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JUL 01 2021

WATER RESOURCES
WESTERN REGIONSTATE 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.	Water Right/Claim No.
-65-23914 (as split)			
65-24103 2			

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

Pioneer 1031 Company

1211 W. Myrtle #100

Boise, Idaho 83702

Phone 208-373-3739

Email jfischer@morrowfischer.com

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

Salvatore Grant Gallucci and Dorie LaRene Gallucci

5. Expiration Date of Notification Period

June 30, 2026

6. Is this a Renewal of Request for Notification?

☐ YES☒ NO

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

Title, if applicable

SUPPORT DATA

IN FILE # 65-24103

For Office Use Only

Received by LE Date 07/01/2021 Receipt No. W049545 Fee \$25.00
 Processed by AJ _____ Date _____ WR LE Date 01/06/2022

DEED OF TRUST AND SECURITY AGREEMENT

BORROWER: Salvatore Grant Gallucci and Doris LaRene Gallucci
7668 El Camino Real
Sta. 104-510
Carlsbad, CA 92009

TRUSTEE: Amerititle
700 South Main
Cascade, Idaho 83611

BENEFICIARY: Pioneer 1031 Company
1211 W. Myrtle Street, #100
Boise, Idaho 83702

DATE: June 15, 2021

DEED OF TRUST AND SECURITY AGREEMENT



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This Deed of Trust and Security Agreement ("Deed of Trust") is entered into by and between Salvatore Grant Gallucci and Dorie LaRene Gallucci, whose address is 7668 El Camino Real, Sta. 104-510, Carlsbad, California, 92009, as grantor (the "Borrower"), AmeriTitle, whose address is 700 S. Main Street, Cascade, Idaho 83611 (the "Trustee"), and Pioneer 1031 Company whose address is 1211 W. Myrtle Street, #100 Boise, Idaho 83702 as beneficiary (the "Lender").

Recitals

A. Borrower is indebted to Lender in the original principal amount of Three Hundred Eighty-Seven Thousand Five Hundred Dollars (\$387,500.00). Said debt is evidenced by a Promissory Note of even date herewith between Borrower and Lender, which note matures on May 1, 2026. The Promissory Note together with all amendments, substitutions, consolidations, modifications, replacements, restatements, increases, renewals, and extensions thereof is collectively referred to herein as the "Note."

B. Lender has required Borrower provide Lender with security for the repayment of the indebtedness evidenced by the Note as well as for the performance, observance and discharge by Borrower of various covenants, conditions and agreements made by Borrower to, with, in favor of, and for the benefit of, Lender with respect to such indebtedness and security.

1. Grants of Security.

1.1 **Property Granted.** In consideration of and in order to secure the repayment, observance, performance and discharge by Borrower of the Secured Obligations (as defined in Section 1.4 below), Borrower grants, bargains, sells, releases, conveys, assigns, transfers, delivers, warrants, and confirms to Trustee, in trust, with power of sale, for the benefit and security of Lender, as beneficiary hereunder, subject to the terms and conditions of this Deed of Trust, all estate, right, title and interest that Borrower now has or may later acquire in and to the following described properties, rights and interests and all replacements of, substitutions for, and additions thereto (all of which are referred to below as the "Property"):

1.1.1 **Real Property.** The real property in Valley County, Idaho described in *Exhibit A* attached hereto and made a part hereof (the "Real Property"), which Real Property does not exceed forty (40) acres.

1.1.2 **Improvements.** All buildings, structures and other improvements of any kind, nature or description now or hereafter erected, constructed, placed or located upon the Real Property (the "Improvements").

1.1.3 **Appurtenances.** All tenements, hereditaments, rights-of-way, easements, privileges and other appurtenances now or hereafter belonging or in any way appertaining to the Real Property, including, without limitation, all right, all minerals, royalties, gas rights, water, water rights (specifically including Water Right No 65-23914) landscaping, crops, trees, timber and other emblements now or hereafter located on, under, or above all or any part of the Real Property (the "Appurtenances").

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1.1.4 Leases and Rents. All leases and other agreements affecting the use, enjoyment or occupancy of all or any part of the Real Property or the Improvements heretofore or hereafter entered into whether before or after the filing by or against Borrower of any petition for relief under 11 U.S.C. "101, et seq. (the "Bankruptcy Code"), as the same may be amended from time to time (the "Leases").

1.1.5 Condemnation Awards. Any and all awards, payments or settlements, including interest thereon, and the right to receive the same, as a result of (a) the exercise of the right of eminent domain, (b) the alteration of the grade of any street, and (c) any other injury, damage or casualty to, taking of, or decrease in the value of, the Property, to the extent of all amounts that may be secured by this Deed of Trust at the date of any such award or payment, including but not limited to Reasonable Attorneys' Fees (as defined below), costs, and disbursements incurred by Lender in connection with the collection of such award or payment.

1.1.6 Insurance Proceeds. All proceeds of and any unearned premiums on any insurance policies covering the Property, including, without limitation, the right to receive and apply the proceeds of any insurance judgments, or settlements made in lieu thereof, for damage to the Property.

1.2 Assignment of Leases and Rents. Borrower absolutely and unconditionally assigns to Lender all of Borrower's right, title and interest in and to all current and future Leases and Rents; it being intended by Borrower that this assignment constitutes a present, absolute assignment and not an assignment for additional security only. Nevertheless, subject to the terms of this Deed of Trust, Lender grants to Borrower a revocable license to collect and receive the Rents. Borrower shall hold a portion of the Rents sufficient to discharge all current sums due on the Note, for use in the payment of such sums.

1.3 Security Agreement. This Deed of Trust is both a real property deed of trust and a "security agreement" within the meaning of the Idaho Uniform Commercial Code. The Property includes all rights and interests, whether tangible or intangible in nature, of Borrower in the Property. By executing and delivering this Deed of Trust, Borrower grants Lender, as security for the Secured Obligations, a security interest in the Property that is personal property (the "Personal Property") to the full extent that the Personal Property may be subject to the Idaho Uniform Commercial Code.

1.4 Secured Obligations. This Deed of Trust and the grants, assignments and transfers made herein are given for the purpose of securing all of the following, in such order of priority as Lender may determine in its sole discretion (the "Secured Obligations"):

1.4.1 The payment of the indebtedness evidenced by the Note, including any amounts that may be repaid from time to time and made available for reborrowing to the extent authorized by the Note or the other Loan Documents (defined in Section 2.1 below).

