

249661

MEMORANDUM OF SALE

THIS MEMORANDUM OF SALE, hereinafter referred to as "Memorandum", made and entered into this 3rd day of December, 2014, by and between MELVIN MARX AND DARLA ANN HINTZE, husband and wife, whose current address is 4372 W Houston Rd., Mackay, Idaho 83251, hereinafter referred to as "Seller"; and SINGLE WING RANCH, L.L.C. NOLAN GREGORY SAYER and WILLIAM MARTIN SAYER personally jointly and severally whose current address is 4234 Hwy 93N, PO Box 213, Mackay, Idaho 83251, hereinafter "Buyer".

WITNESSETH:

1. PROPERTY DESCRIPTION. That Buyer is purchasing and Seller is selling property in Custer County, Idaho, more particularly described as follows, to-wit:

TRACT I: Township 7 North, Range 24 East, Boise Meridian, Custer County, Idaho

Section 26: S1/2SE1/4, EXCEPTING THEREFROM the following described parcel:

A Tract of land in the SE1/4SE1/4, Section 26, Township 7 North, Range 24 East, Boise Meridian, Custer County, Idaho:

Beginning at an aluminum cap (P.L.S. #3577) marking the Southeast corner of Section 26, Township 7 North, Range 24 East, Boise Meridian, Custer County, State of Idaho; from which an aluminum cap (P.L.S. #3577) marking the Northeast corner of Section 26 bears North 0°04'33" West 5278.28 feet; thence on or along the East line of said Section 26, North 0°04'33" West 607.99 feet to a 5/8" rebar lying on or along the South line of the Northeast Quarter of the Southeast Quarter of said Section 26; thence North 89°43'53" East 729.35 feet on or along said South line to a 5/8" rebar lying on or along the East line of said Section 26 marking the Southeast corner of the Northeast Quarter of the Southeast Quarter of said Section 26; thence South 0°04'33" East 711.58 feet on or along said East line to the Point of Beginning.

Section 35: W1/2NE1/4 LESS that part deeded to Salmon River Railroad Co., recorded August 22, 1901, in Book F of Deeds, Page 405, records of Custer County, Idaho.

TRACT II: Township 7 North, Range 24 East, Boise Meridian, Custer County, Idaho

Section 35: A portion of the W1/2NE1/4 described as:

A strip of land one hundred (100) feet wide being fifty (50) feet in width on either side of the center line of the main track of Salmon River Railroad said center line entering said West half of North East quarter on the East line at a point twelve hundred forty two & 3/10 (1242.3) feet North of South East corner thereof and running thence in a direct line to a point on West thereof seven hundred forty six (746) feet South of North West corner said West half of North East quarter.

249641

SUBJECT TO: Any and all easements, right-of-way, conditions, covenants, terms, restrictions, reservations and provisions apparent or of record, and any such rights set forth in that certain Real Estate Purchase and Sale Agreement between Buyer and Seller.

TOGETHER WITH: Water rights and water rights irrigation delivery system equipment, including appurtenances thereto used to deliver irrigation water further described as:

- a. (1) Zimmatic Center Pivot (8-tower);
- b. (2) Wade Rain wheel lines;
- c. (1) Pivot Track Closure Implement (Dyker);

2. PAYMENTS. The total Purchase Price shall be [REDACTED] paid as follows:

a. Buyer shall pay The sum of [REDACTED] paid as described below;

(1) Down Payment: The amount of [REDACTED] shall be paid at closing but no later than December 31, 2014; and

(2) On or before January 2, 2015, the amount [REDACTED] shall be paid.

b. Deferred Balance/Balloon Payment. Buyer agrees to pay to Seller the unpaid deferred balance of [REDACTED] in equal amortized annual payments computed for a period of 20-years from January 1, 2015 until December 31, 2025 (10-years); after which time a balloon payment for the remaining deferred balance shall be paid in full on January 1, 2026.

3. ESCROW. The parties designate Custer County Title, Inc. at PO Box 37, Challis, Idaho 83226 as escrow agent, closing agent, and as party to accomplish the title work in respect to this sale.

4. CLOSING DATE. The closing date shall be on or before the 31st day of December, 2014, or as mutually otherwise agreed upon.

5. TAXES AND ASSESSMENTS. Taxes and all other pertinent assessments shall be pro-rated as of the closing date. All future obligations shall be paid by Buyer, but in the case of Buyer's failure to make such payment, Seller may, at Seller's sole discretion, make such payments. All sums so expended by Seller shall be deemed as indebtedness due and owing to the Seller by the Buyer, secured hereunder, and all sums shall bear interest at the rate of 5% per annum until repaid.

6. NOTICE. Whenever legal notice is required concerning the real property involved in this document, said Notice shall be provided both to Buyer and Seller at the addresses listed below:

a. Seller: Melvin Marx and Darla Ann Hintze, 4372 W Houston Rd, Mackay, Idaho 83251.

b. Buyer: Single Wing Ranch, L.L.C. 4234 HWY 93N, PO Box 213, Mackay, Idaho 83251, and William Martin Sayer and Nolan Gregory Sayer in the personal capacity

7. PERSONAL PROPERTY. Personal property being included in this sale is described as water rights delivery system equipment as shown in #1 above.

