliers and workmen. Lender may require, among other things, that disbursement requests be supported by receipted bills, expense affidavits, waivers of liens, construction progress reports, and such other documentation as Lender may reasonably request.

DUE ON SALE - CONSENT BY LENDER. Lender may, at Lender's option, declare immediately due and payable all sums secured by this Mortgage upon the sale or transfer, without Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest in the Real Property; whether legal, beneficial

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or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of an interest in the Real Property. If any Grantor is a corporation, partnership or limited liability company, transfer also includes any restructuring of the legal entity (whether by merger, division or otherwise) or any change in ownership of more than twenty-five percent (25%) of the voting stock, partnership interests or limited liability company interests, as the case may be, of such Grantor. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by Idaho law.

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are part of this Mortgage:

Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, payroll taxes, special taxes, assessments, water charges and sewer service charges levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of any liens having priority over or equal to the interest of Lender under this Mortgage, except for the Existing Indebtedness referred to in this Mortgage or those liens specifically agreed to in writing by Lender, and except for the lien of taxes and assessments not due as further specified in the Right to Contest paragraph.

Right to Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and reasonable attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Evidence of Payment. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

Notice of Construction. Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialmen's lien, or other lien could be asserted on account of the work, services, or materials and the cost exceeds $1,000.00. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Mortgage:

Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all Improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Grantor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Lender being named as additional insureds in such liability insurance policies. Additionally, Grantor shall maintain such other insurance, including but not limited to hazard, business interruption and boiler insurance as Lender may require. Policies shall be written by such insurance companies and in such form as may be reasonably acceptable to Lender. Grantor shall deliver to Lender certificates of coverage from each insurer containing a stipulation that coverage will not be cancelled or diminished without a minimum of fifteen (15) days' prior written notice to Lender and not containing any disclaimer of the insurer's liability for failure to give such notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Real Property be located in an area designated by the Administrator of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain flood insurance, if available, within 45 days after notice is given by Lender that the Property is located in a special flood hazard area, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan. Flood insurance may be purchased under the National Flood Insurance Program, from private insurers providing "private flood insurance" as defined by applicable federal flood insurance statutes and regulations, or from another flood insurance provider that is both acceptable to Lender in its sole discretion and permitted by applicable federal flood insurance statutes and regulations.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property if the estimated cost of repair or replacement exceeds $1,000.00. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at Lender's election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the Indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed Improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default under this Mortgage. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Mortgage, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the Indebtedness. If Lender holds any proceeds after payment in full of the Indebtedness, such proceeds shall be paid to Grantor as Grantor's interests may appear.

Compliance with Existing Indebtedness. During the period in which any Existing Indebtedness described below is in effect, compliance with the insurance provisions contained in the instrument evidencing such Existing Indebtedness shall constitute compliance with the insurance provisions under this Mortgage, to the extent compliance with the terms of this Mortgage would constitute a duplication of insurance requirement. If any proceeds from the insurance become payable on loss, the provisions in this Mortgage for division of proceeds shall apply only to that portion of the proceeds not payable to the holder of the Existing Indebtedness.

Grantor's Report on Insurance. Upon request of Lender, however not more than once a year, Grantor shall furnish to Lender a report on each existing policy of insurance showing: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured, the then current replacement value of such property, and the manner of determining that value; and (5) the expiration date of the policy. Grantor shall, upon request of Lender, have an independent appraiser satisfactory to Lender determine the cash value replacement cost of the Property.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Grantor fails to comply with any provision of this Mortgage or any Related Documents, including but not limited to Grantor's failure to comply with any obligation to maintain Existing Indebtedness in good standing as required below, or to discharge or pay when due any amounts Grantor is required to discharge or pay under this Mortgage or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Mortgage also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon the occurrence of any Event of Default.

WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Mortgage:

Title. Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in the Existing Indebtedness section below or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Mortgage, and (b) Grantor has the full right, power, and authority to execute and deliver this Mortgage to Lender.

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Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Lender under this Mortgage, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

Compliance With Laws. Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Mortgage shall survive the execution and delivery of this Mortgage, shall be continuing in nature, and shall remain in full force and effect until such time as Borrower's Indebtedness shall be paid in full.

EXISTING INDEBTEDNESS. The following provisions concerning Existing Indebtedness are a part of this Mortgage:

Existing Lien. The lien of this Mortgage securing the Indebtedness may be secondary and inferior to an existing lien. Grantor expressly covenants and agrees to pay, or see to the payment of, the Existing Indebtedness and to prevent any default on such indebtedness, any default under the instruments evidencing such indebtedness, or any default under any security documents for such indebtedness.

No Modification. Grantor shall not enter into any agreement with the holder of any mortgage, deed of trust, or other security agreement which has priority over this Mortgage by which that agreement is modified, amended, extended, or renewed without the prior written consent of Lender. Grantor shall neither request nor accept any future advances under any such security agreement without the prior written consent of Lender.

CONDEMNATION. The following provisions relating to condemnation proceedings are a part of this Mortgage:

Proceedings. If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments and documentation as may be requested by Lender from time to time to permit such participation.

Application of Net Proceeds. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the Indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees incurred by Lender in connection with the condemnation.

IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES. The following provisions relating to governmental taxes, fees and charges are a part of this Mortgage:

Current Taxes, Fees and Charges. Upon request by Lender, Grantor shall execute such documents in addition to this Mortgage and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Grantor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Mortgage, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Mortgage.

Taxes. The following shall constitute taxes to which this section applies: (1) a specific tax upon this type of Mortgage or upon all or any part of the Indebtedness secured by this Mortgage; (2) a specific tax on Borrower which Borrower is authorized or required to deduct from payments on the Indebtedness secured by this type of Mortgage; (3) a tax on this type of Mortgage chargeable against the Lender or the holder of the Note; and (4) a specific tax on all or any portion of the Indebtedness or on payments of principal and interest made by Borrower.

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Mortgage, this event shall have the same effect as an Event of Default, and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (1) pays the tax before it becomes delinquent, or (2) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to this Mortgage as a security agreement are a part of this Mortgage:

Security Agreement. This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Grantor shall take whatever action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. In addition to recording this Mortgage in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Mortgage as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall not remove, sever or detach the Personal Property from the Property. Upon default, Grantor shall assemble any Personal Property not affixed to the Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender to the extent permitted by applicable law.

Addresses. The mailing addresses of Grantor (debtor) and Lender (secured party) from which information concerning the security interest granted by this Mortgage may be obtained (each as required by the Uniform Commercial Code) are as stated on the first page of this Mortgage.

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-fact are a part of this Mortgage:

Further Assurances. At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Borrower's and Grantor's obligations under the Note, this Mortgage, and the Related Documents, and (2) the liens and security interests created by this Mortgage on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or Lender agrees to the contrary in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

Attorney-in-Fact. If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

FULL PERFORMANCE. If Borrower and Grantor pay all the Indebtedness when due, and Grantor otherwise performs all the obligations imposed upon Grantor under this Mortgage, Lender shall execute and deliver to Grantor a suitable satisfaction of this Mortgage and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Grantor will pay, if permitted by applicable law, any reasonable termination fee as determined by Lender from time to time.

EVENTS OF DEFAULT. Each of the following, at Lender's option, shall constitute an Event of Default under this Mortgage:

Payment Default. Borrower fails to make any payment when due under the Indebtedness.

Default on Other Payments. Failure of Grantor within the time required by this Mortgage to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

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Other Defaults. Borrower or Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Mortgage or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower or Grantor.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or Grantor or on Borrower's or Grantor's behalf under this Mortgage or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Mortgage or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Death or Insolvency. The dissolution or termination of Borrower's or Grantor's existence as a going business, the insolvency of Borrower or Grantor, the appointment of a receiver for any part of Borrower's or Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower or Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or Grantor or by any governmental agency against any property securing the Indebtedness. This includes a garnishment of any of Borrower's or Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower or Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower or Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Existing Indebtedness. The payment of any installment of principal or any interest on the Existing Indebtedness is not made within the time required by the promissory note evidencing such indebtedness, or a default occurs under the instrument securing such indebtedness and is not cured during any applicable grace period in such instrument, or any suit or other action is commenced to foreclose any existing lien on the Property.