1.4.2 The payment of interest, default interest, late charges and other sums, as provided in the Note, this Deed of Trust or the other Loan Documents.

1.4.3 The payment of all other monies agreed or provided to be paid by Borrower in the Note, this Deed of Trust or the other Loan Documents.

1.4.4 The payment of all sums advanced pursuant to this Deed of Trust to protect and preserve the Property and the lien and the security interest created hereby.

1.4.5 The payment of all sums advanced, and costs and expenses incurred by Lender in connection with the Secured Obligations or any part thereof, any renewal, extension, modification, consolidation, change, substitution, replacement, restatement or increase of the Secured Obligations or any part thereof, or the acquisition or perfection of the security therefor, whether made or incurred at the request of Borrower or Lender.

1.4.6 The payment of all other sums that may hereafter be loaned or advanced by Lender to Borrower.

1.4.7 The performance of all other obligations of Borrower herein.

1.4.8 The performance of each obligation of Borrower in the Loan Documents in addition to the payment of the Note.

1.4.9 The performance of each obligation in the Loan Documents of any person guaranteeing the payment of the Note or any portion thereof or performance by Borrower of any terms of this Deed of Trust, if any.

1.4.10 The performance of each obligation of Borrower and any guarantor in any renewal, extension, modification, consolidation, change, substitution, replacement for, restatement or increase of all or any part of the Note, this Deed of Trust or the other Loan Documents.

2. Borrower Covenants. Borrower covenants and agrees as follows:

2.1 Payment of Principal and Interest. Borrower shall pay the Note, together with all interest thereon, in accordance with the terms of the Note, promptly at the times, at the place and in the manner that said principal and interest shall become due, and to promptly and punctually pay all other sums required to be paid by Borrower pursuant to the terms of the Note, this Deed of Trust, and all other documents and instruments executed as further evidence of, as additional security for, or executed in connection with, the indebtedness evidenced by the Note and secured by this Deed of Trust are collectively referred to as the "Loan Documents."

2.2 Performance of Other Obligations. Borrower shall perform, comply with, and abide by each and every one of the covenants, agreements and conditions contained and set forth in the Note, this Deed of Trust, and the other Loan Documents and shall comply with all laws, ordinances, rules, regulations and orders of any governmental authorities having jurisdiction over the Property that now or hereafter affect the Property or requires any alterations or improvements to be made thereon, and shall perform all of its obligations under any covenant, condition, restriction or agreement of record affecting the Property and shall insure that at all times the Property constitutes one or more legal lots capable of being conveyed without violation of any subdivision or platting laws, ordinances, rules or regulations, or other laws relating to the division or separation of real property.

2.3 Preservation and Maintenance of Property. Borrower shall keep all Improvements now existing or hereafter erected on the Real Property in good order and repair and shall not do or permit any waste, impairment or deterioration thereof or thereon, nor alter, remove, or demolish any of the Improvements or any Fixtures or Personal Property attached or appertaining thereto, without the prior written consent of Lender. Borrower shall not initiate, join in, or consent to any change in any private restrictive covenant, zoning ordinance or other public or private restrictions limiting or defining the uses that may be made of the Property or any part thereof, nor do or permit any other act whereby the Property shall become less valuable, be used for purposes contrary to applicable law, or be used in any manner that will increase the premium for or result in a termination or cancellation of the insurance policies hereinafter required to be kept and maintained on the Property. Borrower shall effect such repairs as Lender may reasonably require, and from time to time make all needful and proper replacements so that the Improvements, Appurtenances, Fixtures and Personal Property will, at all times, be in good condition, fit and proper for the respective purposes for which they were originally erected or installed.

2.4 Left Blank.

2.5 Left Blank.

2.6 Use of Property. The Property shall be used only for residential, recreational, and/or agricultural purposes and for no other use without the prior written consent of Lender, which consent may be withheld in Lender's discretion. This term shall not be construed as extending beyond full payment and satisfaction of the Note secured hereby, and of all amounts due under this Deed of Trust.

2.7 Payment of Taxes, Assessments and Other Charges. Borrower shall pay all taxes, assessments, and other charges that are or may be hereafter levied or assessed upon or against the Property, when the same shall become due and payable according to law, before the same become delinquent, and before any interest or penalty shall attach thereto. Borrower shall deliver official receipts evidencing the payment of the same to Lender not later than fourteen (14) days following payment. Borrower shall have the right to contest, in good faith, the proposed assessment of ad valorem taxes or special assessments by governmental authorities having jurisdiction over the Property; provided, however, Borrower shall give written notice thereof to Lender and Lender may, in its sole discretion, require Borrower to post a bond or other collateral satisfactory to Lender in connection with any such action by Borrower.

2.8 Payment of Liens, Charges and Encumbrances. Borrower shall immediately pay and discharge from time to time when the same shall become due all lawful claims and demands of mechanics, materialmen, laborers and others that, if unpaid, might result in, or permit the creation of, a lien, charge or encumbrance upon the Property or any part thereof, or on the rents, issues, income, revenues, profits and proceeds arising therefrom and, in general, to do or cause to be done everything necessary so that the lien of this Deed of Trust shall be fully preserved, at the cost of Borrower, without expense to Lender. Borrower shall have the right to contest, in good faith and in accordance with applicable laws and procedures, mechanics' and materialmen's liens filed against the Property; provided however, that Borrower shall give written notice thereof to Lender, and Lender may, in its sole discretion, require Borrower to post a bond or other collateral satisfactory to Lender (and acceptable to the title insurance company insuring this Deed of Trust) in connection with any such action by Borrower.

2.9 Payment of Junior Encumbrances. Borrower shall not permit default or delinquency under any lien, imposition, charge or encumbrance against the Property, even though junior and inferior to the lien of this Deed of Trust; provided however, the foregoing shall not be construed to permit any other lien or encumbrance against the Property.

2.10 Payment of Mortgage Taxes. Borrower shall pay any and all taxes that may be levied or assessed directly or indirectly upon the Note and/or this Deed of Trust (except for income taxes payable by Lender) or the debt secured hereby, without regard to any law that may be hereafter enacted imposing payment of the whole or any part thereof upon Lender, its successors or assigns.