8. APPURTENANCES. All appurtenances, rights and benefits of the realty or attachments thereto are to be transferred, including any water rights or other appurtenances thereto.

9. POSSESSION. Buyer's possession, subject to those certain conditions and reservations as described below, commences upon closing.

10. CLOSING COSTS. Closing costs, including the escrow set up fee to be paid equally between Buyer and Seller. Buyer shall bear full expense in regard to any legal documents prepared for this Sale. Seller shall bear the full expense of Title Insurance. Should Buyer default in payment, Seller's share of closing expense, if any, shall be reimbursed to Seller by Buyer. Seller shall pay any monthly escrow fee thereafter.

11. TITLE INSURANCE. 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 guaranteeing marketable and insurable title subject only to the standard exceptions or subject to the defects set out or accepted in this agreement.

12. SECURITY. The parties agree that the balance of \$375,000.00, as set forth in 2 (b) above, shall be represented by a Promissory Note at five percent (5%) interest per annum. The Promissory Note shall be secured by this Memorandum of Sale. Transfer of title shall be by Warranty Deed.

13. ESCROW INSTRUCTIONS. The parties agree and therefore instruct Custer County Title, Inc. of Challis, Idaho to act as closing agent, to record the documents, if any, in proper order.

14. INSURANCE. During the term of this contract, Buyer shall maintain public liability and property damage insurance with a combined single limit of not less than \$500,000.00 for injury to persons or damage to property. Such insurance shall cover risks arising directly or indirectly out of Buyer's activities on or any construction of the property. Such policy shall protect Seller and Buyer against claims of third persons and Seller shall be named as an additional insured. Buyer shall deliver to Seller on at least an annual basis, proof of coverage of such insurance.

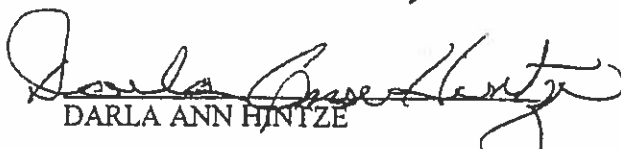
15. DEFAULTS. In the event of default by either of the parties in their performance of the terms and conditions of this Agreement, the defaulting party agrees to pay all attorney fees and costs incurred by the non-defaulting party. As the Real Estate Purchase and Sale Agreement is considered to be an "Equitable Redemption" instrument, any default in payment by Buyer shall be considered sufficient to convey full right title and interest to Seller, unless otherwise provided for by law.

16. REPRESENTATIONS. This Memorandum, together with the Real Estate Purchase and Sale Agreement, constitutes the whole agreement between the parties and no warranties, agreements or representations have been made or shall be binding upon either party unless herein set forth.

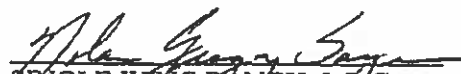
17. ASSIGNS. This Agreement shall be binding upon the heirs, personal representatives, successors and assigns of the respective parties hereto.

SELLER


MELVIN MARX HINTZE


DARLA ANN HINTZE

BUYER


SINGLE WING RANCH, L.L.C.
by: NOLAN GREGORY SAYER


SINGLE WING RANCH, L.L.C.
by: WILLIAM MARTIN SAYER


NOLAN GREGORY SAYER
In his personal capacity

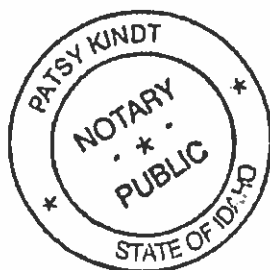

WILLIAM MARTIN SAYER
IN his personal capacity

249661

STATE OF IDAHO)
) : ss.
County of Custer)

On this 30 day of December, 2014, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared MELVIN MARX HINTZE, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

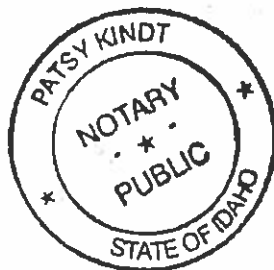


Patsy Kindt
Notary Public for Idaho
Residing at: Challis
My Commission Expires: 3-24-16

STATE OF IDAHO)
) : ss.
County of CUSTER)

On this 31 day of December, 2014, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared DARLA ANN HINTZE, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.



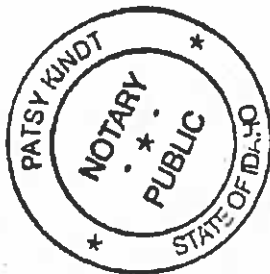
Patsy Kindt
Notary Public for Idaho
Residing at: Challis
My Commission Expires: 3-24-16

249661

STATE OF IDAHO)
)
) ss.
County of CUSTER)

On this 31 day of December, 2014, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared NOLAN GREGORY SAYER, on behalf of SINGLE WING RANCH, L.L.C. known to me to be the entity whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.



Patsy Kindt
Notary Public for Idaho

Residing at: Challis

3-24-16 Commission Exp.

