

RECEIVED

MAY 22 2015

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. |
|----|-----------------------|-----------------------|-----------------------|-----------------------|
| ✓  | 63-33078 ✓            | Per 63-31891 ✓        |                       |                       |
| ✓  | 64-21696 → 63-21696 ✓ |                       |                       |                       |
| ✓  | 63-32839 ✓            |                       |                       |                       |
| ✓  | 63-32840 ✓            |                       |                       |                       |
| ✓  | 63-32838 ✓            |                       |                       |                       |

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

John E. Hofferd, Trustee of the John E. Hofferd Family Trust,  
dated March 15, 1994

1376 NW Remarkable Drive

Bend, Oregon 97701

Phone (541) 410-9798

Email lhofferd@bendcable.com

**SUPPORT DATA**IN FILE # 63-21696

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

Scott Garrigus and Clarrissa Garrigus

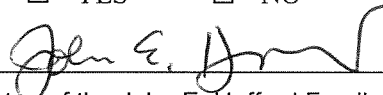
5. Expiration Date of Notification Period

July 1, 2030

6. Is this a Renewal of Request for Notification?

☐ YES☒ NO

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



Title, if applicable

Trustee of the John E. Hofferd Family Trust, dated 3/15/1994

**For Office Use Only**Received by Date 5/22/15Receipt No. W043130Fee \$150<sup>00</sup>Processed by AJDate XWR Date 5/29/15

RECORDING REQUESTED BY AND  
WHEN RECORDED RETURN TO:

John E. Hofferd  
1376 NW Remarkable Dr.  
Bend, Oregon 97701

**2015-014590**

RECORDED

**04/24/2015 12:33 PM**

CHRIS YAMAMOTO  
CANYON COUNTY RECORDER

Pgs=23 BJBROWN \$76.00  
TYPE: MTG D OF T  
FIDELITY NATIONAL TITLE - BOISE  
ELECTRONICALLY RECORDED

1082894 nb

(Space Above For Recorder's Use)

### MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING

**BORROWER:** SCOTT GARRIGUS and CLARRISSA GARRIGUS, husband and wife  
2845 S Avondale  
Nampa, ID 83686

**LENDER:** JOHN E. HOFFERD, TRUSTEE OF THE JOHN E.  
HOFFERD FAMILY TRUST, dated March 15, 1994  
("Lender")  
1376 NW Remarkable Dr.  
Bend, OR 97701

**DATE:** April 24, 2015

THIS MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING (the "Mortgage") effective as of the date set forth above, by Borrower as mortgagor (the "Borrower"), and John E. Hofferd, Trustee of the John E. Hofferd Family trust, dated March 15, 1994, its successors and assigns (the "Lender").

### RECITALS

A. Borrower is indebted to Lender in the original principal sum of EIGHT HUNDRED SEVENTY FIVE THOUSAND and no/100 Dollars (\$875,000), with interest thereon, which indebtedness is evidenced by that certain Loan and Property Use Agreement ("Loan Agreement") of even date between Lender and Borrower (the Loan Agreement and all other Borrower obligations described therein, and all substitutions, consolidations, modifications, replacements, restatements, increases, renewals, and extensions thereof, in whole or in part, are collectively referred to as the "Loan Agreement").

B. Lender, as a condition precedent to the extension of credit and the making of the loan evidenced by the Loan Agreement, has required that Borrower provide Lender with security for the repayment of the indebtedness evidenced by the Loan Agreement as well as for the performance, observance and discharge by Borrower of various covenants, conditions and agreements made by Borrower 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 Lender, subject to the terms and conditions of this Mortgage, 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 as the "Property"):

**1.1.1 Real Property.** The real property in Canyon County, Idaho, described in *Exhibit A* attached hereto and made a part hereof (the "Real Property").

**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 and Water Rights.** All tenements, hereditaments, strips and gores of land, 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, title and interest of the Borrower in any after-acquired right, title, interest, remainder or reversion, in and to the beds of any ways, streets, avenues, roads, alleys, passages and public places, open or proposed, in front of, running through, adjoining or adjacent to the Real Property; all minerals, royalties, gas rights, water, water rights (including without limitation water right nos. 63-33078, 64-21696, 63-32839, 63-32840, 63-32838 and 63-31891), water stock, water permits (including without limitation water permit no. 63-31891), crops, trees, timber and other emblements now or hereafter located on, under, or above all or any part of the Real Property (the "Appurtenances").

**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") and all right, title and interest of Borrower, its successors and assigns therein and thereunder, including, without limitation, cash or securities deposited thereunder to secure the performance by the lessees of their obligations thereunder and all rents, additional rents, revenues, issues and profits (including all oil and gas or other mineral royalties and bonuses) from the Real Property and the Improvements whether paid or accruing before or after the filing by or against Borrower of any petition for relief under the Bankruptcy Code (the "Rents") and all proceeds from the sale or other disposition of the Leases and the right to receive and apply the Rents to the payment of the Secured Obligations (defined **below**).

**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 Mortgage 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 Fixtures and Personal Property.** All machinery, equipment, fixtures (including, but not limited to all heating, air conditioning, plumbing, lighting and communications fixtures) and other property of every kind and nature whatsoever owned by Borrower, or in which Borrower has or will have an interest, now or hereafter located upon the Real Property or the Improvements, or appurtenant thereto, and used in connection with the present or future operation and occupancy of the Real Property and the Improvements and all building and farming equipment, materials and supplies of any nature whatsoever owned by Borrower, or in which Borrower has or will have an interest, now or hereafter located upon the Real Property and the Improvements, or appurtenant thereto, or used in connection with the present or future operation and occupancy of the Real Property and the Improvements (together referred to as the "Fixtures and Personal Property," which term expressly excludes any toxic waste or substance deemed hazardous under federal, regional, state, or local laws).

**1.1.7 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.

**1.1.8 Agreements.** All agreements, contracts, certificates, instruments, franchises, permits, licenses, plans, specifications and other documents, now or hereafter entered into, and all rights therein and thereto, respecting or pertaining to the use, occupation, construction, management or operation of the Real Property and any part thereof and any Improvements or respecting any business or activity conducted on the Real Property and any part thereof and all right, title and interest of Borrower therein and thereunder, including, without limitation, the right to receive and collect any sums payable to Borrower thereunder.

**1.1.9 Intangibles.** All trade names, trademarks, service marks, logos, copyrights, goodwill, books and records and all other general intangibles specific to or used in connection with the operation of 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 Mortgage, 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 Loan Agreement, for use in the payment of such sums.

**1.3 Security Agreement.** This Mortgage is both a real property mortgage 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 Mortgage, 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. This Mortgage operates as and constitutes a financing statement filed as a fixture filing, covering any of the Property that now is or later becomes fixtures attached to the Real Property or the Improvements.

**1.4 Secured Obligations.** This Mortgage 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 Loan Agreement in lawful money of the United States of America, including any amounts that may be repaid from time to time and made available for reborrowing to the extent authorized by the Loan Agreement 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 Loan Agreement, this Mortgage or the other Loan Documents.

**1.4.3** The payment of all other monies agreed or provided to be paid by Borrower in the Loan Agreement, this Mortgage or the other Loan Documents.

**1.4.4** The payment of all sums advanced pursuant to this Mortgage 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 Loan Agreement.