2.11 Insurance.

2.11.1 Borrower shall obtain and maintain, or cause to be maintained, insurance for Borrower and the Property providing at least the following coverages:

(a) **Property Insurance.** Insurance with respect to the Improvements and building equipment insuring against any peril as set forth under the Causes of Loss-Special Form in an amount equal to amounts at all times sufficient to prevent Lender from becoming a co-insurer within the terms of the applicable policies and under applicable law, but in any event such insurance shall be maintained in an amount equal to the full insurable value of the Improvements and building equipment on the Property. The term "full insurable value" means the actual replacement cost of the Improvements and building equipment (without taking into account any depreciation, and exclusive of excavations, footings and foundations, landscaping, and paving).

(b) **Liability Insurance.** General liability insurance, including bodily injury, death and property damage liability insurance, against any and all claims, including all legal liability to the extent insurable and imposed upon Lender and all court costs and attorneys' fees and expenses, arising out of or connected with the possession, use, leasing, operation, maintenance or condition of the Property in such amounts as are generally available at commercially reasonable premiums and are generally required by institutional lenders for properties comparable to the Property but in no event for a combined single limit of less than \$1,000,000.00.

(c) **Other Insurance.** Such other insurance with respect to the Property against loss or damage of the kinds from time to time customarily insured against and in such amounts as are generally available at commercially reasonable premiums and are generally required by institutional lenders for properties comparable to the Property.

2.11.2 The Policy referred to in Paragraph (b) above shall name Lender as an additional named insured and the Policy referred to in Paragraphs (a), (c), (d), and (e) above shall provide that all proceeds be payable to Lender as set forth in this Deed of Trust. All Policies described in Subsection 2.11.1 shall contain (i) a provision that such policies shall not be canceled or terminated, nor shall they expire, without at least thirty (30) days' prior written notice to Lender in each instance. Certificates of insurance with

respect to all renewal and replacement Policies shall be delivered to Lender not less than thirty (30) days prior to the expiration date of any of the Policies required to be maintained hereunder which certificates shall bear notations evidencing payment of applicable premiums (the "Insurance Premiums"). Originals or certificates of such replacement Policies shall be delivered to Lender promptly after Borrower's receipt thereof but in any case, within thirty (30) days after the effective date thereof. If Borrower fails to maintain and deliver to Lender the original Policies or certificates of insurance required by this Deed of Trust, Lender may procure such insurance at Borrower's sole cost and expense.

2.11.3 Borrower shall comply with all insurance requirements and shall not bring or keep or permit to be brought or kept any article upon any of the Property or cause or permit any condition to exist thereon that would be prohibited by an insurance requirement or would invalidate the insurance coverage required hereunder to be maintained by Borrower on or with respect to any part of the Property pursuant to this Section.

2.11.4 The insurance coverage required under Subsection 2.11.1 may be effected under a blanket policy or policies covering the Property and other properties and assets not constituting a part of the security hereunder; provided that any such blanket policy shall specify, except in the case of public liability insurance, the portion of the total coverage of such policy that is allocated to the Property, and any sublimit in such blanket policy applicable to the Property, and shall in any case comply in all other respects with the requirements of this Section.

2.11.5 Borrower waives any and all right to claim or recover against Lender, its officers, employees, agents and representatives, by way of subrogation or otherwise, for any loss sustained by Borrower, or any loss or damage to the Property, Borrower's property or the property of others under Borrower's control from any cause insured against or required to be insured against by the provisions of this Deed of Trust.

2.12 **Condemnation.** Borrower shall promptly give Lender notice of the actual or threatened commencement of any condemnation or eminent domain proceeding and shall deliver to Lender copies of any and all papers served in connection with such proceedings. Lender may participate in any such proceedings to the extent permitted by law. Upon an Event of Default, Borrower shall deliver to Lender all instruments requested by it to permit such participation. Borrower shall, at its expense, diligently prosecute any such proceedings, and shall consult with Lender, its attorneys and experts, and cooperate with them in the carrying on or defense of any such proceedings. Notwithstanding any taking by any public or quasi-public authority through eminent domain or otherwise (including, but not limited to any transfer made in lieu of or in anticipation of the exercise of such taking), Borrower shall continue to pay the Secured Obligations at the time and in the manner provided for its payment in the Note and in this Deed of Trust and the Secured Obligations shall not be reduced until any award or payment therefor shall have been actually received and applied by Lender, after the deduction of expenses of collection, to the reduction or discharge of such obligations. Lender shall not be limited to the interest paid on the award by the condemning authority but shall be entitled to receive out of the award interest at the rate or rates provided herein or in the Note. If the property or any portion thereof is taken by the power of eminent domain, Borrower shall promptly commence and diligently prosecute the Restoration of the Property in accordance with this Deed of Trust. If the

DEED OF TRUST AND SECURITY AGREEMENT - 7

Property is sold, through foreclosure or otherwise, prior to the receipt by Lender of the award or payment, Lender shall have the right, whether or not a deficiency judgment on the Note shall have been sought, recovered or denied, to receive the award or payment, or a portion thereof sufficient to pay the Secured Obligations.

2.13 Left Blank.

2.14 Compliance with Laws. Borrower shall observe, abide by, and comply with all statutes, ordinances, laws, orders, requirements or decrees relating to the Property enacted, promulgated or issued by any federal, state, county or local governmental authority or any agency or subdivision thereof having jurisdiction over Borrower or the Property. Borrower shall observe and comply with all conditions and requirements necessary to preserve and extend any and all rights, licenses, permits (including, but not limited to, zoning, variances, special exceptions and nonconforming uses), privileges, franchises and concessions that are applicable to the Property or that have been granted to or contracted for by Borrower in connection with any existing, presently contemplated or future use of the Property.

2.15 Left Blank.

2.16 Left Blank.

2.17 Funds for Taxes, Insurance Premiums, and Other Charges. All funds for taxes, insurance premiums and other charges shall be held by Borrower until the same are due and payable, at which time Borrower will pay said funds directly to the applicable entity. Borrower shall not cause any of these charges to be in default for failure to timely pay.

3. Left Blank.

4. Further Assurances.

4.1 Inspection by Lender. Lender, and/or its agents, shall have the right and shall be permitted, but shall not be required, at all reasonable times, to enter upon and inspect the Property to ensure compliance with the covenants, agreements, and conditions set forth in this Deed of Trust.