STATE OF IDAHO)
)
) ss.
County of CUSTER)

On this 31 day of December, 2014, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared WILLIAM MARTIN SAYER, in his personal capacity, known to me to be the entity whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.



Patsy Kindt
Notary Public for Idaho

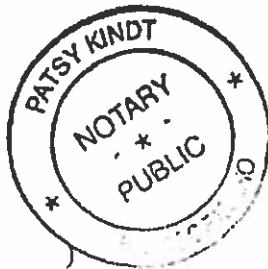
Residing at: Challis

3-24-16 Commission Exp.

STATE OF IDAHO)
)
County of Custer) : ss.

On this 31 day of December, 2014, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared NOLAN GREGORY SAYER, in his personal capacity known to me to be the entity whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

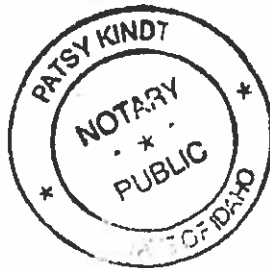


Patsy Kindt
Notary Public for Idaho
Residing at: Challis
Commission Exp: 3-24-16

STATE OF IDAHO)
)
County of Custer) : ss.

On this 31 day of December, 2014, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared WILLIAM MARTIN SAYER, in his personal capacity, known to me to be the entity whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.



Patsy Kindt
Notary Public for Idaho
Residing at: Challis
Commission Exp: 3-24-16

DEED OF GIFT

For Value Received

Melvin Marx Hintze and Darla Ann Hintze, husband and wife

Hereinafter called the grantors, do hereby grant, bargain, sell and convey unto:

Margaret Eulale McKelvey and John Quinn McKelvey, husband and wife

The grantees, whose current address is:

PO Box 491 Mackay, Idaho 83251

The following described premises, in Custer County Idaho, to-wit:

EXHIBIT "A"

By this deed we are making a gift to Margaret our daughter and her husband, we have conveyed all of our interest in the aforementioned real property to our daughter and her husband.

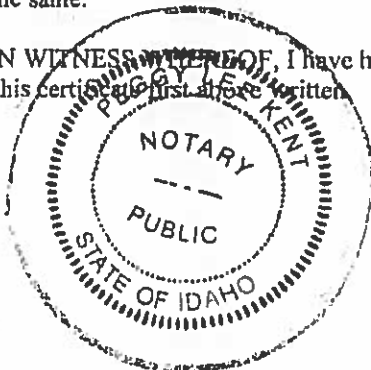
Melvin Marx Hintze
Signature of Grantor

Darla Ann Hintze
Signature of Grantor

STATE OF Idaho)
)ss.
COUNTY OF Custer)

On this 25th day of MARCH, in the year 2013, before me, the undersigned, a Notary Public in and for said State, personally appeared Melvin Marx Hintze and Darla Ann Hintze known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have herunto set my hand and affixed my official seal the day and year in this certificate first above written.



Deanna Lee Kent
Notary Public for IDAHO
Residing at MACKAY 83251
My Commission Expires: 4-25-17

247096
Custer County Reg. of
Melvin M. & Darla A. Hintze
Time 8:43 A.M. Date 3-28, 2013
Barbara C. Tierney, Clerk...
Bonnie Crisp \$13.05
Deputy

247096

Exhibit A

A Tract of Land Situated Southeasterly of Houston Road, Southwesterly of US Highway No. 93A, Being a part of the SW1/4 of Section 35 T7N., R. 24 E., B.M., Custer County, State of Idaho; Being more particularly described as follows;

Beginning at a 5/8" rebar with aluminum cap (P.L.S. #3577 - see record of survey, inst. #207793) marking the south quarter corner of Sec. 35, T7N., R24 E., B.M., Custer County, State of Idaho; from which a 5/8 rebar with aluminum cap (P.L.S. #3577 - see record of survey Inst. #207793) marking the southwest corner of said sec. 35 bears S 89° 32' 39" /w, 2664.27 feet; thence, S 89° 32' 39" W 2159.23 feet on or along the south line of the SW1/4 of said Sec. 35 to a point lying on or along the southeasterly right-of-way line of Houston road (said right-of-way line being 33 feet, measured at right angles, from the existing road centerline); thence, leaving said south line N 30° 30' 29" E, 2431.09 feet on or along said right-of-way line to a set 5/8 x 30" rebar with plastic cap (P.L.S. #3577) lying on or along the southwesterly right-of-way line of U.S. Highway No 93A; thence S 65° 06' 52" E 621.56 feet along said right-of-way line to a set 5/8" x 30" rebar with plastic cap (P.L.S. #3577), The point of beginning; thence, continuing along said right-of-way line S 65° 06' 52" E. 313.67 feet to a found 1/4" iron rod; Thence, leaving said right-of-way line S 29° 43' 58" W. 324.42 feet to a found 1/4" iron rod lying on or along an existing fence; Thence N 89° 38' 28" W. 347.91 feet on or along said fence to a set 5/8" X 30" rebar with plastic cap (P.L.S. #3577); Thence, N 28° 35' 14" E. 468.66 feet along said fence to the point of beginning.