



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

May 6, 2015

TFI LTD PARTNERSHIP
PO BOX 690
MERIDIAN ID 83680-0690

RE: Permit No. 2-7464

Dear Permit Holder(s):

The Department has received a copy of the "Assignment of Permit" form previously submitted for the above referenced water right. The Department is unable to process your ownership change through an assignment of permit form for the following reasons.

This water right is no longer in the permit stage, but instead has become an active water right license. Once a permit becomes a license a "Notice of Change in Water Right Ownership" form is required, along with evidence of ownership such as a notarized warranty deed or other document showing that Northwest Farm Credit Services owns the land appurtenant to the water right.

The document that was filed with the assignment of permit form states that the mortgage is intended to be a Security Agreement, and lists Northwest Farm Credit Services, FLCA as the Mortgagor. With that in mind, the department would only be able to process our form titled "Notice of Security Interest in a Water Right". Having a security interest in a water right means that the mortgagor would be copied on all correspondence having to do with the above mentioned water right.

I am returning the copy you submitted of the assignment of permit form previously filed that was returned to you with my letter dated March 18, 2015. I will initiate the process to refund the \$25.00 you submitted for the assignment (receipt enclosed). You should receive a State of Idaho check for \$25.00 within ten (10) business days under separate cover.

If you have any questions, please feel free to contact me at 208-287-4945.

Sincerely,

Darla Block
Technical Records Specialist

Enclosure(s)

c: NORTHWEST FARM CREDIT SERVICES FLCA

RECEIVED**MAR 04 2015**DEPARTMENT OF
WATER RESOURCESSTATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
ASSIGNMENT OF PERMIT

To change the ownership of a permit

\$25 fee per permit

Received by J. StrangeReceipt amt. \$ 25.00Receipt no. C100000Date 3-4-15**RECEIVED****APR 20 2015**DEPARTMENT OF
WATER RESOURCESI, TFI Limited Partnership, hereby assign to TFI Limited Partnership and Northwest Farm Credit Service ELCAof P.O. Box 690 Meridian ID 83680
New owner's address including city and ZIP

AND

of 16034 Equine Drive Nampa ID 83687
New owner's address including city, state and ZIPAll my right, title, and interest in and to Permit Number(s): 2-7464, to appropriate the public waters of the State of Idaho.**OR** (for partial assignments)

The following described portion of my right, title, and interest in and to Permit Number(s):

N/A, to appropriate the public waters of the State of Idaho.

Describe in detail that portion of the permit assigned, listing the number of acres in each 40 acre subdivision, point of diversion location, and amount of water in cubic feet per second.

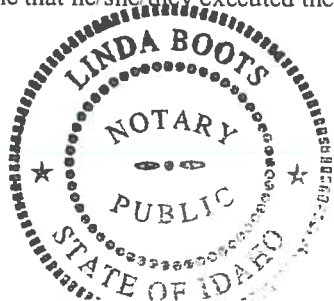
Does the new permit holder own the property at the:

Point of diversion? ☐ Yes ☐ NoPlace of use? ☐ Yes ☐ No

If no, describe the arrangement enabling the new owner to access the point of diversion and/or the place of use:

Dated this 3rd day of February, 2015.Thomas T. Nicholson
Thomas T. Nicholson, General Partner-TFI Limited PartnershipScott R. Nicholson
Scott R. Nicholson, General Partner-TFI Limited PartnershipState of Idaho)
)ss
County of Ada)On this 4 day of February, 2015, personally appeared before me the signer(s) of the above instrument, who duly acknowledged to me that he/she/they executed the same.

SEAL

Linda Boots
Notary PublicMy commission expires: 5/31/19

ELECTRONICALLY RECORDED - DO NOT
REMOVE THE COUNTY STAMPED FIRST
PAGE AS IT IS NOW INCORPORATED AS
PART OF THE ORIGINAL DOCUMENT.