4.2 Execution of Additional Documents. Borrower shall, at the cost of Borrower, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, mortgages, assignments, notices of assignments, transfers, assurances and other instruments, including security agreements and financing statements, as Lender shall from time to time require for the purpose of better assuring, conveying, assigning, transferring and confirming unto Lender the Property and rights hereby encumbered, created, conveyed, assigned or intended now or hereafter so to be encumbered, created, conveyed or assigned or that Borrower may now be or may hereafter become bound to encumber, create, convey, or assign to Lender, or for the purpose of carrying out the intention or facilitating the performance of the terms of this Deed of Trust, or for filing, registering, or recording this Deed of Trust, and to pay all filing, registration, or recording fees and all taxes, costs and other expenses, including Reasonable Attorneys' Fees, incident to the preparation, execution, acknowledgment, delivery, and recordation of any of the same.

5. Further Encumbrance Prohibited. Borrower shall not, without the prior written consent of Lender, sell, convey, mortgage, grant, bargain, encumber, pledge, assign, or otherwise transfer the Property or any part thereof or permit the Property or any part thereof to be sold, conveyed, mortgaged, granted, bargained, encumbered, pledged, assigned, or otherwise transferred. Notwithstanding the foregoing, Borrower may transfer the Property to an entity wholly owned by Borrower; any such transfer or conveyance shall not relieve Borrower from any obligation, liability or duty under this Deed of Trust and/or the Note.

6. Default. The occurrence of any one or more of the following events shall constitute an "Event of Default":

6.1 Failure to make any payment of (i) interest or principal when due, (ii) any other amount of the Secured Obligations when due, or (iii) the entire amount of the Secured Obligations on or before the Maturity Date.

6.2 If any representation or warranty of Borrower or any Guarantor, or any member, general partner, principal or beneficial owner of any of the foregoing, made herein, or in any other Loan Document, or in any guaranty, or in any certificate, report, financial statement or other instrument or document furnished to Lender shall have been false or misleading in any material respect when made.

6.3 If Borrower or any Guarantor shall make an assignment for the benefit of creditors or if Borrower shall generally not be paying its debts as they become due.

6.4 If (i) Borrower or any Guarantor shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization, conservatorship or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or the Borrower or any Guarantor shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against Borrower or any Guarantor any case, proceeding or other action of a nature referred to in clause (i) above which (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of sixty (60) days; or (iii) there shall be commenced against the Borrower or any Guarantor any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets which results in the entry of any order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within sixty (60) days from the entry thereof; or (iv) the Borrower or any Guarantor shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) the Borrower or any Guarantor shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due.

6.5 Except for the specific defaults set forth in this Section, any other default under any Loan Document by Borrower, which default is not cured within thirty (30) days after written notice from Lender to Borrower; provided that if such default cannot reasonably be cured within such thirty (30) day period and Borrower shall have commenced to cure such default within such

thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be extended for so long as it shall require Borrower in the exercise of due diligence to cure such default, it being agreed that no such extension shall be for a period in excess of one hundred twenty (120) days, unless, only in the case of cures that require construction or remedial work, such cure cannot with diligence be completed within such one hundred twenty (120) day period, in which case such period shall be extended for an additional one hundred twenty (120) days.

7. Rights and Remedies.

7.1 Remedies. Upon the occurrence of any Event of Default, Lender may take such action, without notice or demand, as it deems advisable to protect and enforce its rights against Borrower and in and to the Property, including, but not limited to the following actions, each of which may, to the extent permitted by applicable law, be pursued concurrently or otherwise, at such time and in such order as Lender may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of Lender:

7.1.1 Declare the entire unpaid Secured Obligations to be immediately due and payable.

7.1.2 Institute proceedings, judicial or otherwise, for the complete foreclosure of this Deed of Trust under any applicable provision of law in which case the Property or any interest therein may be sold for cash or upon credit in one or more parcels or in several interests or portions and in any order or manner.

7.1.3 Sell for cash or upon credit the Property or any part thereof and all estate, claim, demand, right, title and interest of Borrower therein and rights of redemption thereof, pursuant to power of sale or otherwise, as an entity or in parcels, at such time and place, upon such terms and after such notice thereof as may be required or permitted by law.

7.1.4 Institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained herein, in the Note or in the other Loan Documents.

7.1.5 Apply for the appointment of a receiver, trustee, liquidator or conservator of the Property, without notice and without regard for the adequacy of the security for the Secured Obligations and without regard for the solvency of Borrower or of any person, firm or other entity liable for the payment of the Secured Obligations.

7.1.6 Subject to any applicable law, the license granted to Borrower under Subsection 1.2 shall automatically be revoked and Lender may enter into or upon the Property, either personally or by its agents, nominees or attorneys and dispossess Borrower and its agents and servants therefrom, without liability for trespass, damages or otherwise and exclude Borrower and its agents or servants wholly therefrom, and take possession of all books, records and accounts relating thereto and Borrower agrees to surrender possession of the Property and of such books, records and accounts to Lender upon demand, and thereupon Lender may (i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Property and

conduct the business thereat; (ii) complete any construction on the Property in such manner and form as Lender deems advisable; (iii) make alterations, additions, renewals, replacements and improvements to or on the Property; (iv) exercise all rights and powers of Borrower with respect to the Property, whether in the name of Borrower or otherwise, including without limitation, the right to make, cancel, enforce or modify Leases, obtain and evict tenants, and demand, sue for, collect, and receive all Rents of the Property and every part thereof; (v) require Borrower to pay monthly in advance to Lender, or any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation of such part of the Property as may be occupied by Borrower; (vi) require Borrower to vacate and surrender possession of the Property to Lender or to such receiver and, in default thereof, Borrower may be evicted by summary proceedings or otherwise; and (vii) apply the receipts from the Property to the payment of the Secured Obligations, in such order, priority and proportions as Lender shall deem appropriate in its sole discretion after deducting therefrom all expenses (including reasonable attorneys' fees) incurred in connection with the aforesaid operations and all amounts necessary to pay the Taxes, Other Charges, insurance and other expenses in connection with the Property, as well as just and reasonable compensation for the services of Lender, its counsel, agents and employees.