**1.4.9** The performance of each obligation in the Loan Documents of any person guaranteeing the payment of the Loan Agreement or any portion thereof or performance by Borrower of any terms of this Mortgage, 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 Loan Agreement, this Mortgage 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 Loan Agreement, together with all interest thereon, in accordance with the terms of the Loan Agreement, promptly at the times, at the place and in the manner that said principal and interest become due, and to promptly and punctually pay all other sums required to be paid by Borrower pursuant to the terms of the Loan Agreement, this Mortgage, the Assignment of Leases, Rents and Profits (the "Assignment") 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 Loan Agreement and secured by this Mortgage 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 Loan Agreement, this Mortgage, 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.

**2.4 Hazardous Waste.**

**2.4.1** Borrower shall keep the Property and ground water of the Property free of Hazardous Materials (as defined below). Borrower shall not and shall not knowingly permit its tenants or any third party requiring the consent of Borrower to enter the Property, to use, generate, manufacture, treat, store, release, threaten release, or dispose of Hazardous Materials in, on, or about the Property or the ground water of the Property in violation of any federal, regional, state, or local law, decision, statute, rule, ordinance or regulation currently in existence or hereinafter enacted or rendered (collectively the "Hazardous Waste Laws"). Borrower shall give Lender prompt written notice of any claim by any person, entity, or governmental agency that a significant release or disposal of Hazardous Materials has occurred in, on, or under the Property in excess of legal limits. Borrower, through its professional engineers and at its cost, shall promptly and thoroughly investigate suspected Hazardous Materials contamination of the Property. Borrower shall forthwith remove, repair, clean up, and/or detoxify any Hazardous Materials found on the Property or in the ground water of the Property if such actions are required by Hazardous Waste Laws, and whether or not Borrower was responsible for the

existence of the Hazardous Materials in, on or about the Property or the ground water of the Property. Hazardous Materials includes, but not be limited to, substances defined as "hazardous substances," "hazardous materials," or "toxic substances" in The Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, by the Superfund Amendments and Reauthorization Act of 1986, The Hazardous Materials Transportation Act of 1994. The Resource Conservation and Recovery Act of 1976, as amended by The Used Oils Recycling Act of 1980, The Solid Waste Disposal Act amendment of 1984, The Toxic Substances Control Act, The Clean Air Act, The Clean Water Act, Idaho Environmental Protection and Health Act (Idaho Code §§ 39-101 to 39-130), Idaho Radiation and Nuclear Material Act (Idaho Code §§ 39-3001 to 39-3030), Idaho Water Quality Act (Idaho Code 39-3601 to 39-3639), Idaho Hazardous Waste Management Act (Idaho Code §§ 39-4401 to 39-4432), Idaho Hazardous Substance Emergency Response Act (Idaho Code §§ 39-7101 to 39-7115), Idaho Petroleum Clean Water Trust Fund Act (Idaho Code §§ 41-4901 to 41-4948), Idaho Land Reclamation Act (Idaho Code §§ 39-7201 to 39-7210), Idaho Solid Waste Facilities Act (Idaho Code §§ 39-7401 to 39-7420), Idaho Sale and Disposal of Batteries Act (Idaho Code §§ 39-7001 to 39-7004), Idaho PCB Waste Disposal Act (Idaho Code §§ 39-6201 to 39-6216) or in any other Hazardous Waste Laws. In addition, Borrower shall not put any underground storage tanks on the Real Property.

**2.4.2** Borrower shall indemnify Lender and hold Lender harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against Lender for, with respect to, or as a direct or indirect result of, the presence in, on, or under, or the escape, seepage, leakage, spillage, discharge, emission, or release from, the Property of any Hazardous Materials (including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Hazardous Waste Laws), regardless of the source of origination and whether or not caused by, or within the control of, Borrower.

**2.4.3** Liability under this Section 2.4 and similar provisions in this Mortgage and the other Loan Documents concerning Hazardous Materials will survive repayment of the Loan Agreement and satisfaction of this Mortgage; provided, however, Borrower is not liable under this Section 2.4 regarding Hazardous Materials if (i) the Property becomes contaminated subsequent to Lender's acquisition of the Property by foreclosure, acceptance by Lender of a deed in lieu thereof, or subsequent to any transfer of ownership of the Property that was approved or authorized by Lender in writing, pursuant to this Mortgage, provided that such transferee assumes in writing all of the obligations of Borrower under the Loan Documents with respect to Hazardous Materials, or (ii) at such time Borrower provides Lender with an environmental assessment report acceptable to Lender, in its sole discretion, showing the Property to be free of Hazardous Materials and not in violation of any Hazardous Waste Laws. Borrower shall bear the burden of proof under this section with regard to establishing the date upon which any Hazardous Material was placed or appeared in, on, or under the Property.

## **2.5 Accessibility.**

**2.5.1** Borrower shall maintain the Property in full compliance with all existing and hereafter enacted federal, state, county, regional or local laws, ordinances, rules and regulations governing accessibility for the disabled, including but not limited to The

Architectural Barriers Act of 1968, The Rehabilitation Act of 1973, The Fair Housing Act of 1988, and The Americans with Disabilities Act (the "Accessibility Laws").

**2.5.2** Borrower shall indemnify Lender and hold Lender harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against Lender for, with respect to, or as a direct or indirect result of, the non-compliance of the Property with the Accessibility Laws whether or not caused by, or within the control of, Borrower.

**2.5.3** Liability under this Section 2.5 and similar provisions in this Mortgage and the other Loan Documents concerning Accessibility Laws will survive repayment of the Loan Agreement and satisfaction of this Mortgage; provided, however, Borrower shall not be liable under this Section 2.5 for compliance with any Accessibility Laws if such Accessibility Laws first become effective, or such violations result from alterations or improvements to the Property that are performed subsequent to Lender's acquisition of the Property by foreclosure or acceptance of a deed in lieu thereof or subsequent to any transfer that was approved or authorized by Lender pursuant to this Mortgage, provided that such transferee assumes in writing all obligations pertaining to Accessibility Laws pursuant to this Mortgage and the other Loan Documents.

**2.6 Use of Property.** Borrower may use the Property only for agriculture, hunting and for purposes related directly to the foregoing and for no other use without the prior written consent of Lender, which consent may be withheld in Lender's discretion.

**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 become due and payable according to law, before the same become delinquent, and before any interest or penalty attaches to the Property.

**2.8 Payment of Liens, Charges and Encumbrances.** Borrower shall immediately pay and discharge from time to time when the same 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 Mortgage is fully preserved, at the cost of Borrower, without expense to Lender.

**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 Mortgage; provided however, the foregoing will not be construed to permit any other lien or encumbrance against the Property.

**2.10 Insurance.**

**2.10.1** 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 must 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) determined annually by an insurer, a recognized independent insurance broker, or an independent appraiser selected and paid by Borrower with Lender's approval. If requested by Lender, the property insurance must include earthquake coverage.

**(b) Liability Insurance.** Commercial 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 \$2,000,000.

**(c) Flood Insurance.** Flood insurance in an amount at least equal to the lesser of (A) the principal balance of the Loan Agreement, or (B) the maximum limit of coverage available for the Property under the National Flood Insurance Act of 1968, The Flood Disaster Protection Act of 1973 or the National Flood Insurance Reform Act of 1994, as each may be amended, or any successor law (the "Flood Acts"), if any portion of the Improvements in now or at any time in the future located within an area identified by the Secretary of Housing and Urban Development or any successor thereto as an area having special flood hazards pursuant to the Flood Acts.