2015-004008

RECORDED

02/05/2015 02:54 PM

CHRIS YAMAMOTO
CANYON COUNTY RECORDER

Pgs=20 EHOWELL \$67.00

TYPE: MTG D OF T

PIONEER TITLE COMPANY OF ADA
ELECTRONICALLY RECORDED

ADA COUNTY RECORDER Christopher D. Rich

BOISE IDAHO Pgs=20 CHE FOWLER

PIONEER TITLE COMPANY OF ADA COUNTY

2015-009245

02/05/2015 02:03 PM

\$67.00

Instrument # 246082

IDAHO CITY, BOISE COUNTY, IDAHO

02-05-2015 14:24:53 PM No. of Pages: 20

Recorded for: PIONEER TITLE COMPANY OF ADA

MARY T. PRISCO Fee: \$67.00

Ex-Officio Recorder Deputy Dee Woodstrom

Index to: MORTGAGE

Electronically Recorded by Simplifile

**This sheet has been added to document to accommodate
multiple county recording information.**

ELECTRONICALLY RECORDED - DC 7
REMOVE THE COUNTY STAMPED FIRST
PAGE AS IT IS NOW INCORPORATED AS
PART OF THE ORIGINAL DOCUMENT.

Return Address:
Northwest FCS-Nampa
16034 Equine Dr.
Nampa, ID 83687-8490

MORTGAGE AND FIXTURE FILING

THIS MORTGAGE IS ALSO INTENDED TO BE A SECURITY AGREEMENT AND ASSIGNMENT OF RENTS.

564596GL

This Mortgage, Assignment of Rents, Security Agreement and Fixture Filing (this "Mortgage"), dated as of February 3, 2015, is executed by **TFI LIMITED PARTNERSHIP**, an Idaho limited partnership; **BLACK CREEK LIMITED PARTNERSHIP**, an Idaho limited partnership, which also acquired title as Black's Creek Limited Partnership; and **THOMAS T. NICHOLSON** and **DIANA R. NICHOLSON**, husband and wife (collectively, "Mortgagor"), whose address is P.O. Box 690, Meridian, ID 83680, in favor of and for the benefit of **NORTHWEST FARM CREDIT SERVICES, FLCA**, a corporation organized and existing under the laws of the United States ("Mortgagee"), whose address is 1700 South Assembly Street, Spokane, WA 99224-2121, P. O. Box 2515, Spokane, WA 99220-2515.

This conveyance is intended to secure performance of the covenants and agreements contained herein, and in any note(s), Membership Agreement, security documents and any other documents or instruments signed in connection with the note(s) and security documents and any amendments (collectively, the "Loan Documents"). Pursuant to the terms and conditions of the Loan Documents, Mortgagor has agreed to grant this Mortgage in favor of Mortgagee to provide security for the Secured Obligations described herein, the related Loan Documents and any and all other documents entered into pursuant thereto.

1. GRANT OF SECURITY.

Mortgagor, in consideration of the indebtedness secured by this Mortgage, irrevocably bargains, sells, grants, mortgages, transfers, conveys, assigns and warrants to Mortgagee, for the benefit and security of Mortgagee, all Mortgagor's existing and future rights, titles, interests, estates, powers and privileges in or to the following (collectively the "Collateral"):

1.1 Property.

a. That certain real property located in Canyon, Boise and Ada Counties, State of Idaho, more particularly described on Exhibit A attached hereto and incorporated herein (the "Land").

b. All buildings, wells and other improvements now or hereafter located on the Land, including, but not limited to, the Fixtures (as defined below), and all other equipment, machinery, appliances and other articles attached to such buildings and other improvements (collectively the "Improvements");

c. All fixtures (including without limitation, goods that are or become so related to the Land that an interest in them arises under the real estate law) and any additions or replacements (collectively the "Fixtures") now or hereafter located on, attached to, installed in or used in connection with the Land;

d. All personal property, appliances, equipment and goods now or hereafter owned or possessed by Mortgagor located upon, in, or about or used in connection with said Land or Improvements, including the maintenance thereof, together with all increases, substitutes, replacements, proceeds and products thereof and additions and accessions thereto;

e. All rights, rights-of-way, easements, licenses, profits, claims, demands, privileges, grazing privileges, tenements, hereditaments and appurtenances now owned or hereafter acquired by Mortgagor and used in connection with the Land and the Improvements or as a means of access to either or both, including without limitation, all rights over the property of third persons which are related thereto and all unaccrued trespass and surface damage claims appurtenant thereto, and all written operations plans and all permits and approvals related to the Land and Improvements;

f. All of Mortgagor's right, title and interest in and to any land within any right-of-way of any open or proposed street adjoining the Land, and any and all sidewalks, alleys, strips and gores of land adjacent to or used in connection with the Land and Improvements;