Breach of Other Agreement. Any breach by Borrower or Grantor under the terms of any other agreement between Borrower or Grantor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Borrower or Grantor to Lender, whether existing now or later.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the Indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of an Event of Default and at any time thereafter, Lender, at Lender's option, may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

Accelerate Indebtedness. Lender shall have the right at its option without notice to Borrower or Grantor to declare the entire Indebtedness immediately due and payable, including any prepayment penalty that Borrower would be required to pay.

UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code

Collect Rents. Lender shall have the right, without notice to Borrower or Grantor, to take possession of the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Judicial Foreclosure. Lender may obtain a judicial decree foreclosing Grantor's interest in all or any part of the Property.

Nonjudicial Sale. If permitted by applicable law, Lender may foreclose Grantor's interest in all or in any part of the Personal Property or the Real Property by non-judicial sale.

Deficiency Judgment. If permitted by applicable law, Lender may obtain a judgment for any deficiency remaining in the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this section.

Tenancy at Sufferance. If Grantor remains in possession of the Property after the Property is sold as provided above or Lender otherwise becomes entitled to possession of the Property upon default of Borrower or Grantor, Grantor shall become a tenant at sufferance of Lender or the purchaser of the Property and shall, at Lender's option, either (1) pay a reasonable rental for the use of the Property, or (2) vacate the Property immediately upon the demand of Lender.

Other Remedies. Lender shall have all other rights and remedies provided in this Mortgage or the Note or available at law or in equity.

Sale of the Property. To the extent permitted by applicable law, Borrower and Grantor hereby waive any and all right to have the Property marshalled. In exercising its rights and remedies, Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property.

Notice of Sale. Lender shall give Grantor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition. Any sale of the Personal Property may be made in conjunction with any sale of the Real Property.

Election of Remedies. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Mortgage, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies. Nothing under this Mortgage or otherwise shall be construed so as to limit or restrict the rights and remedies available to Lender following an Event of Default, or in any way to limit or restrict the rights and ability of Lender to proceed directly against Grantor and/or Borrower and/or against any other co-maker, guarantor, surety or endorser and/or to proceed against any other collateral directly or indirectly securing the Indebtedness.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Mortgage, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any

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automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees and title insurance, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

NOTICES. Any notice required to be given under this Mortgage, including without limitation any notice of default and any notice of sale shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Mortgage. All copies of notices of foreclosure from the holder of any lien which has priority over this Mortgage shall be sent to Lender's address, as shown near the beginning of this Mortgage. Any party may change its address for notices under this Mortgage by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Mortgage:

Amendments. This Mortgage, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Mortgage. No alteration of or amendment to this Mortgage shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Annual Reports. If the Property is used for purposes other than Grantor's residence, Grantor shall furnish to Lender, upon request, a certified statement of net operating income received from the Property during Grantor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

Caption Headings. Caption headings in this Mortgage are for convenience purposes only and are not to be used to interpret or define the provisions of this Mortgage.

Governing Law. This Mortgage will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Idaho without regard to its conflicts of law provisions. This Mortgage has been accepted by Lender in the State of Idaho.

Choice of Venue. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of Jefferson County, State of Idaho.

Joint and Several Liability. All obligations of Borrower and Grantor under this Mortgage shall be joint and several, and all references to Grantor shall mean each and every Grantor, and all references to Borrower shall mean each and every Borrower. This means that each Grantor signing below is responsible for all obligations in this Mortgage. Where any one or more of the parties is a corporation, partnership, limited liability company or similar entity, it is not necessary for Lender to inquire into the powers of any of the officers, directors, partners, members, or other agents acting or purporting to act on the entity's behalf, and any obligations made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Mortgage.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Mortgage unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Mortgage shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Mortgage. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Mortgage, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Severability. If a court of competent jurisdiction finds any provision of this Mortgage to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Mortgage. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Mortgage shall not affect the legality, validity or enforceability of any other provision of this Mortgage.

Merger. There shall be no merger of the interest or estate created by this Mortgage with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Successors and Assigns. Subject to any limitations stated in this Mortgage on transfer of Grantor's interest, this Mortgage shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Mortgage and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Mortgage or liability under the Indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Mortgage.

Waive Jury. All parties to this Mortgage hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

Waiver of Homestead Exemption. Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Idaho as to all Indebtedness secured by this Mortgage.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Mortgage. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Mortgage shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Yellowstone Bear World Inc., Bear Crest Limited LLC, Courtney Nephi Ferguson and Michael David Ferguson and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Mortgage in the events of default section of this Mortgage.

Existing Indebtedness. The words "Existing Indebtedness" mean the indebtedness described in the Existing Liens provision of this Mortgage.

Grantor. The word "Grantor" means Bear Crest Limited LLC.

Guaranty. The word "Guaranty" means the guaranty from guarantor, endorser, surety, or accommodation party to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum

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and petroleum by-products or any fraction thereof and asbestos.

Improvements. The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Lender to enforce Grantor's obligations under this Mortgage, together with interest on such amounts as provided in this Mortgage.

Lender. The word "Lender" means D. L. Evans Bank, its successors and assigns.

Mortgage. The word "Mortgage" means this Mortgage between Grantor and Lender.

Note. The word "Note" means the promissory note dated April 5, 2023, **in the original principal amount of $750,000.00** from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. The maturity date of this Mortgage is January 5, 2024. **NOTICE TO GRANTOR: THE NOTE CONTAINS A VARIABLE INTEREST RATE.**

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property. However, should the Real Property be located in an area designated by the Administrator of the Federal Emergency Management Agency as a special flood hazard area, Personal Property is limited to only those items specifically covered (currently or hereafter) by Coverage A of the standard flood insurance policy issued in accordance with the National Flood Insurance Program or under equivalent coverage similarly issued by a private insurer to satisfy the National Flood Insurance Act (as amended).

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Mortgage.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness; except that the words do not mean any guaranty or environmental agreement, whether now or hereafter existing, executed in connection with the Indebtedness.

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MORTGAGE, AND GRANTOR AGREES TO ITS TERMS.

GRANTOR:

BEAR CREST LIMITED LLC

By: _____
Courtney Nephi Ferguson, Member of Bear Crest Limited LLC

By: _____
Michael David Ferguson, Manager of Bear Crest Limited LLC

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

DANNA BECKMAN NOTARY PUBLIC
RESIDING AT IDAHO FALLS, IDAHO
MY COMMISSION EXPIRES: 5/1/2023

STATE OF Idaho)
) SS
COUNTY OF Jefferson)

This record was acknowledged before me on April 5, 2023 by Courtney Nephi Ferguson, Member of Bear Crest Limited LLC, an Idaho Limited Liability Company and Michael David Ferguson, Manager of Bear Crest Limited LLC, an Idaho Limited Liability Company, and Bear Crest Limited LLC, an Idaho Limited Liability Company, is the maker of the foregoing record.

DANNA BECKMAN Comm. No. 69859 NOTARY PUBLIC Expires: 05/01/2023 STATE OF IDAHO

Notary Public in and for the State of Idaho

My commission expires _____

LaserPro, Ver. 23.1.0.039 Copr. Finastra USA Corporation 1997, 2023. All Rights Reserved. - ID g:\CFI\LPL\G03.FC TR-5017576 PR-14

IDAHO DEPARTMENT OF
WATER RESOURCES

322 E Front Street, Suite 648, Boise ID 83702 • PO Box 83720, Boise ID 83720-0098
Phone: 208-287-4800 • Fax: 208-287-6700 • Email: idwrinfo@idwr.idaho.gov • Website: idwr.idaho.gov

Governor Brad Little **Director Gary Spackman**

RETURNED

September 01, 2023

BEAR CREST LIMITED LLC
PO BOX 413
REXBURG ID 83440-0413

RE: Change in Ownership Water Right No(s): 1-10490 & 1-10607

Dear Interested Parties:

The Idaho Department of Water Resources (Department) received a Notice of Change in Water Right Ownership (Notice) from you on May 18, 2023 for the above referenced water rights. The Notice could not be processed because water rights 1-10490 (current land and water right owner is Allred Brothers) and 1-10607 (current land and water right owners is Jeff Gideon) are not appurtenant to property conveyed to Bear Crest Limited LLC. All water rights appurtenant to your property have been updated.