**(d) 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.

**2.10.2** All insurance provided for in Subsection 2.11.1 will be obtained under valid and enforceable policies (the "Policies" or in the singular, the "Policy"), and will be issued by one or more domestic primary insurer(s) having (i) an investment grade rating or claims paying ability assigned by one or more credit rating agencies approved by Lender (a "Rating Agency") and (ii) a general policy rating of A or better and a financial class of VI or better by A.M. Best Company, Inc. (each such insurer is referred to below as a "Qualified Insurer"). All insurers providing insurance required by this Mortgage are authorized to issue insurance in the state in which the Property is located. Lender will be named as an additional named insured in the Policy referred to in Paragraph (b) above and the Policy referred to in Paragraphs (a), (c), (d), and (e) above will provide that all proceeds be payable to Lender as set forth in this Mortgage. The Policies referred to in Paragraphs (a), (d), and (e) will also contain: (i) a standard "non-contributory mortgagee" endorsement or its equivalent (such as the Lender's Loss Payable

endorsement 438 BFU, in long form) relating, *inter alia*, to recovery by Lender notwithstanding the negligent or willful acts or omission of Borrower; (ii) to the extent available at commercially reasonable rates, a waiver of subrogation endorsement as to Lender; and (iii) an endorsement providing for a deductible per loss of an amount not more than that which is customarily maintained by prudent owners of similar properties in the general vicinity of the Property, but in no event in excess of an amount approved by Lender. All Policies described in Subsection 2.11.1 will contain (i) a provision that such policies may not be canceled or terminated, nor may they expire, without at least thirty (30) days' prior written notice to Lender in each instance; and (ii) include effective waivers by the insurer of all claims for Insurance Premiums (defined below) against any loss payees, additional insureds and named insureds (other than Borrower). Certificates of insurance with respect to all renewal and replacement Policies must 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 will bear notations evidencing payment of applicable premiums (the "Insurance Premiums"). Originals or certificates of such replacement Policies will 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 Mortgage, Lender may procure such insurance at Borrower's sole cost and expense.

**2.10.3** 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.

**2.10.4** If the Property is damaged or destroyed, in whole or in part, by fire or other casualty, Borrower shall give prompt notice of such damage to Lender and provided that Borrower has received the Net Proceeds (defined below), Borrower shall promptly commence and diligently prosecute the completion of the repair and restoration of the property as nearly as possible to the condition the Property was in immediately prior to such fire or other casualty, with such alterations as may be approved by Lender (the "Restoration") and otherwise in accordance with Section 2.13 of this Mortgage.

**2.10.5** The insurance coverage required hereunder 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 will 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 will in any case comply in all other respects with the requirements of this Section.

**2.11 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 Loan Agreement and in this Mortgage, and the Secured Obligations will not be reduced until any award or payment therefor has been actually received and applied by Lender, after the deduction of expenses of collection, to the reduction or discharge of such obligations. Lender is not limited to the interest paid on the award by the condemning authority but may receive out of the award interest at the rate or rates provided herein or in the Loan Agreement. 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 Mortgage. If the Property is sold, through foreclosure or otherwise, prior to the receipt by Lender of the award or payment, Lender may, whether or not a deficiency judgment on the Loan Agreement has been sought, recovered or denied, receive the award or payment, or a portion thereof sufficient to pay the Secured Obligations.

**2.12 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) applicable wetlands reserve program agreements, 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.

**2.13 Maintenance of Permits.** Borrower shall obtain, keep, and constantly maintain in full force and effect during the entire term of this Mortgage all certificates, licenses and permits necessary to keep the Property operating for its permitted uses, including without limitation any water rights. Borrower shall take those steps necessary to ensure water permit no. 63-31891 becomes a decreed water right pursuant to Idaho law. Except as specifically provided for in this Mortgage, Borrower shall not assign, transfer or in any manner change such certificates, licenses or permits without first receiving the written consent of Lender.

**2.14 Examination of Borrower's Records.** Borrower shall maintain complete and accurate books and records showing in detail the income and expenses of the Property, and shall permit Lender and its representatives to examine such books and records and all supporting vouchers and data during normal business hours and from time to time upon request by Lender.

**3. Representations and Warranties.** Borrower represents and warrants to Lender that:

**3.1 Warranty of Title.** Borrower has good title to the Property and has the right to mortgage, grant, bargain, sell, pledge, assign, warrant, transfer and convey the same and that Borrower possesses an unencumbered fee simple absolute estate in the Real Property and the Improvements and that it owns the Property free and clear of all liens, encumbrances and charges

whatsoever except for real property taxes for years subsequent to 2015. Borrower shall forever warrant, defend and preserve the title and the validity and priority of the lien of this Mortgage and shall forever warrant and defend the same to Lender against the claims of all persons whomsoever.

### **3.2 Status of Property.**

**3.2.1** Borrower has obtained all necessary certificates, licenses and other approvals, governmental and otherwise, necessary for the operation of the Property and the conduct of its business and all required zoning, building code, land use, environmental and other similar permits or approvals, all of which are in full force and effect as of the date hereof and not subject to revocation, suspension, forfeiture or modification.

**3.2.2** All public roads and streets necessary for service of and access to the Property for the current or contemplated use thereof have been completed, are serviceable and all-weather and are physically and legally open for use by the public.

**3.2.3** The Property complies with the Americans With Disabilities Act and any regulations promulgated thereunder.

**3.2.4** No part of the Real Property consists of or is classified as wetlands, tidelands, or swamp and overflow lands

## **4. Further Assurances.**

**4.1 Inspection by Lender.** Lender, and/or its agents, may, at all reasonable times and at its election, enter upon and inspect the Property to insure compliance with the covenants, agreements, and conditions set forth in this Mortgage.

**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 Mortgage, or for filing, registering, or recording this Mortgage, 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.

**4.3 Estoppel Certification by Borrower.** Borrower, upon Lender's request, shall certify in writing to Lender (or any party designated by Lender) in form satisfactory to Lender the amount of principal and interest then outstanding under the terms of the Loan Agreement and any other sums due and owing under this Mortgage or any of the other Loan Documents and whether any offsets or defenses exist against the Secured Obligations. Borrower shall make such certification within twenty (20) days of Lender's request.

**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. A sale, conveyance, mortgage, grant, bargain, encumbrance, pledge, assignment, or transfer within the meaning of this Section includes, but not limited to (a) an installment sales agreement wherein Borrower agrees to sell the Property or any part thereof for a price to be paid in installments; (b) an agreement by Borrower leasing all or a substantial part of the Property for other than actual occupancy by a space tenant thereunder or a sale, assignment or other transfer of, or the grant of a security interest in, Borrower's right, title and interest in and to any Leases or any Rents; (c) if Borrower or any general partner or managing member (or if no managing member, any member) of Borrower is a corporation, the voluntary or involuntary sale, conveyance, transfer or pledge of such corporation's stock (or the stock of any corporation directly or indirectly controlling such corporation by operation of law or otherwise) or the creation or issuance of new stock by which an aggregate of more than 49% of such corporation's stock is vested in a party or parties who are not now owners of more than 49% of such corporation's stock; and (d) if Borrower or any general partner or managing member (or if no managing member, any member) of Borrower is a limited or general partnership or joint venture, the change, removal or resignation of a general partner or the transfer or pledge of the partnership interest of any general partner or any profits or proceeds relating to such partnership interest, and (e) if Borrower or any general partner or member of Borrower is a limited liability company, the change, removal or resignation of a managing member (or if no managing member, any member) or the transfer of the membership interest of a managing member (or if no managing member, any member) or any profits or proceeds relating to such membership interest. Notwithstanding the foregoing, the following transfers do not constitute a sale, conveyance, mortgage, grant, bargain, encumbrance, pledge, assignment or transfer within the meaning of this Section: (a) transfer by devise or descent or by operation of law upon the death of a member, general partner or stockholder of Borrower or any member or general partner thereof, and (b) a sale, transfer or hypothecation of a membership, partnership or shareholder interest in Borrower, whichever the case may be, by a current member, general partner or shareholder, as applicable, to an immediate family member (i.e., parents, spouses, siblings, children or grandchildren) of such member, general partner or shareholder, or to a trust for the benefit of an immediate family member of such member, general partner or shareholder.

