

RECEIVED

JAN 30 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.

1.	Water Right/Claim No.	Water Right/Claim No.	Water Right/Claim No.
	37-4401		

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

108 East Ellis

Paul, ID 83347

Phone 208-438-8400

Email thaynes@dlevans.com

West Side Water Association

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

5. Expiration Date of Notification Period

1.1. 2052

6. Is this a Renewal of Request for Notification?

☐ YES

☒ NO

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

Title, if applicable

Commercial Loan Officer

For Office Use Only

Received by

lu

Date

1.30.23

Receipt No.

C115195

Fee

\$ 25.00

Processed by AJ

Date

WR

Date

Real Estate Purchase and Sale Agreement

This contract controls the terms of the sale of Property located at 1329 E. 1420 N. Richfield, ID, 83349 on June 30, 2022 (date).

Ed & Christa Lucero (hereinafter called "Buyer") agrees to purchase, and Stetson & Brooke Weber (hereinafter called "Seller") agrees to sell the following described real estate hereinafter referred to as "premises" located in Lincoln, County of the State of Idaho, commonly known as 160 +/- acres with house, shop, water rights, and irrigation equipment. With the following LEGAL DESCRIPTION:

TOWNSHIP 3 SOUTH, RANGE 19 EAST OF THE BOISE MERIDIAN, LINCOLN COUNTY, IDAHO

SECTION 24: SE1/4SW1/4

SECTION 25: N1/2NE1/4 and NE1/4NW1/4

TOGETHER WITH all water and water rights, ditches and ditch rights used thereon or appurtenant thereto including but not limited to 90 Shares of Capital Stock from the Big Wood Canal Company.

(Buyer hereby authorizes agent to insert over his signature the correct legal description of the premises or to correct the legal description previously entered if erroneous or incomplete.)

1. **TOTAL PURCHASE PRICE IS \$875,000 DOLLARS** payable as follows:
 1. \$10,000 earnest money will be deposited at Title One upon signed Purchase Agreement.
 2. Loan funds and cash balance will be deposited at closing
 3. All closing costs will be split between Buyer and Seller.
 4. Closing to be held by Title One Corporation in Jerome, ID.
2. Buyer has been conditionally approved by DL Evans and guaranteed by USDA Farm Services Agency for the purchase of the premises with contingency of final documentation and approval.
3. Title of Seller is to be conveyed by Warranty Deed, unless otherwise provided, and is to be marketable and insurable except for rights reserves in federal patents, building or use restrictions, building and zoning regulations and ordinances of any governmental unit, and rights of way and easements established or of record. Liens, encumbrances or defects to be discharged by Seller may be paid out of purchase money at date of closing. Any liens, encumbrances or defects which are to be discharged or assumed by Buyer to which title is taken subject to (not otherwise set forth above) are:
FSA, Robert Idaho, DL Evans, Altier Idaho

4. Sprinkler Shop, Robert Idaho
The Seller shall, within a reasonable time after closing, furnish to the Buyer a title insurance policy in the amount of the purchase price of the premises from a title insurance company showing marketable and insurable title subject to the liens, encumbrances and defects elsewhere set out in this agreement to be discharges

**I CERTIFY THAT THIS IS A TRUE
AND CORRECT COPY OF THE
ORIGINAL DOCUMENT**

Department of
Water Resources

Water Right and Addition Search

[Click Search](#) [Click More Search Items](#)

Name

Adjudication, Water Right & Basin or Transfer
(Click to expand or collapse)

☒ All
☐ Search for a specific Name

☐ All
☒ Search for a specific Basin, Right or Transfer number

- Basin Number: 37
- Sequence Number: 4401

Location of Use or Diversion

☒ All
☐ Search for a specific Location by legal description

Sources

☒ All
☐ Search for Surface Water, Ground Water or a specific Source &/or Tributary

Water Use

☒ All
☐ Search for a specific Water Use

Dates

☒ All
☐ Search for a specific Date Type & range of Dates

Water Right Types

☒ All
☐ Search for one or more specific Water Right Types

Status

☒ All
☐ Search for both Active & Inactive Records

Search Results (1)
(Click to expand or collapse)

[Click to return to start page](#)

Type	Basin	Sequence	Suffix	Application No.	Priority	Page	Source	Water Use	Owner
Water Right	37	4401			Decreed Active	01/01/1949	0.07	GROUND WATER	AKINS, BURL W; WEST SIDE WATER ASSOC

Options: [Export Results to Excel](#) [Clear All Items](#) [Start Search](#)

Details: [More Options](#)

[Click to return to start page](#)

Water Right Report : 37-4401(Decreed/Active)

Water Right Owners

Owner Type	Name	Address	City	State	Postal Code
Current Owner	AKINS, BURL W	805 N 1150 E	RICHFIELD ID	83349	
Current Owner	WEST SIDE WATER ASSOC	C/O LA RAE BROWN 1142 E 800 N	RICHFIELD ID	83349	