The Department is returning your Notice of Change in Water Right Ownership and the attachments. A refund of $50 has been requested and will be mailed to D L Evans Bank under separate cover from the Idaho State Controller's Office.

If you have any questions regarding this matter, please contact me at (208) 287-4942.

Sincerely,

Jean Hersley
Technical Records Specialist 2

Enclosure(s)

c: DL Evans Bank

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Form 42-248/42-1409(6) Rev. 6/22

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RECEIVED
MAY 18 2023
DEPARTMENT OF WATER RESOURCES

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

NOTICE OF CHANGE IN WATER RIGHT OWNERSHIP

1. List the numbers of all water rights and/or adjudication claim records to be changed. If you only acquired a portion of the water right or adjudication claim, check "*Yes*" in the "*Split?*" column. If the water right is leased to the Water Supply Bank, check "*Yes*". If you are not sure if the water right is leased to the Water Supply Bank, see #7 of the instructions. DE

Water Right/Claim No.	Split?	Leased to Water Supply Bank?	Water Right/Claim No.	Split?	Leased to Water Supply Bank?
1-10607	Yes ☐	Yes ☐		Yes ☐	Yes ☐
	Yes ☐	Yes ☐		Yes ☐	Yes ☐
	Yes ☐	Yes ☐		Yes ☐	Yes ☐
	Yes ☐	Yes ☐		Yes ☐	Yes ☐
	Yes ☐	Yes ☐		Yes ☐	Yes ☐

2. Previous Owner's Name: Jeffery H Gideon
   Name of current water right holder/claimant

3. New Owner(s)/Claimant(s): Bear Crest Limited LLC
   New owner(s) as listed on the conveyance document Name connector ☐ **and** ☐ **or**

PO Box 413 (Mailing address) | Rexburg (City) | ID (State) | 83440 (Zip)

208-359-9688 (Telephone) | (Email)

4. If the water rights and/or adjudication claims were split, how did the division occur?
   - ☐ The water rights or claims were divided as specifically identified in a deed, contract, or other conveyance document.
   - ☐ The water rights or claims were divided proportionately based on the portion of their place(s) of use acquired by the new owner.

5. Date you acquired the water rights and/or claims listed above: 10/27/2010.

6. Do you own the land identified as the water right place of use? Yes ☒ No ☐
   - o If no, attach evidence that written notice of the change of water right ownership has been delivered to the landowner of record.

7. This form must be signed and submitted with the following **REQUIRED** items:
   - ☒ A copy of the conveyance document – warranty deed, quitclaim deed, court decree, contract of sale, etc. The conveyance document must include a legal description of the property or description of the water right(s) if no land is conveyed.
   - ☒ Plat map, survey map or aerial photograph which clearly shows the place of use and point of diversion for each water right and/or claim listed above (if necessary to clarify division of water rights or complex property descriptions).
   - ☒ Filing fee (see instructions for further explanation):
     - o $25 per *undivided* water right.
     - o $100 per *split* water right.
     - o No fee is required for pending adjudication claims.
   - ☐ If water right(s) are leased to the Water Supply Bank AND there are multiple owners, a Lessor Designation form is required.
   - ☐ If water right(s) are leased to the Water Supply Bank, the individual owner or designated lessor must complete, sign and submit an IRS Form W-9.

8. Signature: _____ (Signature of new owner/claimant) | Member (Title, if applicable) | 4/5/2023 (Date)
   Courtney Nephi Ferguson (Print name)

   Signature: _____ (Signature of new owner/claimant) | _____ (Title, if applicable) | _____ (Date)
   _____ (Print name)

For IDWR Office Use Only:

Receipted by KM Date 5.18.23 Receipt No. C116277 Receipt Amt. $ 25.00

Active in the Water Supply Bank? Yes ☐ No ☐ If yes, forward to the State Office for processing W-9 received? Yes ☐ No ☐

Name on W-9 _____ Approved by _____ Processed by _____ Date _____

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Microfile No: 364228
27 DAY OCT 2010
At 03 O'Clock 15 M
MARILYN RASMUSSEN
MADISON CO RECORDER
Fee $16.00
KEngland Deputy
Recorded at Request of
FIRST AMERICAN TITLE - RE

RECORDING REQUESTED BY
First American Title Company

AND WHEN RECORDED MAIL TO:
First American Title Company
535 First American Circle
Rexburg, ID 83440

First American Title Company

Space Above This Line for Recorder's Use Only

WARRANTY DEED

File No.: **357717-RX (ns)** Date: **October 21, 2010**

For Value Received, **Jeffery H. Gideon and Melissa Gideon, husband and wife**, hereinafter called the Grantor, hereby grants, bargains, sells and conveys unto **Bear Crest Limited, LLC**, hereinafter called the Grantee, whose current address is **P.O. Box 160, Rexburg, ID 83440**, the following described premises, situated in **Madison** County, **Idaho**, to-wit:

A PARCEL OF LAND LYING WITHIN THE S½SW¼ OF SECTION 22 AND THE N½NW¼ OF SECTION 27, TOWNSHIP 5 NORTH, RANGE 39 EAST, BOISE MERIDIAN, MADISON COUNTY, IDAHO, MORE PARTICULARLY DESCRIBED AS:
COMMENCING AT THE SW CORNER OF SAID SECTION 22, AS FILED FOR RECORD AT INSTRUMENT NO. 257665 IN THE OFFICE OF THE MADISON COUNTY RECORDER; THENCE N. 00°20'33" W. ALONG THE WEST LINE OF SAID SECTION 22 A DISTANCE OF 33.00 FEET TO A US BLM BRASS CAP MONUMENT SET AS WITNESS CORNER TO SAID SW CORNER OF SECTION 22; THENCE N. 85°23'45" E. A DISTANCE OF 61.14 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF BEAR WORLD ROAD, A PUBLIC ROAD, SAID POINT BEING THE POINT OF BEGINNING; THENCE ALONG THE FOLLOWING FIVE (5) COURSES:
1) N. 68°30'20" E. 290.14 FEET;
2) N. 74°32'40" E. 631.80 FEET;
3) N. 73°18'30" E. 273.20 FEET;
4) N. 67°51'30" E. 296.86 FEET;
5) N. 60°17'00" E. 455.61 FEET; THENCE S. 30°20'16" W. ALONG THE WESTERLY RIGHT-OF-WAY LINE OF US HIGHWAY NO. 20, A LIMITED ACCESS PUBLIC HIGHWAY, A DISTANCE OF 2179.00 FEET TO AN IDAHO TRANSPORTATION DEPARTMENT BRASS CAP; THENCE ALONG THE SAID EASTERLY RIGHT-OF-WAY LINE OF BEAR WORLD ROAD THE FOLLOWING FIVE (5) COURSES:
1) N. 59°39'44" W. 163.64 FEET;
2) N. 51°02'59" W. 131.02 FEET;
3) N. 33°49'29" W. 131.02 FEET;
4) N. 25°12'44" W. 670.90 FEET;
5) 328.04 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 11°36'44", A RADIUS OF 1618.56 FEET, AND A CHORD WHICH BEARS N. 19°24'22" W. 327.48 FEET TO THE POINT OF BEGINNING.

SUBJECT TO all easements, right of ways, covenants, restrictions, reservations, applicable building and zoning ordinances and use regulations and restrictions of record, and payment of accruing present year taxes and assessments as agreed to by parties above.

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SEP 07 2023

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TO HAVE AND TO HOLD the said premises, with its appurtenances, unto the said Grantee, and to the Grantee's heirs and assigns forever. And the said Grantor does hereby covenant to and with the said Grantee, that the Grantor is the owner in fee simple of said premises; that said premises are free from all encumbrances except current years taxes, levies, and assessments, and except U.S. Patent reservations, restrictions, easements of record and easements visible upon the premises, and that Grantor will warrant and defend the same from all claims whatsoever.