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

**6.1** Failure to make any payment of interest or principal when due under the Loan Agreement.

**6.2** If any representation or warranty of Borrower made herein, or in any other Loan Document, or in any any certificate, report, financial statement or other instrument or document furnished to Lender are false or misleading in any material respect when made.

**6.3** If Borrower makes an assignment for the benefit of creditors.

**6.4** If (i) Borrower commences 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 makes a general assignment for the benefit of its creditors; or (ii) any case, proceeding or other action of a nature referred to in clause (i) above is commenced against Borrower 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) any case, proceeding or other action is commenced against Borrower 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 has been vacated, discharged, or stayed or bonded pending appeal within sixty (60) days from the entry thereof; or (iv) the Borrower takes 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 is generally not, or is unable to, or admits 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 will be extended for so long as it requires Borrower in the exercise of due diligence to cure such default, it being agreed that no such extension will be for a period in excess of sixty (60) days, unless, only in the case of cures that require construction or remedial work, such cure cannot with diligence be completed within such sixty (60) day period, in which case such period will be extended for an additional ninety (90) 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 Mortgage 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 Institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained herein, in the Loan Agreement or in the other Loan Documents.

7.1.4 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.

7.1.5 Subject to any applicable law, the license granted to Borrower under Subsection 1.2 will 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 deems 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.

7.1.6 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 five (5) days prior to such action, constitutes commercially reasonable notice to Borrower.

**7.1.7** 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 deems appropriate in its discretion.

**7.1.8** 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) occurs, the entire unpaid Secured Obligations will be automatically due and payable, without any further notice, demand or other action by Lender.

Notwithstanding anything herein to the contrary, Lender's rights concerning a deficiency against Borrower are set forth in the Loan Agreement and said terms are incorporated herein by this reference.

**7.2 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 Loan Agreement, this Mortgage 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 deems proper, subject to any applicable law.

**7.3 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 Mortgage 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, constitutes a portion of the Secured Obligations and will 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 will bear interest at the default rate specified in the Loan Agreement (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 will constitute a portion of the Secured Obligations and be secured by this Mortgage and the other Loan Documents and will be immediately due and payable upon demand by Lender therefor.

**7.4 Examination of Books and Records.** Lender, its agents, accountants and attorneys may, upon prior written notice, examine the records, books, management and other papers of Borrower and its affiliates that reflect upon their financial condition, at the Property or at any office regularly maintained by Borrower, its affiliates or any guarantor where the books and records are located. Lender and its agents may, upon notice, make copies and extracts from the foregoing records and other papers. In addition, Lender, its agents, accountants and attorneys may examine and audit the books and records of Borrower and its affiliates or of any guarantor pertaining to the income, expenses and operation of the Property during reasonable business hours at any office of Borrower, its affiliates or any guarantor where the books and records are located.

**7.5 Lender's Powers.** 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 Mortgage, or improving the position of any subordinate lienholder with respect thereto, except to the extent that the obligations hereunder has 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 Mortgage continues 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 Mortgage, 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.

**7.6 Right of Entry.** Lender and its agents may, upon prior written notice, enter and inspect the Property at all reasonable times upon notice to Borrower.

**8. Indemnification.** If Lender becomes 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 Mortgage, 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 Loan Agreement; all of which sums, if unpaid, will be added to and become a part of the indebtedness secured hereby.

**9. Notices.** Borrower and Lender shall give all notices or other written communications required or permitted under this Mortgage in accordance with this Section. Notices are effective (a) upon delivery, if delivered in person or by facsimile transmission with receipt acknowledged by the recipient thereof, (b) one (1) business day after deposit for overnight delivery with any reputable overnight courier service, or (c) three (3) business days after deposit 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 to the parties as set forth above.

**10. Governing Law.** This Mortgage is governed by and construed in accordance with the laws of the state where the Property is located and, if controlling, by the laws of the United States and is binding upon Borrower, its heirs, personal representatives, successors and assigns and inures to the benefit of Lender, its successors and assigns.

## **11. Miscellaneous.**

**11.1 Successors and Assigns: Terminology.** The provisions hereof are binding upon Borrower and the heirs, personal representatives, successors and assigns of Borrower, and 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 are joint and several. Wherever used in this Mortgage, unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, the word "Borrower" means Borrower and/or any subsequent owner or owners of the Property, the word "Lender" means Lender or any subsequent holder or holders of this Mortgage, the word "Loan Agreement" means Loan Agreement(s) secured by this Mortgage, and the word "person" means an individual, trustee, trust, corporation, partnership or unincorporated association. As used herein, the phrase "Reasonable Attorneys' Fees" means 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.

**11.2 Provisions Subject to Applicable Law.** All rights, powers and remedies provided in this Mortgage may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of law and are intended to be limited to the extent necessary so that they will not render this Mortgage invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any Applicable Law.

**11.3 Inapplicable Provision.** If any term of this Mortgage or any application thereof is invalid or unenforceable, such invalidity will not affect the remainder of this Mortgage and any other application of the term.

**11.4 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 has 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.

**11.5 Modifications.** This Mortgage cannot be changed, altered, amended or modified except by an agreement in writing and in recordable form, executed by both Borrower and Lender.

**11.6 Captions.** The captions set forth at the beginning of the various sections of this Mortgage are for convenience only and are not to be used to interpret or construe the provisions of this Mortgage.

**11.7 Liability.** If Borrower consists of more than one person, the obligations and liabilities of each such person hereunder are joint and several.

**11.8 Duplicate Originals; Counterparts.** This Mortgage may be executed in any number of duplicate originals and each duplicate original will be deemed to be an original. This

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

**11.9 Entire Agreement.** The Loan Agreement, this Mortgage 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 Mortgage as of the day and year first written above.

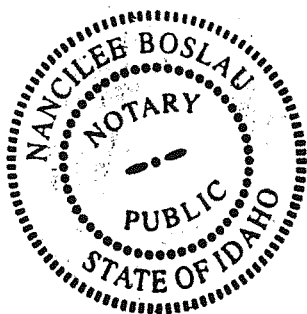
**BORROWER:**

Scott F Garrigus  
Scott Garrigus  
Clarrissa Garrigus  
Clarrissa Garrigus

STATE OF IDAHO )  
County of Ada ) ss.

On this 23rd day of April, 2015, before me Nancilee Boslau, personally appeared Scott F Garrigus, known or identified to me (or proved to me on the oath of \_\_\_\_\_), to be the person whose name is subscribed to the within instrument, and acknowledged to me that [he/she/they] executed the same.

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



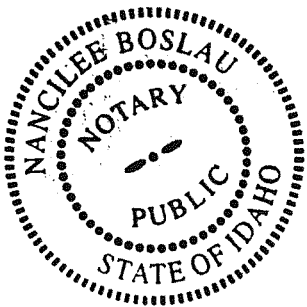
Nancilee Boslau  
NOTARY PUBLIC FOR IDAHO  
Residing at \_\_\_\_\_  
My Commission Expires \_\_\_\_\_

Residing in Meridian, Idaho  
My Commission expires: 11-12-2016

STATE OF IDAHO )  
County of Cada ) ss.

On this 23<sup>rd</sup> day of April, 2015, before me Nancilee Boslau, personally appeared Marissa Barriga known or identified to me (or proved to me on the oath of \_\_\_\_\_), to be the person whose name is subscribed to the within instrument, and acknowledged to me that [he/she/they] executed the same.