Water Right Status

Priority Date : 1/1/1949
Basis : Decreed
Status : Active

Water Source

Source	Source Qualifier	Tributary	Tributary Qualifier
GROUND WATER			

Points Of Diversion (Location)

Source	Township	Range	Section	Govt. Lot	QQ	QQ	Q	County	Diversion Type
GROUND WATER	04S	19E	27	0	SE	NW	NE	LINCOLN	

Water Uses

Beneficial Use	From	To	Diversion Rate	Volume
STOCKWATER	01/01	12/31	0.07 CFS	6.70 AFA
COMMERCIAL	01/01	12/31	0.07 CFS	4.00 AFA
DOMESTIC	01/01	12/31	0.07 CFS	6.00 AFA
TOTAL			0.07 CFS	16.70 CFS

Places of Use

Place of Use Legal Description : STOCKWATER (LINCOLN county)

Show 10 entries

Search:

Township	Range	Section	Lot	QQQ	QQ	Q	Acres
04S	19E	22		SE	SE	SE	
04S	19E	27		NE	NE	NE	
04S	19E	27		NW	NE	NE	
04S	19E	27		SE	NE	NE	
04S	19E	27		NE	NW	NW	

Showing 1 to 5 of 5 entries

Previous

1

Next

Place of Use Legal Description : COMMERCIAL (LINCOLN county)

Show 10 entries

Search:

Township	Range	Section	Lot	QQQ	QQ	Q	Acres
04S	19E	22		SE	SE	SE	

Place of Use Legal Description : DOMESTIC (LINCOLN county)

Show 10 entries

Search:

Township	Range	Section	Lot	QQQ	QQ	Q	Acres
04S	19E	22			SE	SE	
04S	19E	27			NE	NE	
04S	19E	27			NW	NE	
04S	19E	27			SE	NE	
04S	19E	27			NE	NW	

Showing 1 to 5 of 5 entries

Conditions

Code Conditions

C18 THIS PARTIAL DECREE IS SUBJECT TO SUCH GENERAL PROVISIONS NECESSARY FOR THE DEFINITION OF THE RIGHTS OR FOR THE EFFICIENT ADMINISTRATION OF THE WATER RIGHTS AS MAY BE ULTIMATELY DETERMINED BY THE COURT AT A POINT IN TIME NO LATER THAN THE ENTRY OF A FINAL UNIFIED DECREE. SECTION 42-1412(6), IDAHO CODE.

Dates

Licensed Date :
Decreed Date : 12/11/2002
Permit Proof Due Date :
Permit Proof Made Date :
Permit Approved Date :
Permit Moratorium Expiration Date :
Enlargement Use Priority Date :
Enlargement Statute Priority Date :
Application Received Date:
Protest Deadline Date:

Other Information

State or Federal : S
Water District Number : 130
Generic Max Rate Per Acre : 0
Generic Max Volume Per Acre : 0
Civil Case Number :
Decree Plaintiff :
Decree Defendant :
Swan Falls Trust or Nontrust :
Swan Falls Dismissed :
DLE Act Number :
Cary Act Number :
Mitigation Plan: False

IDAHO DEPARTMENT OF WATER RESOURCES

1/24/2023

Water Right Report : 37-4401(Decreed/Active)

Water Right Owners

Owner Type	Name	Address	City	State	Postal Code
Current Owner	AKINS, BURL W	805 N 1150 E	RICHFIELD	ID	83349
Current Owner	WEST SIDE WATER ASSOC	C/O LA RAE BROWN 1142 E 800 N	RICHFIELD	ID	83349

Water Right Status

Priority Date : 1/1/1949
Basis : Decreed
Status : Active

Water Source

Source	Source Qualifier	Tributary	Tributary Qualifier
GROUND WATER			

Points Of Diversion (Location)

Source	Township	Range	Section	Govt. Lot	QQ	QQ	Q	County	Diversion Type
GROUND WATER	04S	19E	27	0	SE	NW	NE	LINCOLN	

Water Uses

Beneficial Use	From	To	Diversion Rate	Volume
STOCKWATER	01/01	12/31	0.07 CFS	6.70 AFA
COMMERCIAL	01/01	12/31	0.07 CFS	4.00 AFA
DOMESTIC	01/01	12/31	0.07 CFS	6.00 AFA
TOTAL			0.21 CFS	16.70 AFA

Places of Use

Place of Use Legal Description : STOCKWATER (LINCOLN county)

Show 10 ▾ entries

Search:

Township	Range	Section	Lot	QQ	QQ	Q	Acres
04S	19E	22		SE		SE	
04S	19E	27		NE		NE	
04S	19E	27		NW		NE	
04S	19E	27		SE		NE	
04S	19E	27		NE		NW	