7.1.7 Exercise any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing: (i) the right to take possession of the Personal Property or any part thereof, and to take such other measures as Lender may deem necessary for the care, protection and preservation of the Personal Property, and (ii) request Borrower at its expense to assemble the Personal Property and make it available to Lender at a convenient place acceptable to Lender. Any notice of sale, disposition or other intended action by Lender with respect to the Personal Property sent to Borrower in accordance with the provisions hereof at least ten days prior to such action, shall constitute commercially reasonable notice to Borrower.

7.1.8 Apply the undisbursed balance of any Net Proceeds or any Net Proceeds Deficiency deposit, together with interest thereon, to the payment of the Secured Obligations in such order, priority and proportions as Lender shall deem to be appropriate in its discretion.

7.1.9 Pursue such other remedies as Lender may have under applicable law.

Notwithstanding the provisions of this Section to the contrary, if any Event of Default as described in Subsection 6.4(i) or (ii) shall occur, the entire unpaid Secured Obligations shall be automatically due and payable, without any further notice, demand or other action by Lender.

7.2 Foreclosure by Power of Sale. If Lender elects to foreclose by exercise of the power of sale herein contained, Lender shall notify Trustee and shall deposit with the Trustee this Deed of Trust, the Note and such receipts and evidence of expenditures made and secured hereby as Trustee may require. Upon receipt of such notice from Lender, Trustee shall cause to be recorded and given all notices required by law. Trustee shall, without demand on Borrower, after lapse of such time as may then be required by law and after recordation of such Notice of Default and after Notice of Sale having been given as required by law, sell the Property at the

time and place of sale fixed by it in said Notice of Sale either as a whole, or in separate lots or parcels as Trustee shall deem expedient, unless Lender specifies certain terms and conditions that are permitted by applicable law, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States payable at the time of sale. The Trustee may postpone any sale by public announcement at the time and place noticed for the sale. Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including without limitation, Borrower, Trustee or Lender, may purchase at such sale. At any judicial or trustee sale of the Property, Beneficiary may credit bid (as determined by Beneficiary in its sole and absolute discretion) all or any portion of the Secured Obligations.

7.3 Application of Proceeds. The purchase money, proceeds, and avails of any disposition of the Property, or any part thereof, or any other sums collected by Lender pursuant to the Note, this Deed of Trust or the other Loan Documents, may be applied by Lender to the payment of the Secured Obligations in such priority and proportions as Lender in its discretion shall deem proper, subject to any applicable law.

7.4 Right to Cure Defaults. Upon the occurrence of any Event of Default, Lender may, but without any obligation to do so and without notice to or demand on Borrower and without releasing Borrower from any obligation hereunder, cure the same in such manner and to such extent as Lender may deem necessary to protect the security hereof. Lender is authorized to enter upon the Property for such purposes, or appear in, defend, or bring any action or proceeding to protect its interest in the Property or to foreclose this Deed of Trust or collect the Secured Obligations, and the cost and expense thereof (including reasonable attorneys' fees to the extent permitted by law), with interest as provided in this Section, shall constitute a portion of the Secured Obligations and shall be due and payable to Lender upon demand. All such costs and expenses incurred by Lender in remedying such Event of Default or in appearing in, defending, or bringing any such action or proceeding shall bear interest at the default rate specified in the Note (the "Default Rate"), for the period after notice from Lender that such cost or expense was incurred to the date of payment to Lender. All such costs and expenses incurred by Lender together with interest thereon calculated at the Default Rate shall be deemed to constitute a portion of the Secured Obligations and be secured by this Deed of Trust and the other Loan Documents and shall be immediately due and payable upon demand by Lender therefor.

7.5 Other Rights.

7.5.1 The failure of Lender to insist upon strict performance of any term hereof shall not be deemed to be a waiver of any term of this Deed of Trust. Borrower shall not be relieved of Borrower's obligations hereunder by reason of (i) the failure of Lender to comply with any request of Borrower to take any action to foreclose this Deed of Trust or otherwise enforce any of the provisions hereof or of the Note or the other Loan Documents, (ii) the release, regardless of consideration, of the whole or any part of the Property, or of any person liable for the Secured Obligations or any portion thereof, or (iii) any agreement or stipulation by Lender extending the time of payment or otherwise modifying or supplementing the terms of the Note, this Deed of Trust or the other Loan Documents.

7.5.2 The risk of loss or damage to the Property is on Borrower, and Lender shall have no liability whatsoever for decline in value of the Property, for failure to maintain the Policies, or for failure to determine whether insurance in force is adequate as to the amount of risks insured. Possession by Lender shall not be deemed an election of judicial relief, if any such possession is requested or obtained, with respect to any Property or collateral not in Lender's possession.

7.5.3 Lender may resort for the payment of the Secured Obligations to any other security held by Lender in such order and manner as Lender, in its discretion, may elect. Lender may take action to recover the Secured Obligations, or any portion thereof, or to enforce any covenant hereof without prejudice to the right of Lender thereafter to foreclose this Deed of Trust. The rights of Lender under this Deed of Trust shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Lender shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision. Lender shall not be limited exclusively to the rights and remedies herein stated but shall be entitled to every right and remedy now or hereafter afforded at law or in equity.

7.6 **Lender's Power.** Lender may release or reconvey any portion of the Property for such consideration as Lender may require without, as to the remainder of the Property, in any way impairing or affecting the lien or priority of this Deed of Trust, or improving the position of any subordinate lienholder with respect thereto, except to the extent that the obligations hereunder shall have been reduced by the actual monetary consideration, if any, received by Lender for such release or reconveyance, and may accept by assignment, pledge or otherwise any other property in place thereof as Lender may require without being accountable for so doing to any other lienholder. This Deed of Trust shall continue as a lien and security interest in the remaining portion of the Property. Without affecting the liability of any other person liable for the payment and/or performance of the Obligations and without in any way impairing or affecting the lien or priority of this Deed of Trust, Lender may, from time to time and without notice (i) release any person so liable; (ii) extend the maturity or alter any of the terms of any Secured Obligation; (iii) grant other indulgences; or (iv) make compositions or other arrangements with debtors in relation thereto.

7.7 **Right of Entry.** Lender and its agents shall have the right upon prior written notice to enter and inspect the Property at all reasonable times upon notice to Borrower.