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



Nancilee Boslau  
NOTARY PUBLIC FOR IDAHO

Residing at \_\_\_\_\_

My Commission Expires \_\_\_\_\_

Residing in Meridian, Idaho

My Commission expires: 11-12-2016

EXHIBIT "A"

Parcel 1:

Portions of Government Lots 1 and 2, accretion Ground adjacent to said Lots and over portions of the Northeast quarter of the Southeast quarter and the Southwest quarter of the Northeast quarter of Section 36, Township 5 North, Range 5 West, Boise Meridian, Canyon County, Idaho being more particularly described as follows:

Commencing at the Southeast corner of said Section 36; thence  
Along the East line of said Section North 01°02'28" East, 1,313.96 feet to the South 1/16 corner being the POINT OF BEGINNING; thence  
Along the South line of said Northeast quarter of the Southeast quarter North 89°19'31" West, 1,295.62 feet to the East right-of-way line of Boise River Road; thence  
Along said right-of-way line North 00°59'00" East, 904.41 feet; thence  
Leaving said East right-of-way line South 89°01'02" East, 270.23 feet; thence  
North 00°58'10" East, 295.16 feet; thence  
North 89°01'02" West, 270.16 feet; to said East right-of-way line; thence  
Along said East right-of-way line North 00°59'00" East, 114.99 feet to the North line of said Northeast quarter of the Southeast quarter; thence  
Along said North line South 89°17'51" East, 1,150.50 feet; thence  
Leaving said North line North 18°26'56" East 170.80 feet; thence  
North 27°24'48" West, 350.12 feet; thence  
North 13°40'47" West, 315.59 feet; thence  
North 03°17'16" West, 143.05 feet; thence  
North 20°42'02" West, 210.88 feet; thence  
North 89°08'41" West, 393.66 feet; thence  
South 80°17'01" West, 64.48 feet; thence  
South 65°00'13" West, 213.74 feet; thence  
South 86°03'19" West, 331.69 feet; thence  
North 65°25'44" West, 211.89 feet; thence  
North 58°03'19" West, 117.69 feet; thence  
Along a curve to the right 96.47 feet, said curve having a radius of 125.00 feet, a delta angle of 44°13'00" and a chord bearing and distance of North 35°56'53" West, 94.09 feet; thence  
North 13°51'30" West, 109.74 feet; thence  
North 13°50'09" West, 370.84 feet; thence  
North 87°28'00" West, 762.79 feet to the West line of said Government Lot 2; thence  
Along said West line North 00°54'05" East, 557.09 feet; thence  
North 77°55'10" East, 76.58 feet; thence  
North 71°53'03" East, 134.02 feet; thence  
North 75°08'33" East, 164.55 feet; thence  
North 76°47'02" East, 219.16 feet; thence  
North 68°33'03" East, 203.13 feet; thence  
North 50°33'56" East, 111.83 feet; thence  
North 81°02'40" East, 209.84 feet; thence  
North 81°34'47" East, 176.50 feet; thence  
South 78°27'25" East, 186.64 feet; thence  
South 52°08'09" East, 47.60 feet; thence  
South 41°04'59" East, 31.97 feet to the Southerly line Government Lot 4; thence  
Along said Southerly line through the following Courses:  
South 32°21'33" West, 88.24 feet; thence  
South 19°38'27" East, 262.28 feet; thence  
South 49°38'27" East, 229.50 feet; thence  
South 36°38'27" East, 327.85 feet; thence  
South 65°38'27" East, 524.57 feet; thence  
North 58°21'33" East, 123.69 feet; thence  
South 74°31'24" East, 94.95 feet; thence  
South 66°34'44" East, 58.45 feet; thence  
South 66°34'44" East, 27.66 feet to the East line of said Lot 1; thence

Along said East line South 01°02'34" West, 1,606.33 feet to the East quarter corner of said Section 36; thence  
South 01°03'46" West, 1,313.94 feet along the East line of said Northeast quarter of the Southeast quarter to the POINT OF BEGINNING.

Parcel 2:

Parcel A:

Parcel A, as shown on Record of Survey, Instrument Number 200579796, Records of Canyon County, Idaho, said Parcel being situated in a portion of the Southwest 1/4 of the Northeast 1/4 and a portion of Government Lot 1 of Section 36, Township 5 North, Range 5 West, Boise Meridian Canyon County, Idaho is more particularly described as follows:

Commencing at the East quarter corner of said Section 36, thence  
Along the South line of said Government Lot 1, North 89°17'51" West, 967.97 feet to the POINT OF BEGINNING, thence  
Leaving said South line, North 00°58'58" East, 1066.90 feet, thence  
South 65°00'13" West, 124.46 feet, thence  
South 86°03'19" West, 331.69 feet, thence  
South 01°19'14" West, 986.12 feet to said South line of said Southwest 1/4 of the Northeast 1/4, thence  
Along said South line South 89°18'24" East, 93.64 feet to the Southwest corner of said Government Lot, thence  
South 89°17'51" East, 354.53 feet along the South line of said Government Lot to the POINT OF BEGINNING.

Parcel B:

Parcel B, as shown on Record of Survey, Instrument No. 200579796, Records of Canyon County, Idaho, said Parcel being situated in a portion of Government Lot 1 of Section 36, Township 5 North, Range 5 West, Boise Meridian, Canyon County, Idaho is more particularly described as follows:

Commencing at the East quarter corner of said Section 36, thence  
Along the south line of said Government Lot 1, North 89°17'51" West, 731.47 feet to the POINT OF BEGINNING, thence  
Leaving said South line North 00°58'58" East, 1117.03 feet, thence  
North 89°08'41" West, 92.88 feet, thence  
South 80°17'01" West, 64.48 feet, thence  
South 65°00'13" West, 89.28 feet, thence  
South 00°58'58" West, 1066.90 feet to said South line of Government Lot 1, thence  
South 89°17'51" East, 236.50 feet along said South line to the POINT OF BEGINNING.

Parcel C:

Parcel C, as shown on Record of Survey, Instrument Number 200579796, Records of Canyon County, Idaho, said Parcel being situated in a portion of Government Lot 1 of Section 36, Township 5 North, Range 5 West, Boise Meridian, Canyon County, Idaho is more particularly described as follows:

Commencing at the East quarter corner of said Section 36, thence  
Along the South line of said Government Lot 1, North 89°17'51" West, 497.42 feet to the POINT OF BEGINNING, thence  
Leaving said South line North 00°58'58" East, 1116.41 feet, thence  
North 89°08'41" West, 234.04 feet, thence  
South 00°58'58" West, 1117.03 feet to said South line of Government Lot 1, thence  
South 89°17'51" East, 234.05 feet along South line to the POINT OF BEGINNING.

Parcel D:

Parcel D, as shown on Record of Survey, Instrument Number 200579796, Records of Canyon County, Idaho, said Parcel being situated in a portion of Government Lot 1 of Section 36, Township 5 North, Range 5 West, Boise Meridian, Canyon County, Idaho is more particularly described as follows:

Commencing at the East quarter corner of said Section 36, thence  
Along the South line of said Government Lot 1, North 89°17'51" West, 146.99 feet to the POINT OF BEGINNING, thence  
Leaving said South line, North 18°26'56" East, 170.80 feet, thence  
North 27°24'48" West, 350.12 feet, thence  
North 13°40'47" West, 315.59 feet, thence  
North 03°17'16" West, 143.05 feet, thence  
North 20°42'02" West, 210.88 feet, thence  
North 89°08'41" West, 66.74 feet, thence  
South 00°58'58" West, 1116.41 feet to said South line of Government Lot 1, thence  
South 89°17'51" East, 350.43 feet along said South line to the POINT OF BEGINNING.