g. All of Mortgagor's existing and future rights in (including without limitation, royalty and leasehold rights) oil, gas and other mineral rights in or relating to the Land;

h. All existing and future leases and subleases relating to the Land and Improvements or any interest in them, including without limitation, all deposits, advance rentals and other similar payments, but not including the Rents, as defined and separately assigned in Paragraph 5;

i. All options to purchase, exchange or lease the Land, Fixtures or Improvements or any interest in them (and any greater estate in the Land, Fixtures or Improvements and acquired by exercise of such options);

j. All contracts and policies of insurance and proceeds thereof which may insure all or any portion of the Collateral against casualties and theft;

k. All Mortgagor's other existing or future estates, homestead or other claims or demands, both in law and in equity in the Land and Improvements, including without limitation, (i) all awards made for the partial or complete taking by eminent domain, or by any proceeding or purchase in lieu of eminent domain, of the Land or Improvements, and (ii) all proceeds, including general intangibles and payment intangibles, of any insurance covering any of the Collateral; and

l. All cash or non-cash proceeds of the sale, lease, license, exchange or other disposition of the Collateral, including accounts and general intangibles arising therefrom. Proceeds include all subsidy payments, in cash or in kind, which may be made to Mortgagor by any person, entity or governmental agency, including but not limited to, payments and entitlements from state and federal farm programs, as well as any type of property insurance; and any rights arising out of Land or Improvements, collections and distributions on Land or Improvements.

1.2 **Water Assets.** All right, title, and interest at any time of Mortgagor (or any of its bailees, agents, or instrumentalities), whether now existing or hereafter arising or acquired, whether direct or indirect, whether owned legally, of record, equitably or beneficially, whether constituting real or personal property (or subject to any other characterizations), whether created or authorized under existing or future laws or regulations, and however arising in, without limitation, the water, water rights and other assets and items more specifically described hereinafter (collectively the "Water Assets"). A description of some Water Assets may also be included with the description of the Land set forth above or in an exhibit hereto.

a. All water (including any water inventory in storage), water rights and entitlements, other rights to water and other rights to receive water or water rights of every kind or nature whatsoever and howsoever evidenced, including but not limited to the following: (i) the groundwater on, under, pumped from or otherwise available to the Land, whether as the result of groundwater rights, contractual rights or otherwise, together with Mortgagor's right to remove and extract any such groundwater including any permits, rights or licenses granted by any governmental authority or agency or any rights granted or created by any use, easement, covenant, agreement, or contract with any person or entity; (ii) any rights to which the Land is entitled with respect to surface water, whether such right is appropriative, riparian, prescriptive, decreed or otherwise and whether or not pursuant to permit or other governmental authorization, or the right to store any such water; (iii) any water, water right, water allocation, distribution right, delivery right, water storage right, or other water-related entitlement appurtenant or otherwise applicable to the Land by virtue of the Land being situated within the boundaries of any governmental district or agency, or within the boundaries of any private water company, mutual water company, irrigation company, ditch company or other non-governmental entity that owns, stores, diverts and/or delivers water including, any and all stock, interest or other rights Mortgagor has in such entity, including voting or decision rights, and any and all rights from any entity or other person to acquire, receive, exchange, sell, lease, or otherwise transfer any Water Assets, to store, deposit or otherwise create water credits in a water bank or similar or other arrangement for allocating water, to transport or deliver water, or otherwise to deal with any Water Asset; and (iv) all water and existing and future water rights, however evidenced, to the use of water for irrigation, livestock and domestic purposes. References to "water" and "water rights" are used herein in the broadest and most comprehensive sense of the terms. The term "water" includes water rights and rights to water or whatever rights to money, proceeds, property or other benefits are exchanged or received for or on account of any Water Assets or any conservation or other nonuse of water, including whatever rights are achieved by depositing one's share of any Water Assets in any water bank or with any water authority, or any other water reallocation rights.

b. All licenses, permits, approvals, contracts, decrees, rights and interests to acquire or appropriate any Water Assets, water bank or other credits evidencing any right to Water Assets, to store, carry, transport or deliver Water Assets, to sell, lease, exchange, or otherwise transfer any Water Asset, or to change the point for diversion of water, the location of any Water Asset, the place of use of any Water Asset, or the purpose of the use of any Water Asset.