364228

SCANNED
SEP 07 2023

RETURNED

Date: 10/21/2010 | Warranty Deed - continued | File No.: 357717-RX (ns)

Jeffery H. Gideon

Melissa Gideon

STATE OF Utah)
SS.
COUNTY OF Box Elder)

On this 22 **day of October, 2010**, before me, a Notary Public in and for said State, personally appeared **Jeffery H. Gideon and Melissa Gideon**, known or identified to me to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same.

Notary Public for the State of Utah
Residing at: Brigham City Ut
My Commission Expires: May 19, 2013

NOTARY PUBLIC
Janna D Coley
578903
My Commission Expires
May 19, 2013
STATE OF UTAH

364228

SCANNED
SEP 07 2023

RETURNED

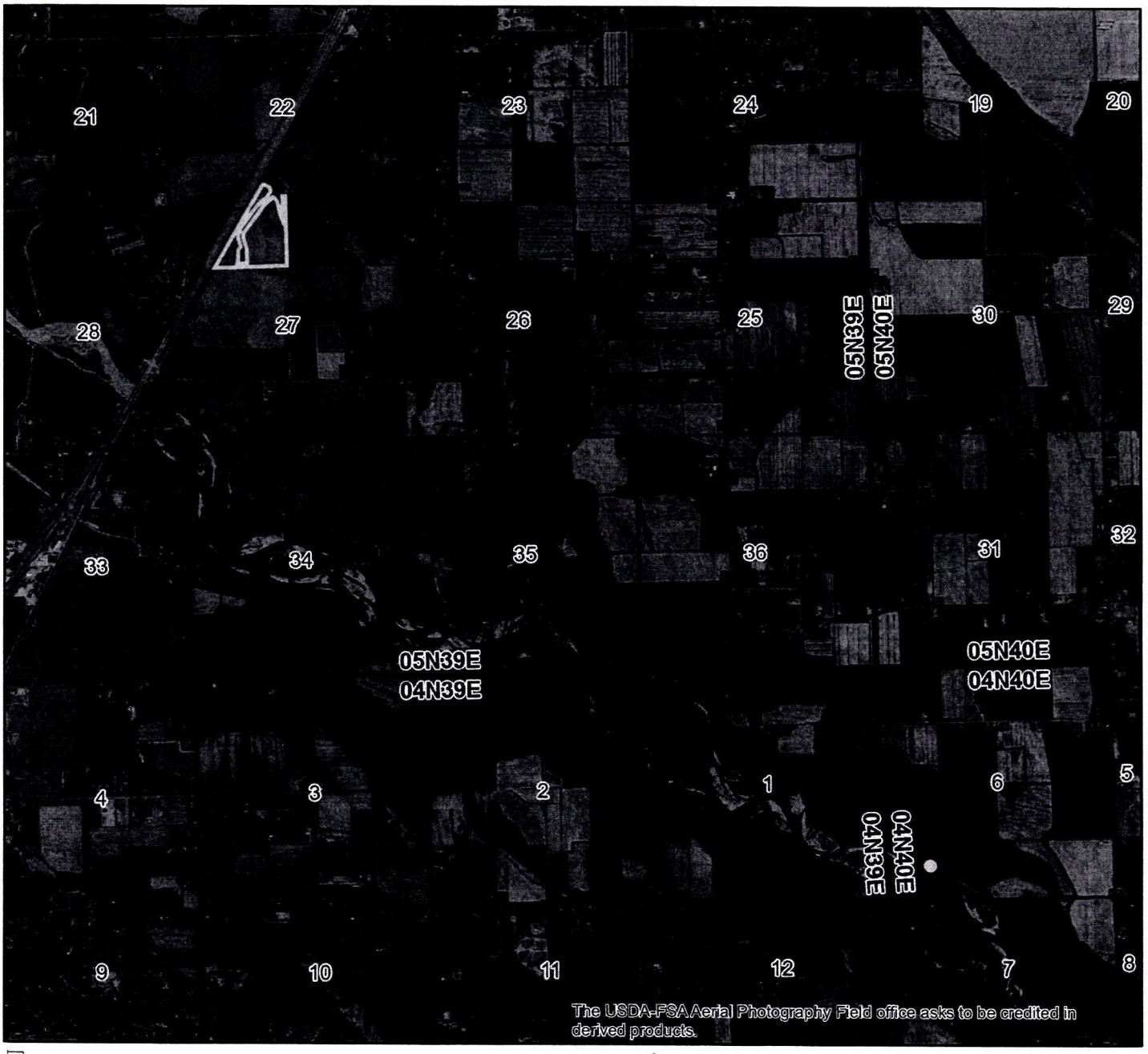
State of Idaho
Department of Water Resources

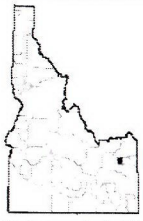
Water Right

1-10607

IRRIGATION

The map depicts the place of use for the water use listed above and point(s) of diversion of this right as currently derived from interpretations of the paper records and is used solely for illustrative purposes. Discrepancies between the computer representation and the permanent document file will be resolved in favor of the actual water right documents in the water right file.





0 0.225 0.45 0.9 1.35 1.8
Miles

Date created: 4/10/2023

Legend

- Point of Diversion
- Place of Use Boundary
- Townships
- PLS Sections

N

SCANNED
SEP 07 2023

RETURNED

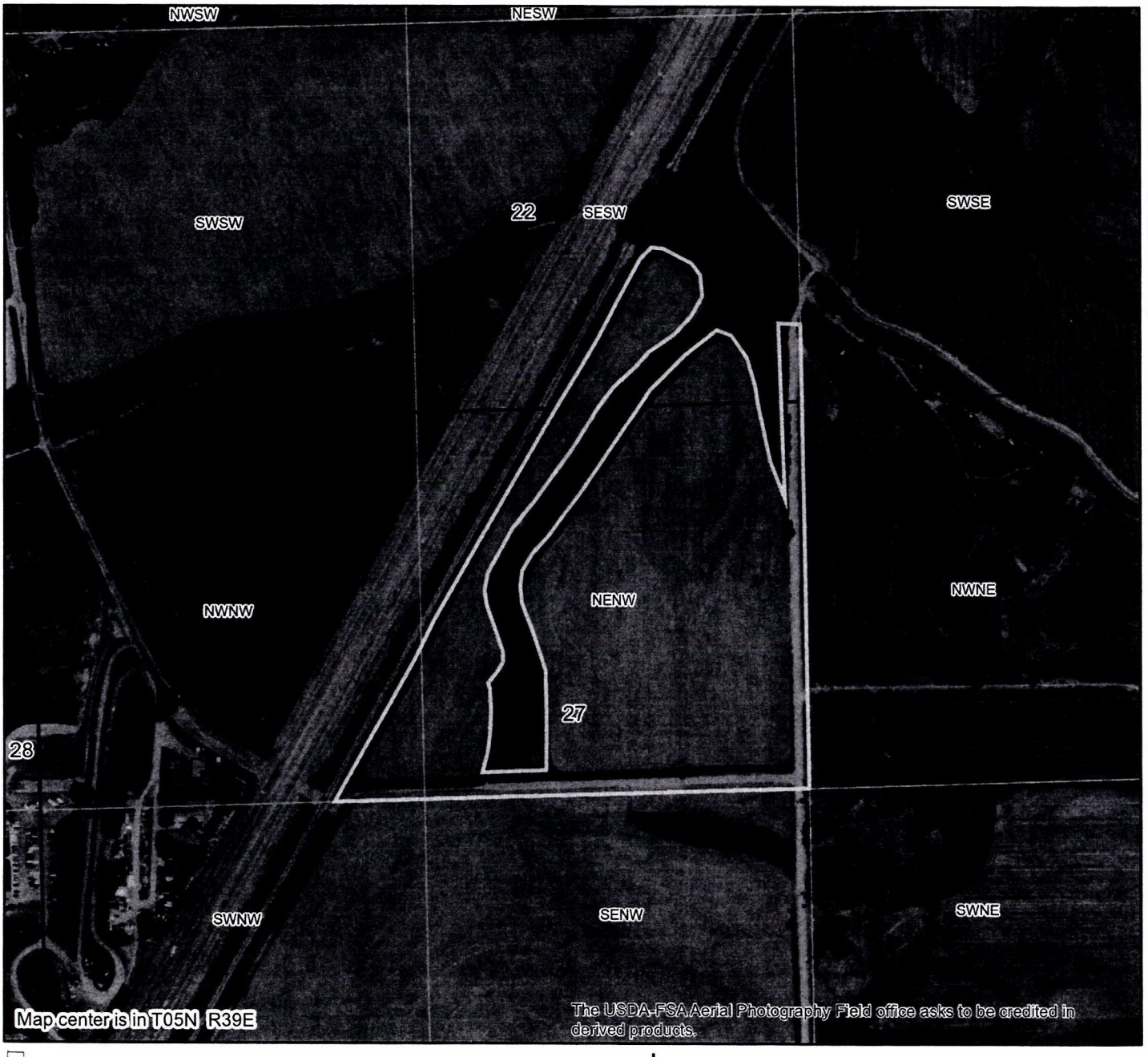
State of Idaho
Department of Water Resources