Parcel 3:

The Northeast quarter of the Southeast quarter in Section 36, Township 5 North, Range 5 West of the Boise Meridian, Canyon County, Idaho,

Excepting therefrom any of the property described below which lies in the said Northeast Quarter of the Southeast quarter:

Portions of Government Lots 1 and 2, accretion Ground adjacent to said Lots and over portions of the Northeast quarter of the Southeast quarter and the Southwest quarter of the Northeast quarter of Section 36, Township 5 North, Range 5 West, Boise Meridian, Canyon County, Idaho being more particularly described as follows:

Commencing at the Southeast corner of said Section 36; thence  
Along the East line of said Section North 01°02'28" East, 1,313.96 feet to the South 1/16 corner being the POINT OF BEGINNING; thence  
Along the South line of said Northeast quarter of the Southeast quarter North 89°19'31" West, 1,295.62 feet to the East right-of-way line of Boise River Road; thence  
Along said right-of-way line North 00°59'00" East, 904.41 feet; thence  
Leaving said East right-of-way line South 89°01'02" East, 270.23 feet; thence  
North 00°58'10" East, 295.16 feet; thence  
North 89°01'02" West, 270.16 feet; to said East right-of-way line; thence  
Along said East right-of-way line North 00°59'00" East, 114.99 feet to the North line of said Northeast quarter of the Southeast quarter; thence  
Along said North line South 89°17'51" East, 1,150.50 feet; thence  
Leaving said North line North 18°26'56" East 170.80 feet; thence  
North 27°24'48" West, 350.12 feet; thence  
North 13°40'47" West, 315.59 feet; thence  
North 03°17'16" West, 143.05 feet; thence  
North 20°42'02" West, 210.88 feet; thence  
North 89°08'41" West, 393.66 feet; thence  
South 80°17'01" West, 64.48 feet; thence  
South 65°00'13" West, 213.74 feet; thence  
South 86°03'19" West, 331.69 feet; thence  
North 65°25'44" West, 211.89 feet; thence  
North 58°03'19" West, 117.69 feet; thence  
Along a curve to the right 96.47 feet, said curve having a radius of 125.00 feet, a delta angle of 44°13'00" and a chord bearing and distance of North 35°56'53" West, 94.09 feet; thence  
North 13°51'30" West, 109.74 feet; thence  
North 13°50'09" West, 370.84 feet; thence

North 87°28'00" West, 762.79 feet to the West line of said Government Lot 2; thence  
Along said West line North 00°54'05" East, 557.09 feet; thence  
North 77°55'10" East, 76.58 feet; thence  
North 71°53'03" East, 134.02 feet; thence  
North 75°08'33" East, 164.55 feet; thence  
North 76°47'02" East, 219.16 feet; thence  
North 68°33'03" East, 203.13 feet; thence  
North 50°33'56" East, 111.83 feet; thence  
North 81°02'40" East, 209.84 feet; thence  
North 81°34'47" East, 176.50 feet; thence  
South 78°27'25" East, 186.64 feet; thence  
South 52°08'09" East, 47.60 feet; thence  
South 41°04'59" East, 31.97 feet to the Southerly line Government Lot 4; thence  
Along said Southerly line through the following Courses:  
South 32°21'33" West, 88.24 feet; thence  
South 19°38'27" East, 262.28 feet; thence  
South 49°38'27" East, 229.50 feet; thence  
South 36°38'27" East, 327.85 feet; thence  
South 65°38'27" East, 524.57 feet; thence  
North 58°21'33" East, 123.69 feet; thence  
South 74°31'24" East, 94.95 feet; thence  
South 66°34'44" East, 58.45 feet; thence  
South 66°34'44" East, 27.66 feet to the East line of said Lot 1; thence  
Along said East line South 01°02'34" West, 1,606.33 feet to the East quarter corner of said Section  
36; thence  
South 01°03'46" West, 1,313.94 feet along the East line of said Northeast quarter of the Southeast  
quarter to the POINT OF BEGINNING.

**UCC FINANCING STATEMENT**  
FOLLOW INSTRUCTIONS

IDAHO SECRETARY OF STATE  
04/29/2015 05:00  
CK:81730 CT:295349 BH:1473171  
1@ 12.00 = 12.00 UCC1 FILE #2  
Filing Number:  
B 2015-1156039-4

SEE ATT

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. E-MAIL CONTACT AT FILER (optional)

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

Todd Winegar  
Jones Gledhill Fuhrman Gourley PA  
PO Box 1097  
Boise, Idaho 83701

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b, but not both). Do not omit, modify, or abbreviate any part of the Debtor's name. If any part of the Debtor's name is not in the 1b, leave it blank. Check here ☐ and provide the Debtor's name information in item 10 of the Financing Statement Attachment (Form UCC1Aa).

1a. ORGANIZATION'S NAME

1b. INDIVIDUAL'S SURNAME

Garrigus

FIRST PERSONAL NAME

Scott

CITY

Nampa

STATE

ID

POSTAL CODE

83686

COUNTRY

USA

1c. MAILING ADDRESS

2845 S Avondale

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b, but not both). Do not omit, modify, or abbreviate any part of the Debtor's name. If any part of the Debtor's name is not in the 2b, leave it blank. Check here ☐ and provide the Debtor's name information in item 10 of the Financing Statement Attachment (Form UCC1Aa).

2a. ORGANIZATION'S NAME

2b. INDIVIDUAL'S SURNAME

Garrigus

FIRST PERSONAL NAME

Clarrissa

CITY

Nampa

STATE

ID

POSTAL CODE

83686

COUNTRY

USA

2c. MAILING ADDRESS

2845 S Avondale

3. SECURED PARTY'S NAME (or NAME OF ASSIGNEE or ASSUMOR SECURED PARTY): Provide one, the Secured Party name (3a or 3b).

3a. ORGANIZATION'S NAME

John E. Hofferd, Trustee of the John E. Hofferd Family Trust, dated March 15, 1994

3b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

Bend

CITY

OR

STATE

97701

COUNTRY

USA

3c. MAILING ADDRESS

1376 NW Remarkable Dr.

4. COLLATERAL: The Financing Statement covers the following collateral:

All machinery, equipment, fixtures (including, but not limited to all heating, air conditioning, plumbing, lighting, and communications fixtures) and other property of every kind and nature whatsoever owned by Debtor, or in which Debtor has or will have an interest, now or hereafter located upon the real property described in Exhibit A attached to this UCC Financing Statement and incorporated herein by this reference ("Real Property") or the improvements located on the Real Property ("Improvements"), or appurtenant thereto, and used in connection with the present or future operation and occupancy of the Real Property and the Improvements and all building and farming equipment, materials and supplies of any nature whatsoever owned by Borrower, or in which Borrower has or will have an interest, now or hereafter located upon the Real Property and the Improvements, or appurtenant thereto, or used in connection with the present or future operation and occupancy of the Real Property and the Improvements (together referred to as the "Fixtures and Personal Property," which term expressly excludes any toxic waste or substance deemed hazardous under federal, regional, state, or local laws); and

Idaho State Water Permit No. 63-31891.