7.8 **Acceptance of Trust; Powers and Duties of Trustee.** Trustee accepts this trust when this Deed of Trust is recorded. From time to time upon written request of Lender and presentation of this Deed of Trust, or a certified copy thereof, for endorsement, and without affecting the personal liability of any person for payment of any indebtedness or performance of any other Obligation, Trustee may, without liability therefor and without notice: (a) reconvey all or any part of the Property; (b) consent to the making of any map or plat of the Property; (c) join in granting any easement on the Property; (d) join in any declaration of covenants and restrictions; or (e) join in any extension agreement or any agreement subordinating the lien or charge of this Deed of Trust. Nothing contained in the immediately preceding sentence shall be construed to limit, impair or otherwise affect the rights of Trustee in any respect. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Borrower, Lender, or Trustee shall be a party unless brought by Trustee.

7.9 Substitution of Trustee. Lender may at any time, and from time to time, and without notice, replace and substitute a new trustee in place of the existing Trustee under this Deed of Trust, in the manner provided for under, and as allowed by, current Idaho law.

7.10 Reconveyance by Trustee. Upon written request of Lender stating that all sums secured hereby have been paid and upon surrender of this Deed of Trust to Trustee for cancellation and retention and upon payment by Borrower of Trustee's fees, Trustee shall reconvey to Borrower, or the person or persons legally entitled thereto, without warranty, any portion of the Property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof.

8. Indemnification. If Lender shall become a party either as plaintiff or as defendant, in any action, suit, appeal or legal proceeding (including, without limitation, foreclosure, condemnation, bankruptcy, administrative proceedings or any proceeding wherein proof of claim is by law required to be filed), hearing, motion or application before any court or administrative body in relation to the Property or the lien and security interest granted or created hereby or herein, or for the recovery or protection of said indebtedness or the Property, or for the foreclosure of this Deed of Trust, Borrower shall save and hold Lender harmless from and against any and all costs and expenses incurred by Lender on account thereof, including, but not limited to, Reasonable Attorneys' Fees, title searches and abstract and survey charges, at all trial and appellate levels, and Borrower shall repay, on demand, all such costs and expenses, together with interest thereon until paid at the then applicable rate of interest of the Note; all of which sums, if unpaid, shall be added to and become a part of the indebtedness secured hereby.

9. Left Blank.

10. Notices. All notices or other written communications hereunder shall be deemed to have been properly given (a) upon delivery, if delivered in person or by facsimile transmission with receipt acknowledged by the recipient thereof, (b) one (1) business day after having been deposited for overnight delivery with any reputable overnight courier service, or (c) three (3) business days after having been deposited in any post office or mail depository regularly maintained by the U.S. Postal Service and sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to Borrower: Salvatore Grant Gallucci and Doris LaRene Gallucci
7668 El Camino Real
Ste. 104-510
Carlsbad, CA 92009

If to Lender: Pioneer 1031 Exchange
1211 W. Myrtle Street, #100
Boise, Idaho 83702

With a copy to: Julie Klein Fischer
Morrow & Fischer, PLLC
332 N. Broadmore Way, Ste. 102
Nampa, ID 83687
jfischer@morrowfischer.com

or addressed as such party may from time to time designate by written notice to the other parties. Either party by notice to the other may designate additional or different addresses for subsequent notices or communications.

11. Governing Law. This Deed of Trust is to be governed by and construed in accordance Idaho Law.

12. Miscellaneous.

12.1 Successors and Assigns; Terminology. The provisions hereof shall be binding upon Borrower and the heirs, personal representatives, successors and assigns of Borrower, and shall inure to the benefit of Lender, its successors and assigns. Where more than one Borrower is named herein, the obligations and liabilities of said Borrower shall be joint and several. Wherever used in this Deed of Trust, unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, the word "Borrower" shall mean Borrower and/or any subsequent owner or owners of the Property, the word "Lender" shall mean Lender or any subsequent holder or holders of this Deed of Trust, the word "Note" shall mean the Promissory Note(s) secured by this Deed of Trust, and the word "person" shall mean an individual, trustee, trust, corporation, partnership or unincorporated association. As used herein, the phrase "Reasonable Attorneys' Fees" shall mean fees charged by attorneys selected by Lender based upon such attorneys' then prevailing hourly rates as opposed to any statutory presumption specified by any statute then in effect in the State of Idaho.

12.2 Inapplicable Provision. If any term of this Security Instrument or any application thereof shall be invalid or unenforceable, the remainder of this Security Instrument and any other application of the term shall not be affected thereby.

12.3 Attorney's Fees for Enforcement. Borrower shall pay to Lender on demand any and all expenses, including legal expenses and attorney's fees, incurred or paid by Lender in protecting its interest in the Property or Personal Property or in collecting any amount payable hereunder or in enforcing its rights hereunder with respect to the Property or Personal Property, whether or not any legal proceeding is commenced hereunder or thereunder and whether or not any default or Event of Default shall have occurred and is continuing, together with interest thereon at the Default Rate from the date paid or incurred by Lender until such expenses are paid by Borrower.

12.4 Modifications. This Deed of Trust cannot be changed, altered, amended or modified except by an agreement in writing and in recordable form, executed by both Borrower and Lender.

12.5 Captions. The captions set forth at the beginning of the various sections of this Deed of Trust are for convenience only and shall not be used to interpret or construe the provisions of this Deed of Trust.

12.6 Liability. If Borrower consists of more than one person, the obligations and liabilities of each such person hereunder shall be joint and several.

12.7 Duplicate Originals; Counterparts. This Deed of Trust may be executed in any number of duplicate originals and each duplicate original shall be deemed to be an original. This

Deed of Trust may be executed in several counterparts, each of which counterparts shall be deemed an original instrument and all of which together shall constitute a single Deed of Trust. The failure of any party hereto to execute this Deed of Trust, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder.

12.8 Entire Agreement. The Note, this Deed of Trust and the other Loan Documents constitute the entire understanding and agreement between Borrower and Lender with respect to the transactions arising in connection with the Secured Obligations and supersede all prior written or oral understandings and agreements between Borrower and Lender with respect thereto.

IN WITNESS WHEREOF, Borrower has executed this Deed of Trust as of the day and year first written above.

BORROWER:

Salvatore Grant Gallucci
Salvatore Grant Gallucci

Dorie LaRene Gallucci
Dorie LaRene Gallucci

State of _____
County of _____

This record was acknowledged before me on _____, 2021 by Salvatore Grant Gallucci and Dorie LaRene Gallucci, husband and wife.