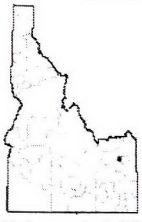
Water Right

1-10607

IRRIGATION

The map depicts the place of use for the water use listed above and point(s) of diversion of this right as currently derived from interpretations of the paper records and is used solely for illustrative purposes. Discrepancies between the computer representation and the permanent document file will be resolved in favor of the actual water right documents in the water right file.





0 0.035 0.07 0.14 0.21 0.28
Miles

Legend
- Place of Use Boundary
- Townships
- PLS Sections
- Quarter Quarters

N

Date created: 4/10/2023

SCANNED
SEP 07 2023

Form 42-248/42-1409(6) Rev. 6/22

RETURNED

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

MAY 18 2023
DEPARTMENT OF WATER RESOURCES

NOTICE OF CHANGE IN WATER RIGHT OWNERSHIP

1. List the numbers of all water rights and/or adjudication claim records to be changed. If you only acquired a portion of the water right or adjudication claim, check "*Yes*" in the "*Split?*" column. If the water right is leased to the Water Supply Bank, check "*Yes*". If you are not sure if the water right is leased to the Water Supply Bank, see #7 of the instructions. DE

Water Right/Claim No.	Split?	Leased to Water Supply Bank?	Water Right/Claim No.	Split?	Leased to Water Supply Bank?
1-10490	Yes ☐	Yes ☐		Yes ☐	Yes ☐
	Yes ☐	Yes ☐		Yes ☐	Yes ☐
	Yes ☐	Yes ☐		Yes ☐	Yes ☐
	Yes ☐	Yes ☐		Yes ☐	Yes ☐
	Yes ☐	Yes ☐		Yes ☐	Yes ☐

2. Previous Owner's Name: Allred Brothers Partnership
   Name of current water right holder/claimant

3. New Owner(s)/Claimant(s): Bear Crest Limited LLC
   New owner(s) as listed on the conveyance document Name connector ☐ and ☐ or

PO Box 413 | Rexburg | ID | 83440
Mailing address | City | State | Zip

208-359-9688 |
Telephone | Email

4. If the water rights and/or adjudication claims were split, how did the division occur?
   - ☐ The water rights or claims were divided as specifically identified in a deed, contract, or other conveyance document.
   - ☐ The water rights or claims were divided proportionately based on the portion of their place(s) of use acquired by the new owner.

5. Date you acquired the water rights and/or claims listed above: _____.

6. Do you own the land identified as the water right place of use? Yes ☒ No ☐
   - o If no, attach evidence that written notice of the change of water right ownership has been delivered to the landowner of record.

7. This form must be signed and submitted with the following **REQUIRED** items:
   - ☒ A copy of the conveyance document – warranty deed, quitclaim deed, court decree, contract of sale, etc. The conveyance document must include a legal description of the property or description of the water right(s) if no land is conveyed.
   - ☒ Plat map, survey map or aerial photograph which clearly shows the place of use and point of diversion for each water right and/or claim listed above (if necessary to clarify division of water rights or complex property descriptions).
   - ☒ Filing fee (see instructions for further explanation):
     - o $25 per *undivided* water right.
     - o $100 per *split* water right.
     - o No fee is required for pending adjudication claims.
   - ☐ If water right(s) are leased to the Water Supply Bank AND there are multiple owners, a Lessor Designation form is required.
   - ☐ If water right(s) are leased to the Water Supply Bank, the individual owner or designated lessor must complete, sign and submit an IRS Form W-9.

8. Signature: _____ | Member | 4/5/2023
   Signature of new owner/claimant | Title, if applicable | Date
   Courtney Nephi Ferguson
   Print name

   Signature: _____ | _____ | _____
   Signature of new owner/claimant | Title, if applicable | Date
   _____
   Print name

For IDWR Office Use Only:

Receipted by KM Date 5.18.23 Receipt No. 2116277 Receipt Amt. $ 25.00

Active in the Water Supply Bank? Yes ☐ No ☐ If yes, forward to the State Office for processing W-9 received? Yes ☐ No ☐

Name on W-9 _____ Approved by _____ Processed by _____ Date _____

SCANNED

SEP 07 2023

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Instrument # 324935
REXBURG, MADISON, IDAHO
2005-12-27 01:18:00 No. of Pages: 3
Recorded for : BILLY DUPREE
MARILYN R. RASMUSSEN Fee: 9.00
Ex-Officio Recorder Deputy

WHEN RECORDED RETURN TO:
Michael D. Ferguson
P.O. Box 160
Rexburg, Idaho 83440

WARRANTY DEED

Roger and Sybil Ferguson, husband and wife, P.O. Box 519, Rexburg, Idaho 83440, as GRANTORS, for a good and valuable consideration, the receipt of which is hereby acknowledged, do hereby grant, bargain, sell and convey unto Bear Crest Limited LLC, an Idaho limited liability company, P.O. Box 160, Rexburg, Idaho 83440, as GRANTEE, and to GRANTEE'S successors and assigns forever, the property situated in Madison County, Idaho described on the attached Exhibit A.

TOGETHER with all water rights and shares for water appurtenant thereto and all improvements, easements, hereditaments and appurtenances to said property.

SUBJECT to existing liens and encumbrances and all existing patent reservations, easements, rights of way, protective and restrictive covenants, zoning ordinances and applicable building codes, laws and regulations apparent or of record.

GRANTORS, for themselves, their heirs and assigns do hereby covenant, warrant and shall defend the quiet and peaceable possession of said premises by the GRANTEE, its successors and assigns forever against the lawful claims of all persons.

IN WITNESS WHEREOF, GRANTORS have hereunto subscribed their names to this instrument this 19th day of December, 2005.