c. All rights, claims, causes of action, judgments, awards, and other judicial, arbiter or administrative relief in any way relating to any Water Asset.

d. All storage and treatment rights for any Water Asset, whether on or off the Land or other property of Mortgagor, together with all storage tanks, and other equipment used or usable in connection with such storage and any water bank deposit credits, deposit accounts or other rights arising on account of the storage or nonuse of any Water Asset.

e. All irrigation and watering equipment, including all pumps, pumping plants, storage tanks, pump motors, electrical generators (all of which are declared to be fixtures), and all systems, ditches, laterals, conduits, and rights-of-way used to convey water or to drain the Land, all of which rights are or are hereby made appurtenant to the Land.

f. All guaranties, warranties, marketing, management or service contracts, indemnity agreements, and water right agreements, including joint use agreements, other water related contracts and water reallocation rights, all insurance policies regarding or relating to any Water Asset.

g. All rents, issues, profits, proceeds and other accounts, instruments, chattel paper, contract rights, general intangibles, deposit accounts and other rights to payment arising from or on account of any use, nonuse, sale, lease transfer or other disposition of any Water Asset.

2. **REPRESENTATIONS AND WARRANTIES.** Mortgagor represents and warrants to Mortgagee as follows:

Mortgage and Fixture Filing
(Thomas T. Nicholson/Note Nos. 6220748 and 6220752)

- a. Mortgagor has represented and warranted to Mortgagee the location of Mortgagor's chief executive office; the state of its formation; Mortgagor's state of residence; and Mortgagor's exact legal name is as set forth herein.
- b. Mortgagor is the sole legal and equitable owner of the Collateral;
- c. Without thereby limiting the generality of the foregoing, and except as otherwise previously disclosed to Mortgagee, Mortgagor has not assigned or granted any harvest or access rights or interests, or sold or leased any part of the Land or the Improvements, if any, to any other person (individual, organization or governmental unit);
- d. There are no claims, liens, encumbrances (including judgments, levies and the like), or security interests ("Liens") covering the Collateral or any part or item thereof except easements and reservations of record, that are listed on the title policy delivered by Mortgagor;
- e. To the best of Mortgagor's knowledge, and other than have been disclosed to Mortgagee, there are no federal, state or local laws, regulations, rules or standards ("Laws"), or permits, orders, injunctions, citations, notices of civil penalty, restraining orders, judgments or the like issued by any governmental unit ("Orders") that are now in effect and that would restrict any material use of the Collateral;
- f. Mortgagor has taken all actions necessary and has duly authorized this Mortgage and it is the legally valid and binding contract of Mortgagor, and is enforceable against Mortgagor in accordance with its terms; and
- g. To the best of Mortgagor's knowledge, neither the execution of this Mortgage nor the payment and performance of the Secured Obligations will materially violate any Laws or Orders affecting Mortgagor or the Collateral or constitute a breach or Event of Default by Mortgagor under any agreement, contract, loan indenture, lease, instrument or like document to which Mortgagor is a party or the Collateral is bound.

The foregoing representations and warranties will survive and not be merged or otherwise eliminated by any conveyance, voluntarily or through foreclosure, of the Collateral to Mortgagee or its nominee. Mortgagor hereby agrees to indemnify, defend and hold harmless Mortgagee from and against any and all claims, loss, liability, damages, liens, penalties, costs and expenses of any nature or kind whatsoever arising from or related to any misstatement or omission of any material fact in the foregoing representations and warranties.

3. SECURED OBLIGATIONS.

3.1 **Secured Obligations.** This Mortgage, and the lien it creates, is made for the purpose of securing the following obligations (collectively the "Secured Obligations"):

- a. The full and punctual payment of the indebtedness evidenced by that certain note(s) described below, in favor of Mortgagee (the "Note(s)") with interest thereon at the rates therein provided which interest rate and payment terms may be adjusted as provided in the Note(s) and Loan Documents, together with any and all renewals, modifications, consolidations and extensions of the indebtedness evidenced by the Note(s), as well as any prepayment fees or penalties provided for in the Note(s) or as it may be amended to provide for such prepayment fees or penalties;