(SEAL)

Signature of notary public
My commission expires: _____

See ATT.

ACK.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF SAN DIEGO

On 0.15.21 before me, KEV E. JOHNSON
Notary Public, personally appeared Salvatore Grant Gallucci, Done LaRene Gallucci, who proved to me on the basis of satisfactory evidence 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 in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify that under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE



(SEAL)



EXHIBIT A
(Real Property)

Parcel 1:

The North Half of the North Half of the North Half of the Northeast Quarter, Section 23, Township 17 North, Range 2 East, Boise Meridian, Valley County, Idaho.

SAVE AND EXCEPT:

A parcel of land situate in the southeast quarter of the southeast quarter of Section 14, and the northeast quarter of the northeast quarter of Section 23, T. 17N., R. 2E., B.M., Valley County, Idaho, more particularly described as follows:

Commencing at an aluminum cap marking the corner common to Sections 13, 14, 23 and 24, T. 17N., R. 2E., B.M., Valley County, Idaho, the REAL POINT OF BEGINNING:

Thence, S. 00° 28' 44" W., 346.20 feet along the east boundary of said Section 23; thence, 349.02 feet along a non-tangent curve to the right, whose long chord bears N. 06° 25' 14" W., 348.83 feet, whose radius is 3,040.00 feet, and delta angle is 06° 34' 41" to a 5/8 inch rebar with a plastic cap on the boundary common to said Sections 14 and 23; thence, 221.95 feet along a curve to the right, whose long chord bears N. 01° 02' 23" W., 221.90 feet, whose radius is 3,040.00 feet, and delta angle is 04° 10' 59" to a 5/8 inch rebar with a plastic cap; thence, N. 01° 03' 06" E., 439.93 feet to a 5/8 inch rebar with a plastic cap on the north boundary of the south half of the southeast quarter of the southeast quarter of said Section 14; thence, S. 89° 26' 00" E., 50.00 feet to the east boundary of said Section 14; thence, S. 01° 03' 06" W., 661.79 feet to the Point of Beginning.

Bearings are based on State Plane Azimuth.

Parcel 2:

The South Half of the North Half of the North Half of the Northeast Quarter, Section 23, Township 17 North, Range 2 East, Boise Meridian, Valley County, Idaho.

AND

A parcel of land situate in the north 1/2 of the north 1/2 of the north east 1/4 of Section 23, T. 17 N., R. 2 E., B.M., Valley County, Idaho, more particularly described as follows:

Commencing at an aluminum cap marking the 1/4 Corner on the east boundary of Section 23, T. 17 N., R. 2 E., B.M., Valley County, Idaho; thence, N. 00° 28' 44" E., 1,323.08 feet to an aluminum cap marking the south 1/16 corner of said Section 23; thence, continuing N. 00° 28' 44" E., 661.54 feet along the east boundary of the north east 1/4 of said Section 23 to the REAL POINT OF BEGINNING:

Thence, N. 89° 33' 42" W., 13.55 feet,

Thence, N. 01° 54' 46" E., 5.87 feet,

Thence, N. 00° 34' 58" E., 385.73 feet,

Thence, 77.31 feet along a non-tangent curve to the left, whose long chord bears S. 08° 58' 51" E., 77.31 feet, whose radius is 3,040.00 feet, and delta angle is 01° 27' 26" to the east boundary of said Section 23,

Thence, S. 00° 28' 44" W., 315.34 feet to the Point of Beginning.



IDAHO DEPARTMENT OF
WATER RESOURCES

Western Region • 2735 W Airport Way • Boise, ID 83705-5082

Phone: 208-334-2190 • Fax: 208-334-2348 • Email: westerninfo@idwr.idaho.gov • Web: idwr.idaho.gov

Governor Brad Little

Director Gary Spackman

January 06, 2022

PIONEER 1031 CO
1211 W MYRTLE ST STE 100
BOISE ID 83702-6992

RE: Notice of Security Interest for Water Right No(s): 65-24103

Dear Security Interest Holder:

The Department of Water Resources (Department) acknowledges receipt of correspondence adding security interest of the above referenced water right(s) to you. The Department has modified its records to reflect the change in security interest and has enclosed a computer-generated report for you.

Updating the ownership record for a water right does not reconfirm the validity of the right. When processing a Notice of Security Interest, the Department does not review the history of water use to determine if the right has been forfeited or deliberately abandoned through five years or more of non-use. To read more about water right forfeiture, including how to protect a water right from forfeiture, please see Idaho Code §§ 42-222 and 42-223.

If you have any questions concerning the enclosed information, please contact me at (208) 334-2190.

Sincerely,

Lynne Evans
Office Specialist II

Enclosure(s)

c: SALVATORE G GALLUCCI, DORIE L GALLUCCI

IDAHO DEPARTMENT OF WATER RESOURCES
Proof Report

1/6/2022

Water Right 65-24103

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	SALVATORE G GALLUCCI 7668 EL CAMINO REAL STE 104-510 CARLSBAD, CA 92009-7932
Current Owner	DORIE L GALLUCCI 7668 EL CAMINO REAL STE 104-510 CARLSBAD, CA 92009-7932
Original Owner	SKY RANCH CO C/O EDWARD A JOHNSON 5330 FARROW ST BOISE, ID 83704 (208) 375-6787
Previous Owner	GREGORY R OBENDORF 23299 FARGO RD PARMA, ID 83660-7115 (208) 880-6895
Previous Owner	ANN OBENDORF 23299 FARGO RD PARMA, ID 83660-7115 (208) 880-6895
Security Interest	PIONEER 1031 CO 1211 W MYRTLE ST STE 100 BOISE, ID 83702-6992 (208) 373-3739

Priority Date: 6/5/1922

Basis: Decreed

Status: Active

Source
UNNAMED STREAM

Tributary
MILL CREEK

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	4/15	10/15	0.400 CFS	
	<u>Total Diversion</u>		0.400 CFS	

Source and Point(s) of Diversion

UNNAMED STREAM NWSE Sec. 23, Twp 17N, Rge 02E, VALLEY County

Place Of Use

IRRIGATION within VALLEY County

			NE				NW				SW				SE				Totals
Twp	Rng	Sec	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	

IDAHO DEPARTMENT OF WATER RESOURCES
Proof Report

1/6/2022

17N	02E	14															0.2	0.4	0.6
17N	02E	23	18.0	1.9															19.9

POU Total Acres: 20.5

Conditions of Approval:

1. 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.
2. RIGHT NO. 65-04048 IS ALSO DIVERTED THROUGH POINT OF DIVERSION DESCRIBED ABOVE.
SOURCE IS ALSO KNOWN AS COWCLESHER CREEK.