5. Check only if applicable and check only one box: ☐ Debtor is a Trust or a Trustee of a Trust ☐ Debtor is a Partnership ☐ Debtor is a Limited Liability Company (LLC) ☐ Debtor is a Corporation ☐ Debtor is a Sole Proprietorship ☐ Debtor is a Partnership ☐ Debtor is a Limited Liability Company (LLC) ☐ Debtor is a Corporation ☐ Debtor is a Sole Proprietorship

6. Check only if applicable and check only one box: ☐ Debtor is a Trust or a Trustee of a Trust ☐ Debtor is a Partnership ☐ Debtor is a Limited Liability Company (LLC) ☐ Debtor is a Corporation ☐ Debtor is a Sole Proprietorship

7. Check only if applicable and check only one box: ☐ Debtor is a Trust or a Trustee of a Trust ☐ Debtor is a Partnership ☐ Debtor is a Limited Liability Company (LLC) ☐ Debtor is a Corporation ☐ Debtor is a Sole Proprietorship

8. OPTIONAL FILER REFERENCE DATA:

SEE ATT

EXHIBIT "A"

Parcel 1:

Portions of Government Lots 1 and 2, accretion Ground adjacent to said Lots and over portions of the Northeast quarter of the Southeast quarter and the Southwest quarter of the Northeast quarter of Section 36, Township 5 North, Range 5 West, Boise Meridian, Canyon County, Idaho being more particularly described as follows:

Commencing at the Southeast corner of said Section 36; thence  
Along the East line of said Section North 01°02'28" East, 1,313.96 feet to the South 1/16 corner being the POINT OF BEGINNING; thence  
Along the South line of said Northeast quarter of the Southeast quarter North 89°19'31" West, 1,295.62 feet to the East right-of-way line of Boise River Road; thence  
Along said right-of-way line North 00°59'00" East, 904.41 feet; thence  
Leaving said East right-of-way line South 89°01'02" East, 270.23 feet; thence  
North 00°58'10" East, 295.16 feet; thence  
North 89°01'02" West, 270.16 feet; to said East right-of-way line; thence  
Along said East right-of-way line North 00°59'00" East, 114.99 feet to the North line of said Northeast quarter of the Southeast quarter; thence  
Along said North line South 89°17'51" East, 1,150.50 feet; thence  
Leaving said North line North 18°26'56" East 170.80 feet; thence  
North 27°24'48" West, 350.12 feet; thence  
North 13°40'47" West, 315.59 feet; thence  
North 03°17'16" West, 143.05 feet; thence  
North 20°42'02" West, 210.88 feet; thence  
North 89°08'41" West, 393.66 feet; thence  
South 80°17'01" West, 64.48 feet; thence  
South 65°00'13" West, 213.74 feet; thence  
South 86°03'19" West, 331.69 feet; thence  
North 65°25'44" West, 211.89 feet; thence  
North 58°03'19" West, 117.69 feet; thence  
Along a curve to the right 96.47 feet, said curve having a radius of 125.00 feet, a delta angle of 44°13'00" and a chord bearing and distance of North 35°56'53" West, 94.09 feet; thence  
North 13°51'30" West, 109.74 feet; thence  
North 13°50'09" West, 370.84 feet; thence  
North 87°28'00" West, 762.79 feet to the West line of said Government Lot 2; thence  
Along said West line North 00°54'05" East, 557.09 feet; thence  
North 77°55'10" East, 76.58 feet; thence  
North 71°53'03" East, 134.02 feet; thence  
North 75°08'33" East, 164.55 feet; thence  
North 76°47'02" East, 219.16 feet; thence  
North 68°33'03" East, 203.13 feet; thence  
North 50°33'56" East, 111.83 feet; thence  
North 81°02'40" East, 209.84 feet; thence  
North 81°34'47" East, 176.50 feet; thence  
South 78°27'25" East, 186.64 feet; thence  
South 52°08'09" East, 47.60 feet; thence  
South 41°04'59" East, 31.97 feet to the Southerly line Government Lot 4; thence  
Along said Southerly line through the following Courses:  
South 32°21'33" West, 88.24 feet; thence  
South 19°38'27" East, 262.28 feet; thence  
South 49°38'27" East, 229.50 feet; thence  
South 36°38'27" East, 327.85 feet; thence  
South 65°38'27" East, 524.57 feet; thence  
North 58°21'33" East, 123.69 feet; thence  
South 74°31'24" East, 94.95 feet; thence  
South 66°34'44" East, 58.45 feet; thence  
South 66°34'44" East, 27.66 feet to the East line of said Lot 1; thence

SEE ATT

Along said East line South  $01^{\circ}02'34''$  West, 1,606.33 feet to the East quarter corner of said Section 36; thence  
South  $01^{\circ}03'46''$  West, 1,313.94 feet along the East line of said Northeast quarter of the Southeast quarter to the POINT OF BEGINNING.

Parcel 2:

Parcel A:

Parcel A, as shown on Record of Survey, Instrument Number 200579796, Records of Canyon County, Idaho, said Parcel being situated in a portion of the Southwest 1/4 of the Northeast 1/4 and a portion of Government Lot 1 of Section 36, Township 5 North, Range 5 West, Boise Meridian Canyon County, Idaho is more particularly described as follows:

Commencing at the East quarter corner of said Section 36, thence  
Along the South line of said Government Lot 1, North  $89^{\circ}17'51''$  West, 967.97 feet to the POINT OF BEGINNING, thence  
Leaving said South line, North  $00^{\circ}58'58''$  East, 1066.90 feet, thence  
South  $65^{\circ}00'13''$  West, 124.46 feet, thence  
South  $86^{\circ}03'19''$  West, 331.69 feet, thence  
South  $01^{\circ}19'14''$  West, 986.12 feet to said South line of said Southwest 1/4 of the Northeast 1/4, thence  
Along said South line South  $89^{\circ}18'24''$  East, 93.64 feet to the Southwest corner of said Government Lot, thence  
South  $89^{\circ}17'51''$  East, 354.53 feet along the South line of said Government Lot to the POINT OF BEGINNING.

Parcel B:

Parcel B, as shown on Record of Survey, Instrument No. 200579796, Records of Canyon County, Idaho, said Parcel being situated in a portion of Government Lot 1 of Section 36, Township 5 North, Range 5 West, Boise Meridian, Canyon County, Idaho is more particularly described as follows:

Commencing at the East quarter corner of said Section 36, thence  
Along the south line of said Government Lot 1, North  $89^{\circ}17'51''$  West, 731.47 feet to the POINT OF BEGINNING, thence  
Leaving said South line North  $00^{\circ}58'58''$  East, 1117.03 feet, thence  
North  $89^{\circ}08'41''$  West, 92.88 feet, thence  
South  $80^{\circ}17'01''$  West, 64.48 feet, thence  
South  $65^{\circ}00'13''$  West, 89.28 feet, thence  
South  $00^{\circ}58'58''$  West, 1066.90 feet to said South line of Government Lot 1, thence  
South  $89^{\circ}17'51''$  East, 236.50 feet along said South line to the POINT OF BEGINNING.

Parcel C:

Parcel C, as shown on Record of Survey, Instrument Number 200579796, Records of Canyon County, Idaho, said Parcel being situated in a portion of Government Lot 1 of Section 36, Township 5 North, Range 5 West, Boise Meridian, Canyon County, Idaho is more particularly described as follows:

Commencing at the East quarter corner of said Section 36, thence  
Along the South line of said Government Lot 1, North  $89^{\circ}17'51''$  West, 497.42 feet to the POINT OF BEGINNING, thence  
Leaving said South line North  $00^{\circ}58'58''$  East, 1116.41 feet, thence  
North  $89^{\circ}08'41''$  West, 234.04 feet, thence  
South  $00^{\circ}58'58''$  West, 1117.03 feet to said South line of Government Lot 1, thence  
South  $89^{\circ}17'51''$  East, 234.05 feet along South line to the POINT OF BEGINNING.