GRANTORS:

Roger Ferguson

Sybil Ferguson

Roger Ferguson

Sybil Ferguson

SCANNED
SEP 07 2023

RETURNED

State of Idaho)
)ss,
County of Madison)

On this 14th day of December, in the year 2005, before me, a Notary Public in and for said State, personally appeared Roger Ferguson and Sybil Ferguson, husband and wife, known or identified to me (or proved to me on the oath of_____,) to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

BRENDA D. HOLLIST
NOTARY PUBLIC
STATE OF IDAHO

Brenda D. Hollist
Notary Public for Idaho
Residing at: Rexburg
My Commission Expires: 4-21-2009

SCANNED
SEP 07 2023

RETURNED

EXHIBIT A

Real Property Description

The real property located in Madison County, Idaho described as follows:

Parcel 1

A parcel of land situated in Madison County, State of Idaho, Township 5 North, Range 39 East of the Boise Meridian, Section 28, more particularly described as follows: Beginning at the Southeast corner of the Northeast Quarter (NE1/4) of the Northeast Quarter (NE1/4) of Section 28, Township 5 North, Range 39 East, said point also being the True Point of Beginning;
Thence S89°52'58"W for a distance of 1317.48 feet to the Southwest corner of the Northeast Quarter (NE1/4) of the Northeast Quarter (NE1/4) of Section 28, Township 5 North, Range 39 East;
Thence S89°30'15"W for a distance of 45.00 feet to the centerline of a dike, the following calls being along the centerline of said dike:
Thence N46°32'02"W for a distance of 413.63 feet;
Thence N44°12'10"W for a distance of 228.47 feet;
Thence N39°04'18"W for a distance of 138.17 feet;
Thence N25°58'48"W for a distance of 144.51 feet;
Thence N19°57'11"W for a distance of 115.38 feet;
Thence N23°17'57"W for a distance of 468.59 feet;
Thence N16°38'20"W for a distance of 92.93 feet to the North line of Section 28;
Thence N89°45'22"E for a distance of 2218.33 to the Northeast corner of Section 28; Township 5 North, Range 39 East;
Thence S00°14'01"E for a distance of 1319.73 feet to the true point of beginning, containing 57.18 acres more or less.

Parcel 2

A parcel of land situated in Madison County, State of Idaho, Township 5 North, Range 39 East of the Boise Meridian, Section 27, more particularly described as follows: Beginning at the Southwest corner of the Northwest Quarter (NW1/4) of the Northwest Quarter (NW1/4) of Section 27, Township 5 North, Range 39 East, said point also being the True Point of Beginning;
Thence N00°14'01"W for a distance of 1319.73 feet to the Northwest corner of Section 27, Township 5 North, Range 39 East;
Thence S09°27'53"E for a distance of 94.38 feet to the West right-of-way of a county road;
Thence S24°53'55"E along said right-of-way for a distance of 568.93 feet;
Thence S19°21'34"W for a distance of 753.16 feet to the True Point of Beginning, containing 3.66 acres more or less.

SCANNED
SEP 07 2023

RECEIVED
RETURNED
JUL 31 2023
DEPARTMENT OF
WATER RESOURCES

EXHIBIT A

Real Property Description

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Thence N44°12'10"W for a distance of 228.47 feet;
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Parcel 2

A parcel of land situated in Madison County, State of Idaho, Township 5 North, Range 39 East of the Boise Meridian, Section 27, more particularly described as follows: Beginning at the Southwest corner of the Northwest Quarter (NW1/4) of the Northwest Quarter (NW1/4) of Section 27, Township 5 North, Range 39 East, said point also being the True Point of Beginning;
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Thence S09°27'53"E for a distance of 94.38 feet to the West right-of-way of a county road;
Thence S24°53'55"E along said right-of-way for a distance of 568.93 feet;
Thence S19°21'34"W for a distance of 753.16 feet to the True Point of Beginning, containing 3.66 acres more or less.

SCANNED
SEP 07 2023

RETURNED

EXHIBIT B

PROMISSORY NOTE

FOR VALUE RECEIVED, Bear Crest Limited LLC, an Idaho limited liability company, P.O. Box 160, Rexburg, Idaho 83440 ("Maker"), promise to pay to the order of Roger Ferguson and Sybil Ferguson, husband and wife, P.O. Box 519, Rexburg, Idaho 83440 ("Payee"), the Principal Sum of One Hundred Eighty Thousand Three Hundred Fifty and No/100's Dollars ($180,350.00), together with interest as stated below, payable at the times and in the manner set forth below.

1. Interest shall accrue at the rate of five percent (5%) per annum, compounded annually, on the unpaid principal balance outstanding under this Promissory Note commencing on December 22, 2006 and continuing until this Promissory Note, including all accrued interest, has been paid in full.

2. Principal and interest which is provided for in the preceding paragraph shall be paid as follows:

Five (5) equal payments of principal and interest in the amount of $41,379.14 each, with the first payment due November 1, 2006 and like payments due on the 1st day of November of each year thereafter to and including November 1, 2010, when the entire principal balance and all accrued but unpaid interest shall be paid in full.

3. All payments shall be applied first to the payment of accrued interest and then to the reduction of the principal balance. Maker shall have the right to make prepayments of principal at any time without incurring any prepayment penalty.

4. If any payment required by this Promissory Note is not made when due, the entire unpaid principal balance and accrued but unpaid interest hereunder shall, at the option of the holder hereof, at once become due and payable without further notice (time being the essence hereof). Failure to exercise such option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default, event, or circumstance giving rise to such right to acceleration.

5. If any payment of this Promissory Note is not made when due, Maker agrees to pay any and all costs and expenses which may be incurred by the holder hereof in connection with the enforcement of any of its rights under this Promissory Note, including, but not limited to, attorney fees and all costs and expenses of collection.

6. The Maker, sureties, guarantors, and endorsers hereof, severally waive presentment for payment, demand, notice of dishonor, protest, notice of protest, and notice of nonpayment of this Promissory Note, and consent to any and all extensions of time, renewals, waivers, or modifications that may be granted by the holder hereof with respect to the payment or other provisions of this Promissory Note, and to the release of any security, or any part thereof, with or without substitution.

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7. No delay or omission by Payee or the holder hereof to exercise any right upon the happening of any event of default shall impair any such right or shall be construed to be a waiver of any such default or any acquiescence therein. No waiver of any default herein shall affect any later default or impair any right of Payee or the holder hereof. No single, partial or full exercise of any right of Payee or the holder hereof shall preclude other or further exercises thereof.

8. This Promissory Note is delivered in the State of Idaho and shall be governed by and construed in accordance with the laws of said State.

DATED effective as of the 22nd day of December, 2005.

MAKER

Bear Crest Limited LLC

By_____
Michael D. Ferguson, Manager

SCANNED
SEP 07 2023

RETURNED

EXHIBIT C

WHEN RECORDED RETURN TO:
Michael D. Ferguson
P.O. Box 160
Rexburg, Idaho 83440

WARRANTY DEED

Roger and Sybil Ferguson, husband and wife, P.O. Box 519, Rexburg, Idaho 83440, as GRANTORS, for a good and valuable consideration, the receipt of which is hereby acknowledged, do hereby grant, bargain, sell and convey unto Bear Crest Limited LLC, an Idaho limited liability company, P.O. Box 160, Rexburg, Idaho 83440, as GRANTEE, and to GRANTEE'S successors and assigns forever, the property situated in Madison County, Idaho described on the attached Exhibit A.

TOGETHER with all water rights and shares for water appurtenant thereto and all improvements, easements, hereditaments and appurtenances to said property.

SUBJECT to existing liens and encumbrances and all existing patent reservations, easements, rights of way, protective and restrictive covenants, zoning ordinances and applicable building codes, laws and regulations apparent or of record.

GRANTORS, for themselves, their heirs and assigns do hereby covenant, warrant and shall defend the quiet and peaceable possession of said premises by the GRANTEE, its successors and assigns forever against the lawful claims of all persons.

IN WITNESS WHEREOF, GRANTORS have hereunto subscribed their names to this instrument this ____ day of December, 2005.

GRANTORS:

_____ _____

Roger Ferguson Sybil Ferguson

SCANNED
SEP 07 2023

RETURNED

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the date first written above.

SELLER

Roger Ferguson

Sybil Ferguson

BUYER

Bear Crest Limited LLC

By
Michael D. Ferguson, Manager

SCANNED
SEP 07 2023

RETURNED
JUL 31 2023
DEPARTMENT OF WATER RESOURCES

CONTRACT OF SALE

THIS CONTRACT OF SALE is made and entered into as of the 30th day of April, 1998, by Coral Stephen Allred and Sally I. Allred, husband and wife, of 1627 East Nines Point Lane, Boise, Idaho 83702, William Edgar Allred and Linda M. Allred, husband and wife, of 4101 East Menan-Lorenzo Highway, Rigby, Idaho 83442, David Lorin Allred, a single man, of 1614 7th Avenue, Clarkston, Washington 99403, and Leon C. Peterson and Margaret Claire Peterson, aka Margaret Claire Allred, of 197 Hillridge, Blackfoot, Idaho 83221, hereinafter referred to as "Seller," and Bear Crest Limited LLC, an Idaho limited liability company, of 2120 North 6000 West, Rexburg, Idaho 83440, hereinafter referred to as "Buyer."