Dates and Other Information

Decreed Date: 10/31/2000
Civil Case Number: 39576
Judicial District: FIFTH
State or Federal: S
Owner Name Connector: AND
Water District Number: 65
Generic Max Rate Per Acre: 0.020
Mitigation Plan: False

Combined Use Limits

N/A

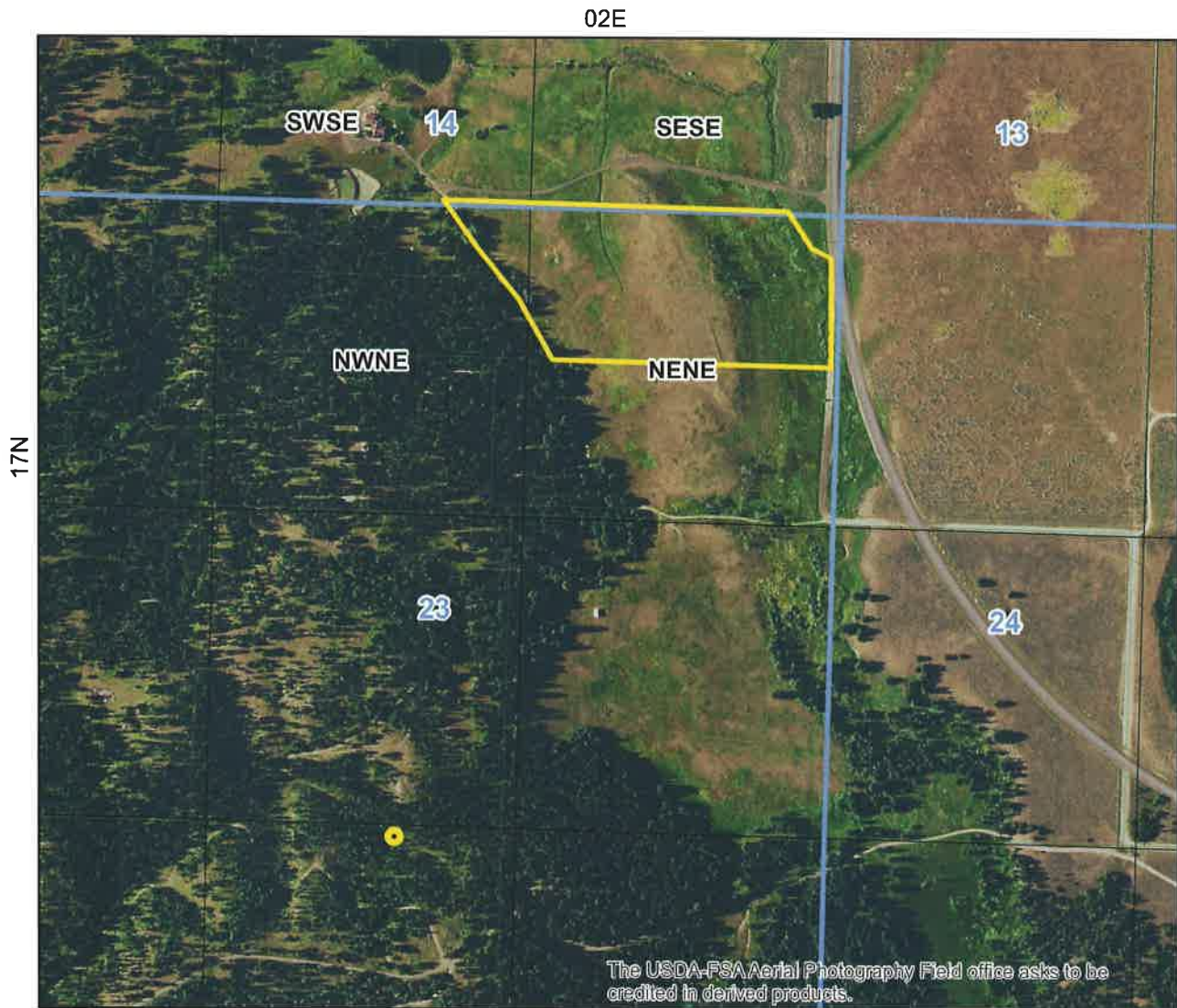
SubCase:

N/A

Water Supply Bank:

N/A

State of Idaho
Department of Water Resources
Water Right License
65-24103



-  Point of Diversion
-  Place Of Use Boundary
-  Townships
-  PLS Sections
-  Quarter Quarters
-  Taxlots

0 0.075 0.15 0.3 Miles



MORROW & FISCHER
ATTORNEYS AT LAW

332 N. Broadmore Way, Ste. 102
Nampa, Idaho 83687
208-475-2200
Fax 208-475-2201
www.morrowfischer.com

June 29, 2021

RECEIVED

JUL 01 2021

WATER RESOURCES
WESTERN REGION

Idaho Department of Water Resources
Western Region
2735 Airport Way
Boise, Idaho 83705

Re: *Water Right 65-23914*

We are counsel for Greg and Ann Obendorf, the record owners of the above-referenced water right. Enclosed for processing are the following:

- Notice of Change in Water Right Ownership
- Notice of Security Interest in a Water Right
- Fee for the Ownership Change and Security Interest filings in the amount of \$125.00
- A copy of the conveyance deed from Obendorf to Gallucci for that portion of the property to which 65-23914 is appurtenant
- Deed of Trust and Security Agreement (recorded as Instrument No. 441369, Valley County, Idaho)

Please process the Change of Ownership which will involve splitting the water right. As you can see, the security interest will attach only to that portion acquired by the Galluccis. If the right number needs to be changed on the security interest form (due to the split) please feel free to write in the new number.

If you have any questions or need additional information to proceed feel free to call or email me at jfischer@morrowfischer.com

As always, thank you for your assistance.

Sincerely,

MORROW & FISCHER, PLLC



Julie Klein Fischer

Encl.

C: Greg and Ann Obendorf