SEE ATT

Parcel D:

Parcel D, as shown on Record of Survey, Instrument Number 200579796, Records of Canyon County, Idaho, said Parcel being situated in a portion of Government Lot 1 of Section 36, Township 5 North, Range 5 West, Boise Meridian, Canyon County, Idaho is more particularly described as follows:

Commencing at the East quarter corner of said Section 36, thence  
Along the South line of said Government Lot 1, North 89°17'51" West, 146.99 feet to the POINT OF BEGINNING, thence  
Leaving said South line, North 18°26'56" East, 170.80 feet, thence  
North 27°24'48" West, 350.12 feet, thence  
North 13°40'47" West, 315.59 feet, thence  
North 03°17'16" West, 143.05 feet, thence  
North 20°42'02" West, 210.88 feet, thence  
North 89°08'41" West, 66.74 feet, thence  
South 00°58'58" West, 1116.41 feet to said South line of Government Lot 1, thence  
South 89°17'51" East, 350.43 feet along said South line to the POINT OF BEGINNING.

Parcel 3:

The Northeast quarter of the Southeast quarter in Section 36, Township 5 North, Range 5 West of the Boise Meridian, Canyon County, Idaho,

Excepting therefrom any of the property described below which lies in the said Northeast Quarter of the Southeast quarter:

Portions of Government Lots 1 and 2, accretion Ground adjacent to said Lots and over portions of the Northeast quarter of the Southeast quarter and the Southwest quarter of the Northeast quarter of Section 36, Township 5 North, Range 5 West, Boise Meridian, Canyon County, Idaho being more particularly described as follows:

Commencing at the Southeast corner of said Section 36; thence  
Along the East line of said Section North 01°02'28" East, 1,313.96 feet to the South 1/16 corner being the POINT OF BEGINNING; thence  
Along the South line of said Northeast quarter of the Southeast quarter North 89°19'31" West, 1,295.62 feet to the East right-of-way line of Boise River Road; thence  
Along said right-of-way line North 00°59'00" East, 904.41 feet; thence  
Leaving said East right-of-way line South 89°01'02" East, 270.23 feet; thence  
North 00°58'10" East, 295.16 feet; thence  
North 89°01'02" West, 270.16 feet; to said East right-of-way line; thence  
Along said East right-of-way line North 00°59'00" East, 114.99 feet to the North line of said Northeast quarter of the Southeast quarter; thence  
Along said North line South 89°17'51" East, 1,150.50 feet; thence  
Leaving said North line North 18°26'56" East 170.80 feet; thence  
North 27°24'48" West, 350.12 feet; thence  
North 13°40'47" West, 315.59 feet; thence  
North 03°17'16" West, 143.05 feet; thence  
North 20°42'02" West, 210.88 feet; thence  
North 89°08'41" West, 393.66 feet; thence  
South 80°17'01" West, 64.48 feet; thence  
South 65°00'13" West, 213.74 feet; thence  
South 86°03'19" West, 331.69 feet; thence  
North 65°25'44" West, 211.89 feet; thence  
North 58°03'19" West, 117.69 feet; thence  
Along a curve to the right 96.47 feet, said curve having a radius of 125.00 feet, a delta angle of 44°13'00" and a chord bearing and distance of North 35°56'53" West, 94.09 feet; thence  
North 13°51'30" West, 109.74 feet; thence  
North 13°50'09" West, 370.84 feet; thence

North 87°28'00" West, 762.79 feet to the West line of said Government Lot 2; thence  
Along said West line North 00°54'05" East, 557.09 feet; thence  
North 77°55'10" East, 76.58 feet; thence  
North 71°53'03" East, 134.02 feet; thence  
North 75°08'33" East, 164.55 feet; thence  
North 76°47'02" East, 219.16 feet; thence  
North 68°33'03" East, 203.13 feet; thence  
North 50°33'56" East, 111.83 feet; thence  
North 81°02'40" East, 209.84 feet; thence  
North 81°34'47" East, 176.50 feet; thence  
South 78°27'25" East, 186.64 feet; thence  
South 52°08'09" East, 47.60 feet; thence  
South 41°04'59" East, 31.97 feet to the Southerly line Government Lot 4; thence  
Along said Southerly line through the following Courses:  
South 32°21'33" West, 88.24 feet; thence  
South 19°38'27" East, 262.28 feet; thence  
South 49°38'27" East, 229.50 feet; thence  
South 36°38'27" East, 327.85 feet; thence  
South 65°38'27" East, 524.57 feet; thence  
North 58°21'33" East, 123.69 feet; thence  
South 74°31'24" East, 94.95 feet; thence  
South 66°34'44" East, 58.45 feet; thence  
South 66°34'44" East, 27.66 feet to the East line of said Lot 1; thence  
Along said East line South 01°02'34" West, 1,606.33 feet to the East quarter corner of said Section  
36; thence  
South 01°03'46" West, 1,313.94 feet along the East line of said Northeast quarter of the Southeast  
quarter to the POINT OF BEGINNING.



State of Idaho

## DEPARTMENT OF WATER RESOURCES

Western Region • 2735 Airport Way • Boise, Idaho 83705-5082

Phone: (208) 334-2190 • Fax: (208) 334-2348 • Website: [www.idwr.idaho.gov](http://www.idwr.idaho.gov)

C.L. "BUTCH" OTTER  
Governor

GARY SPACKMAN  
Director

May 29, 2015

JOHN E HOFFERD FAMILY TRUST  
C/O JOHN E HOFFERD, TRUSTEE  
1376 NW REMARKABLE DR  
BEND OR 97701

**RE: Notice of Security Interest for Water Right Nos. 63-33078, 63-21696, 63-32838, 63-32839, 63-32840 & Water Permit No. 63-31891**

Dear Party Holding Security Interest:

The Department of Water Resources acknowledges receipt of correspondence adding security interest of the above referenced water rights to you. The Department has modified its records to reflect the change in security interest for the water rights, and has enclosed computer-generated reports for your records.

Updating the ownership record for a water right does not reconfirm the validity of the right. When processing an ownership change notice, the department does not review the history of water use to determine if the right has been forfeited 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 Sections 42-222 and 42-223, Idaho Code.

Please note that as of July 1, 1996, water right owners are required to report any change of water right ownership and any change of mailing address of the owner of a water right to the department. Notice of the change must be provided to the department within 120 days of the change. Change reporting forms are available from any office of the department or online at [www.idwr.idaho.gov](http://www.idwr.idaho.gov).

The application submitted to the Department had water right 63-21696 listed as "64-21696" which is not a valid water right number. This is most likely a typo and while researching the application determined that water right 63-21696 was applicable and updated.

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

Sincerely,

Chad Jones  
Office Specialist II  
Western Regional Office  
208-334-2190

Enclosures

JONES ♦ GLEDHILL ♦ FUHRMAN ♦ GOURLEY, P.A.  
A T T O R N E Y S   A T   L A W

Todd Winegar, LL.M.

Licensed in Idaho and Oregon

May 20, 2015

RECEIVED

MAY 22 2015

WATER RESOURCES  
WESTERN REGION

IDWR Western Region  
2735 Airport Way  
Boise, ID 83705-5082

Re:      Water Right Security Interest

Greetings,

Enclosed please find a Notice of Security Interest in a Water Right along with the required evidence of security interest. We have also enclosed our firms check in the sum of \$150.00 for the filing fee (\$25.00 per water right).

Please do not hesitate to contact me if you have any questions or need anything further from my office.

Very truly yours,



TODD WINEGAR

TJW/mm  
Enclosure(s)

cc:      David E. Petersen