AGREEMENT

In consideration of the mutual covenants set forth herein the parties agree as follows:

1. Sale. Seller agrees to sell to Buyer on the performance of the agreements of Buyer as hereinafter set forth, and to convey by Warranty Deed free and clear of any and all leases, liens and/or encumbrances of any kind or nature, the following described real property and all improvements thereon situated in Madison County, Idaho, consisting of approximately 56 acres (the "Property"):

All that portion of the following described real property that lies south of an existing fence line that follows and is north of the Bannock Jim Slough:

Commencing at the Northeast Corner of Section 28, Township 5 North, Range 39 EBM in Madison County, State of Idaho, and running thence West 160 rods; thence South 80 rods; thence East 189 1/3 rods to the East line of the County road; thence in a Northwesterly direction along the East line of said road to the place of beginning, and containing approximately 85 acres.

The South Half of the Southeast Quarter (S½SE¼) of Section 21, Township 5 North, Range 39 East of the Boise Meridian.

LESS:

All that part of Lot 6, Section 28 and the Southwest Quarter of the Southeast Quarter (SW¼SE¼), Section 21, Township 5 North, Range 39 East, Boise Meridian, lying South and West of the centerline of the existing flood control levee.

COPY

EXHIBIT A

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Together with any and all water, water rights, carrying rights, ditch and ditch rights belonging or appurtenant to the foregoing real property, including without limitation shares for water from the Liberty Park Canal attributable to the foregoing real property.

2. **Survey.** As soon as possible after the execution of this Agreement and in any event prior to closing, Seller shall have the Property surveyed, at Seller's cost, to establish a more specific legal description for the Property (the "Survey").

3. **Payment and Purchase.** Buyer agrees to buy the Property and to pay Seller therefor at closing the sum of $4,500.00 per acre in lawful money of the United States of America for all acres included in the Property as determined by the Survey (the "Purchase Price").

4. **Documents at Closing.** At closing, Seller shall execute a Warranty Deed and deliver such Warranty Deed to Buyer. Such Warranty Deed shall convey the Property using the legal description established by the Survey.

5. **Possession.** Buyer shall receive possession of the Property upon the closing. All risk of loss shall remain with Seller until the closing.

6. **Apportionments.** All taxes and assessments upon the Property shall be prorated between the parties as of the closing. Seller shall pay all taxes and assessments levied upon the Property for the time prior to and including the date of closing, and Buyer shall pay all such taxes levied upon the Property for the term after the date of closing, before the same become delinquent.

7. **Warranties.** Seller Warrants and covenants as follows:

A. The farm lease between Seller, as lessor, and Boyd Smith, as lessee, with respect to the Property shall remain in effect only for the 1998 crop year. If Boyd Smith desires to lease the Property for the 1999 crop year, he may do so from Buyer. No other person has any other lease or other rights in the Property.

B. To Seller's knowledge, there are no Hazardous Substances on the Property. "Hazardous Substances" shall mean and include any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, hazardous, toxic or radioactive substance or similar term by any federal, state or local environmental statute, regulation or ordinance.

C. To Seller's knowledge, there are no underground tanks on the Property, including but not limited to, petroleum tanks.

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D. To Seller's knowledge, neither Seller (nor any other person) has used any chemical on the Property in prior years which would restrict the crops or other vegetation which Buyer can plant or grow on the Property.

E. To Seller's knowledge, there are no petroleum products on the Property that would require remediation under any federal, state, or other law or regulation.

F. To Seller's knowledge, there are no private or public dumps on the Property.

G. To Seller's knowledge, all necessary notices of claim have been filed with the Idaho Department of Water Resources to preserve and protect water rights appurtenant to the Property.

8. Default.

A. If Buyer shall fail to promptly perform any covenant or agreement set forth herein or to do all things necessary and prerequisite to the consummation of the sale set forth herein, Seller may declare a forfeiture of this Contract of Sale and any payments made by Buyer may be retained by Seller as liquidated damages and not as a penalty, or Seller may bring an action for specific performance of this Contract of Sale against Buyer to require and enforce full and complete performance by Buyer of the terms, covenants and conditions of this Contract of Sale as set forth herein, or Seller shall be entitled to bring an action for breach of contract against Buyer for collection of all damages suffered by Seller as a result of the default and breach by Buyer, or Seller may pursue any other remedies available under the laws of the State of Idaho.

B. If Seller shall fail to promptly perform any covenant or condition set forth herein or to do all things necessary and prerequisite to the consummation of the sale set forth herein, Buyer shall be entitled to bring an action for a specific performance of this Contract of Sale against Seller to require and enforce full and complete performance by Seller of the terms, covenants and conditions of this Contract of Sale as set forth herein or shall be entitled to bring an action for breach of contract against Seller for collection of all damages suffered by Buyer as a result of the default and breach by Seller, or Buyer may pursue any other remedy available under the laws of the State of Idaho.

9. Enforcement. Should either party default in the performance of any of the covenants or agreements contained herein, such defaulting party shall pay to the other party all costs and expenses, including, but not limited to, a reasonable attorney's fee, including such fees on appeal, which the offended party may incur in enforcing this Contract of Sale or in pursuing any remedy

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allowed by law for breach hereof, whether such is incurred by the filing of suit or otherwise.

10 Title Insurance. Seller agrees at the time of closing, or as soon thereafter as Alliance Title & Escrow Corp. is prepared to issue such policy, to provide to Buyer at Seller's cost a standard form purchaser's title insurance policy in the amount of the total purchase prices for both the Property and the real property consisting of approximately four (4) acres purchased from Seller by Buyer pursuant to a Contract of Sale of even date herewith (the "Additional Property"), insuring title to both the Property and Additional Property in Buyer, free and clear of any lien or encumbrance, excepting any lien or encumbrance that may have attached by reason of any act, deed or omission of Buyer and excepting the usual printed exceptions contained in such policies of title insurance, and taxes and assessments for the current year.

11. Binding Effect and Assignment. This Contract of Sale shall be binding upon and inure to the benefit of the heirs, personal representatives, administrators, successors and assigns of the parties hereto.

12. Survival of Terms. The terms and provisions of this Contract of Sale shall survive the closing and the execution and delivery of the Warranty Deed or any other instruments of transfer and conveyance. The terms of this Contract of Sale shall not be merged out by the execution and delivery of the Warranty Deed or any other instruments of transfer and conveyance.

13. Waiver. A waiver of any default or breach of any term of this Contract of Sale shall not be deemed to be a waiver of any simultaneous or subsequent breach of the same or any other term of this Contract of Sale. All waivers must be in writing and must be signed by the waiving party. No failure or delay of a party to exercise any right or remedy hereunder shall operate as a waiver.

14. Attorneys. Billy G. DuPree, Jr., attorney at law, drafter of this Contract of Sale, has acted as attorney for Buyer and has not advised Seller in regard to this Contract of Sale or any other matters. The terms of this Contract of Sale have been negotiated and no presumption concerning the construction of this Contract of Sale for or against any party shall arise from the fact it was prepared by the attorney for Buyer.

15. Integration of Agreement. The terms of this Contract of Sale may vary from the terms contained in any earnest money agreement or any other preliminary agreements made prior to the execution of this Contract of Sale and may vary from any negotiations between the parties prior to the execution of this Contract of Sale. The terms, covenants and conditions of this Contract of Sale shall supersede all such prior negotiations and agreements. There are no verbal promises, implied promises,

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SEP 07 2023

RETURNED

agreements, stipulations, representations or warranties of any kind or nature, excepting those set forth in this Contract of Sale. This Contract of Sale shall be and is the final expression of the agreement of the parties and shall control. No modifications of this Contract of Sale shall be valid unless in writing and executed by all parties to this Contract of Sale.