Showing 1 to 5 of 5 entries

Previous

1

Next

Place of Use Legal Description : COMMERCIAL (LINCOLN county)

Show 10 ▾ entries

Search:

Township	Range	Section	Lot	QQ	QQ	Q	Acres
04S	19E	22		SE		SE	

Showing 1 to 1 of 1 entries

Place of Use Legal Description : DOMESTIC (LINCOLN county)

Show 10 ▾ entries

Search:

Township	Range	Section	Lot	QQ	QQ	Q	Acres
04S	19E	22		SE	SE	SE	
04S	19E	27		NE	NE	NE	
04S	19E	27		NW	NW	NE	
04S	19E	27		SE	SE	NE	
04S	19E	27		NE	NE	NW	

Showing 1 to 5 of 5 entries

Conditions

Code Conditions

C18 THIS PARTIAL DECREE IS SUBJECT TO SUCH GENERAL PROVISIONS NECESSARY FOR THE DEFINITION OF THE RIGHTS OR FOR THE EFFICIENT ADMINISTRATION OF THE WATER RIGHTS AS MAY BE ULTIMATELY DETERMINED BY THE COURT AT A POINT IN TIME NO LATER THAN THE ENTRY OF A FINAL UNIFIED DECREE. SECTION 42-1412(6), IDAHO CODE.

Dates

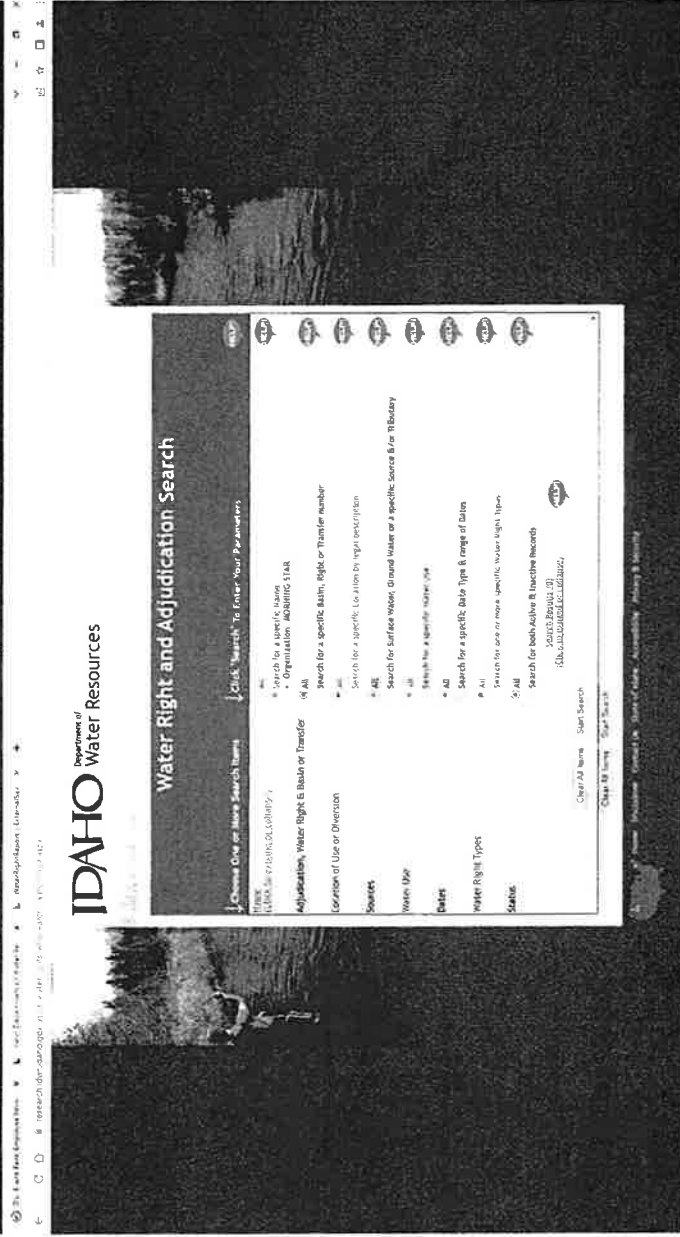
Licensed Date :
Decreed Date : 12/11/2002
Permit Proof Due Date :
Permit Proof Made Date :
Permit Approved Date :
Permit Moratorium Expiration Date :
Enlargement Use Priority Date :
Enlargement Statute Priority Date :
Application Received Date:
Protest Deadline Date:

Other Information

State or Federal : S
Water District Number : 130
Generic Max Rate Per Acre : 0
Generic Max Volume Per Acre : 0
Civil Case Number :
Decree Plaintiff :
Decree Defendant :
Swan Falls Trust or Nontrust :
Swan Falls Dismissed :
DLE Act Number :
Cary Act Number :
Mitigation Plan: False