Note No.	Date of Note	Principal Amount	Final Installment Date
6220748	February 3, 2015	\$7,300,000.00	January 1, 2030
Note No.	Date of Note	Principal Amount	Final Installment Date
6220752	February 3, 2015	\$750,000.00	January 1, 2025

b. Payment and performance of the obligations under the Note(s) and Loan Documents (including future advances) and under any and all other present and future agreements executed in relation to the Note(s), except those Loan Documents that expressly state they are not secured by Collateral described herein;

c. Payment of such additional sums with interest thereon as may be due to Mortgagee under any provisions of this Mortgage;

d. Payment of all indebtedness and performance of all other obligations which the then record owner of the Collateral may agree to pay and perform for the benefit of Mortgagee, and which are contained in a document which recites that it is secured by this Mortgage;

e. Payment of all amounts advanced by (or on behalf of) Mortgagee to improve, protect or preserve the Collateral or the security of this Mortgage, with interest on such amounts as provided in this Mortgage;

f. Payment and performance of all amendments, modifications, extensions, renewals and replacements of any of the foregoing; and

g. Payment of charges as allowed by law, when such charges are made for any Mortgagee statement or other statement regarding the Secured Obligations.

3.2 Separate Indemnities. Notwithstanding the foregoing, this Mortgage does not secure any separate hazardous materials indemnity or any similar indemnity or indemnities in any of the Loan Documents.

3.3 Indexing. Notice is hereby given that the interest rate, payment terms or balance due on the Notes(s) may be indexed, adjusted, renewed or renegotiated.

3.4 Continuing Validity. The continuing validity and priority of this Mortgage for future extensions of credit and advances shall not be impaired by the fact that at certain times no outstanding indebtedness to Mortgagee or commitments from Mortgagee to make future extensions of credit or advances exists.

4. COVENANTS.

4.1 Maintenance, Repair, Alterations. Mortgagor shall: keep the Collateral in good condition and repair; complete promptly and in a good and workmanlike manner, any Improvement that may be constructed on the Land, and promptly restore in like manner any Improvement that may be damaged or destroyed, and pay when due all claims for labor performed and materials furnished for such construction or restoration; comply with all Laws and Orders of any court or governmental or regulatory body having jurisdiction over Mortgagor, the Land or Improvements; comply with any condominium or other plan, declaration of covenants, conditions and restrictions, and reciprocal easement agreements to which the Land is subject ("CC&Rs"), any owners' association articles and bylaws affecting the Land, and such exceptions to title as evidenced by a preliminary title report on the date of closing, acceptable to Mortgagee ("Permitted Liens"); keep and maintain abutting grounds, sidewalks, roads, parking and landscape areas in good, neat order and repair; comply with the provisions of any leases constituting part of the Collateral; obtain and maintain in full force and effect all permits necessary for the use, occupancy and operation of the Collateral; and do any and all other acts, except as otherwise prohibited or restricted by the Loan Documents, that may be reasonably necessary to protect or preserve the value of the Collateral and the rights of Mortgagee in it.

Mortgagor shall not, except upon the prior written consent of Mortgagee, which shall not be unreasonably withheld or delayed: remove, demolish or materially alter any of the Improvements, other than to make non-structural repairs in the ordinary course of business, that preserve or increase the value of the Land; commit or permit any waste or deterioration of the Collateral; abandon all or any part of the Collateral or leave the Collateral unprotected, unguarded, vacant or deserted; or initiate, join in or consent to any change in any zoning ordinance, general plan,

specific plan, private restrictive covenant or other public or private restriction limiting the uses that may be made of the Land or Improvements by Mortgagor.

4.2 Insurance. Keep all material property useful and necessary in its business in reasonably good working order and condition (ordinary wear and tear excepted); maintain with financially sound and reputable insurance companies casualty, liability, and such other insurance (that may include plans of self-insurance) with such coverage and deductibles, and in such amounts as may be consistent with prudent business practice and in any event consistent with normal industry practice; and furnish to the Mortgagee, upon written request, full information as to the insurance carried.

4.3 Condemnation and Other Awards. Mortgagor shall take all actions reasonably required by Mortgagee in connection with condemnation or other taking to defend and protect the interests of Mortgagor, Mortgagee in the Land. Mortgagee shall be entitled to participate in, control and be represented by counsel of its choice in such proceeding. All condemnation proceeds shall first be applied to reimburse Mortgagee for all their reasonable costs and expenses, including reasonable attorneys' fees, incurred in connection with the collection of such award or settlement. The balance of such award or settlement shall be applied by Mortgagee against the Secured Obligations in such order as Mortgagee may determine.