16. **Severance and Validity.** If any provision of this Contract of Sale shall be determined by any Court of competent jurisdiction to be invalid, void, or otherwise unenforceable, the remaining provisions shall remain in full force and effect, and shall not be affected, impaired or invalidated thereby. It is agreed that such remaining provisions shall be construed in a manner most closely approximating the intention of the parties with respect to the invalid, void or unenforceable provision or part thereof.

17. **Notice to Parties.** Service of any notice permitted or required under the terms of this Contract of Sale shall be effective upon (i) personal delivery or (ii) upon depositing of the notice in the United States Mail, by Certified Mail, addressed as follows:

If to Buyer: Bear Crest Limited LLC
P.O. Box 413
2120 North 6000 West
Rexburg, Idaho 83440

If to Seller: William Allred
4101 East Menan-Lorenzo Highway
Rigby, Idaho 83442

18. **Closing.** Closing shall occur after July 1 but in any event on or before November 1, 1998, or such other date as the parties shall agree. The closing shall take place at the offices of Alliance Title & Escrow Corp. Except as otherwise provided herein, the parties agree to share equally the closing costs.

19. **Further Assurances.** Each of the parties agrees to take such further actions and execute such other documents as may be reasonably necessary or appropriate to fulfill the intent and purposes of this Agreement.

20. **Counterparts.** This Contract of Sale may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and all of which together shall constitute one and the same instrument.

SCANNED
SEP 07 2023

RETURNED

IN WITNESS WHEREOF, the parties have caused their names to be subscribed, all as of the day and year first above written.

SELLER

Coral Stephen Allred

Sally I. Allred

William Edgar Allred

Linda M. Allred

David Lorin Allred

Leon C. Peterson

Margaret Claire Peterson

BUYER

BEAR CREST LIMITED LLC

By Michael D. Ferguson, Member

STATE OF IDAHO)
:ss
County of _____)

On this ____ day of April, in the year of 1998, before me, a Notary Public in and for said State, personally appeared Coral Stephen Allred and Sally I. Allred, husband and wife, known or identified to me (or proved to me on the oath of _____), to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

Notary Public for _____
Residing at:
My Commission Expires:

SCANNED
SEP 07 2023

RETURNED

STATE OF IDAHO)
:ss
County of ~~Madison~~ Bonneville)

On this 1st day of ~~April~~ May, in the year of 1998, before me, a Notary Public in and for said State, personally appeared William Edgar Allred and Linda M. Allred, husband and wife, known or identified to me (or proved to me on the oath of _____), to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

ROBIN NELSON NOTARY PUBLIC STATE OF IDAHO

Leon Nelson
Notary Public for Idaho
Residing at: Firth, ID
My Commission Expires: 1-16-99

STATE OF WASHINGTON)
:ss
County of _____)

On this ____ day of April, in the year 1998, before me, a Notary Public in and for said State, personally appeared David Lorin Allred, known or identified to me (or proved to me on the oath of _____), to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

_____
Notary Public for _____
Residing at:
My Commission Expires:

STATE OF IDAHO)
:ss
County of _____)

On this ____ day of April, in the year of 1998, before me, a Notary Public in and for said State, personally appeared Leon C. Peterson and Margaret Claire Peterson, husband and wife, known or identified to me (or proved to me on the oath of _____), to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

_____
Notary Public for Idaho
Residing at:
My Commission Expires:

SCANNED
SEP 07 2023

RETURNED

STATE OF IDAHO)
:ss
County of Madison)

On this ____ day of April, in the year 1998, before me, a Notary Public, personally appeared Michael D. Ferguson, known or identified to me (or proved to me on the oath of _____), to be one of the members in the limited liability company of Bear Crest Limited LLC and the member or one of the members who subscribed said partnership name to the foregoing instrument, and acknowledged to me that he executed the same in said company name.

_____
Notary Public for Idaho
Residing at:
My Commission Expires:

SCANNED
SEP 07 2023

Idaho Department of Water Resources Receipt

Receipt ID: C116277

Payment Amount	$150.00	Date Received	5/18/2023	Region	STATE
Payment Type	Check	Check Number	7426		
Payer	D. L. EVANS BANK				

Comments

NOTICE OF SECURITY INTEREST IN A WATER RIGHT
FOR: D. L. EVANS BANK
FOR: BEAR CREST LIMITED LLC
ADDRESS: PO BOX 413., REXBURG, ID 83440
Expires: 12/10/2043
WR# 22-14439, 22-14440, 1-10490, 1-10607
*
CHANGE OF OWNERSHIP
FOR: BEAR CREST LIMITED LLC
WR# 1-10490, 1-10607
DOCUMENT NUMBER: D230698

Fee Details

Amount	Description	PCA	Fund	Fund Detail	Subsidiary	Object
$150.00	OWNERSHIP CHANGES/SECURITY INTERESTS	56140	0229	21		1155

Signature Line (Department Representative)

Please refund $100 to:

D L Evans Bank
PO Box 64
Rigby ID 83442-0064

The ownership change and the security interest for water rights 1-10490 and 1-10607 was returned.
Thank you.
Jean

SCANNED
SEP 07 2023

Hersley, Jean

From: Hersley, Jean
Sent: Thursday, September 7, 2023 10:09 AM
To: IdwrPayable
Subject: refund
Attachments: DL Evans Bank-Bear Crest LTD LLC.docx

Please process the attached refund. Thank you.

Jean Hersley
Technical Records Specialist II
Idaho Dept Water Resources
(208) 287-4942

SCANNED
SEP 07 2023

RECEIVED
JUL 31 2023
DEPARTMENT OF
WATER RESOURCES

July 27 2023

Dear Jean Hersley:

I have included with this Letter copies of contracts, warranty deeds, and water transfers. Many of the water rights have been transferred. I have included these also. Several of the water right numbers were changed when the transfer were done. We also purchased 22-14439 and 22-14440 through Kristin Moore with Rocky Mountain Environmental in 2022. I have included these also. Please let me know if there is anything else I can do to assist in getting theses transfers completed.

Thank you,

Sincerely

Michael Ferguson
Bear Crest Limited LLC

SCANNED
SEP 07 2023

IDAHO DEPARTMENT OF
WATER RESOURCES

322 E Front Street, Suite 648, Boise ID 83702 • PO Box 83720, Boise ID 83720-0098
Phone: 208-287-4800 • Fax: 208-287-6700 • Email: idwrinfo@idwr.idaho.gov • Website: idwr.idaho.gov

Governor Brad Little **Director Gary Spackman**

July 18, 2023

BEAR CREST LIMITED LLC
PO BOX 413
REXBURG ID 83440-0413

RE: Change in Ownership Water Right No(s): 1-10490, 1-10607

Dear Interested Parties:

The Department of Water Resources (Department) acknowledges receipt of your Notice of Change in Water Right Ownership (Notice).

Our review of your Notice indicates that additional information is required before the Department can process the change. The information required is indicated below:

__√__ Evidence of Water Right Ownership: copy of Deed, Title Policy, Contract of Sale, or other legal document indicating your ownership of the property and/or water rights in question. Please provide additional conveyance documents that include the place of use for the water rights in question.

During our review of the documentation you submitted we found discrepancies between that documentation and the legal description of the place of use for the water right(s) indicated in your notice. I have enclosed a copy of the water right(s) and a map for your reference. Water right 1-10490 is colored green and 1-10607 is colored purple. Your property as conveyed in the deeds you provided is colored white.

Because the Department cannot process the Notice without proper documentation, we will hold any action on your notice pending receipt of the necessary information. If we do not receive the necessary information within 30 days we will return your notice and all attachments and your notice will not be processed.

Also, please note that water right holders are required to report any change of ownership and/or mailing address to the Department within 120 days of the change. Forms to update your address are available from any office of the Department or on the Department's website.

If you have any questions regarding this matter, please contact me at (208) 287-4942.

Sincerely,

Jean Hersley
Technical Records Specialist 2

Enclosure(s)

c: D L Evans Bank

SCANNED
SEP 17 2023