IDAHO DEPARTMENT OF WATER RESOURCES

9/20/2022



Water Right and Adjudication Search

Click Search to Enter Your Parameters

Choose One or More Search Items:

Search for a specific Name

- Organization: ADRBING

Search for a specific Basin, Right or Transfer Number

Search for a specific Location by legal description

Search for Surface Water, Ground Water or a specific Source B or Tributary

Search for a specific Water Use

Search for a specific Date Type & range of Dates

Search for one or more specific water right types

Search for both Active & Inactive Search

Search Results: 0

Clear All Items Start Search

Click Search to Enter Your Parameters

Choose One or More Search Items:

Search for a specific Name

- Legal Name: LUCERO

Search for a specific Basin, Right or Transfer Number

Search for a specific Location by legal description

Search for Surface Water, Ground Water or a specific Source B or Tributary

Search for a specific Water Use

Search for a specific Date Type & range of Dates

Search for one or more specific water right types

Search for both Active & Inactive Search

Search Results: 0

Clear All Items Start Search

Option	Type	Basin	Source	Water Use	Owner
Source	WATER RIGHT	18	18031	DOMESTIC	LUCERO, SUBAG
Source	WATER RIGHT	18	18034	DOMESTIC	LUCERO, SUBAG
Source	WATER RIGHT	18	4114	DOMESTIC	LUCERO, SUBAG

RECORDATION REQUESTED BY:

D. L. Evans Bank
Paul Branch
108 East Ellis
Paul, ID 83347

COPY
SF MR

WHEN RECORDED MAIL TO:

D. L. Evans Bank
Paul Branch
108 East Ellis
Paul, ID 83347

SEND TAX NOTICES TO:

Edwin Lucero
Christa Lucero
1146 East 820 North
Richfield, ID 83349

22461086

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY



MORTGAGE

THIS MORTGAGE dated September 23, 2022, is made and executed between Edwin Lucero and Christa Lucero, husband and wife (referred to below as "Grantor") and D. L. Evans Bank, whose address is 108 East Ellis, Paul, ID 83347 (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 Lincoln County, State of Idaho:**

PARCEL NO. 1
TOWNSHIP 4 SOUTH, RANGE 19 EAST OF THE BOISE MERIDIAN,
LINCOLN COUNTY, IDAHO

Section 22: E $\frac{1}{2}$ SW $\frac{1}{4}$; S $\frac{1}{2}$ SE $\frac{1}{4}$

SAVE AND EXCEPT part of the SE $\frac{1}{4}$ SE $\frac{1}{4}$, described as follows:

Beginning at the Southeast corner of said Section 22;

Thence West along the South boundary of Section 22, 175.00 feet;

Thence North parallel to the East boundary of said Section 22, 250.00 feet;

Thence East parallel to the South boundary of said Section 22, 175.00 feet to a point of intersection with the East boundary of said Section 22;

Thence South along said East boundary of Section 22, 250.00 feet to **THE POINT OF BEGINNING.**

PARCEL NO. 2
TOWNSHIP 4 SOUTH, RANGE 19 EAST OF THE BOISE MERIDIAN,
LINCOLN COUNTY, IDAHO

Section 22: N $\frac{1}{2}$ SE $\frac{1}{4}$

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, especially but not limited to pumps, pipe, casing, motor and electrical panels and accessories to each including but not limited to: 8 tower and 4 tower Zimmatic pivots, as well as handlines.

Together with 78,000 shares of the capital stock of the Big Wood Canal Company Certificate No. 13222, and any replacement or reissued certificate thereof, together with any and all other water rights and ditch rights appurtenant to the above described premises.

Together with 158,000 shares of the capital stock of the Big Wood Canal Company Certificate No. 13223, and any replacement or reissued certificate thereof, 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. 37-4401 with a claimed priority of January 1, 1949 to 0.07 cfs of Stockwater and 0.07 cfs of Commercial water and 0.07 cfs of Domestic water from Groundwater together with any and all other water rights and ditch rights appurtenant to the above described premises.

The Real Property or its address is commonly known as 1146 East 820 North, Richfield, ID 83349. The Real Property tax identification number is R04S19E225400A & RP04S19E227200A.

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 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

**I CERTIFY THAT THIS IS A TRUE
AND CORRECT COPY OF THE
ORIGINAL DOCUMENT**

3.7.2



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.

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 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 and documentation as may be requested by Lender 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.

2.7.3



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 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.

ADDITIONAL TERMS. Default shall exist if any loan proceeds are used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetland to produce or to make possible the production of an agricultural commodity, as provided by 7 CFR Part 12..

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 Minidoka 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.

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 person or circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other person or 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:

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