4.4 Taxes, Assessments and Utilities. Mortgagor shall pay, prior to delinquency, all of the following: all general and special real property taxes and assessments imposed on the Land; all other taxes, assessments and charges assessed on the Land (or on the owner and/or operator of the Land) that create or may create a lien on the Land (or on any Improvement or Fixture used in connection with the Land); including, without limitation, non-governmental levies and assessments under applicable covenants, conditions and restrictions; and all business taxes.

Mortgagor shall promptly pay all gas, irrigation, electricity, water, sewer and other utility charges incurred for the benefit of the Collateral or that may become a lien against the Collateral; and all other similar public or private assessments and charges relating to the Collateral, regardless of whether or not any such charge is or may become a lien on the Collateral.

4.5 Liens. Mortgagor shall not cause, incur or permit to exist any Liens upon all or any part of the Collateral or any interest in the Collateral other than Permitted Liens. Mortgagor shall pay and promptly discharge, at Mortgagor's sole cost and expense, all such Liens.

4.6 Sale or Lease of Collateral: Due on Sale Clause. Mortgagor shall not sell, lease, sublease or otherwise transfer all or any part of the Collateral or any interest in it, without the prior written consent of Mortgagee, which consent may be granted or withheld in Mortgagee's sole and absolute discretion. No sale, lease or other transfer shall relieve Mortgagor from primary liability for its obligations under the Loan Documents or relieve any guarantor from any liability under any guaranty. Upon any such transfer to which Mortgagee does not consent, Mortgagee at its option may, without prior notice, declare all Secured Obligations immediately due and payable without presentment, demand, protest or further notice of any kind, and may exercise all rights and remedies provided in this Mortgage, in the other Loan Documents or under applicable law.

4.7 Inspections and Property Valuations. Mortgagor authorizes Mortgagee and its agents, representatives and employees, upon reasonable notice to Mortgagor, to enter at any time upon any part of the Collateral for the purpose of inspecting the Collateral. Mortgagor agrees to pay the costs and expenses of Mortgagee incurred in such inspections and examinations, including without limitation, Mortgagee's attorneys' fees, if such inspection was made necessary because of an Event of Default, whether the services are provided by Mortgagee's employees, agents or independent contractors. Any inspection or review by Mortgagee is solely for Mortgagee's benefit to protect Mortgagee's security and preserve Mortgagee's rights under this Mortgage. No inspection by Mortgagee shall constitute a waiver of any Event of Default. Mortgagor shall cooperate in allowing Mortgagee or its agents reasonable access to the Collateral for the purpose of performing any subsequent valuation, whether it is in the form of an appraisal or any other method of valuing the Collateral. Mortgagor shall pay promptly to Mortgagee, on

demand, the costs of any such subsequent valuation, whether performed by employees, agents, or independent contractors of Mortgagee.

4.8 Defense of Actions. Mortgagor shall notify Mortgagee of any action or proceeding purporting to affect (a) the security of this Mortgage, (b) all or any part of the Collateral or any interest in it, (c) any additional or other security for the Secured Obligations, or (d) the interests, rights, powers or duties of Mortgagee under this Mortgage. Mortgagor, at no cost or expense to Mortgagee, shall appear in and defend the same. If Mortgagee elects to become or is made a party to such action or proceeding, Mortgagor shall indemnify, defend and hold Mortgagee harmless from all related liability, damage, cost and expense reasonably incurred by Mortgagee, whether or not such action or proceeding is prosecuted to judgment or decision.

4.9 Protection of Security. If Mortgagor fails to make any payment or to do any act required by this Mortgage or any of the other Loan Documents, Mortgagee may do so. Mortgagee may decide to do so, in its own discretion, without obligation to do so, without further notice or demand, and without releasing Mortgagor in such manner and to such extent as it may reasonably deem necessary to protect the security of this Mortgage.

4.10 Mortgagee's Powers. If Mortgagor fails to pay any sum, other than principal and interest on the Secured Obligations, or to perform or comply with any other obligation required by any Loan Document, Mortgagee at its election may pay such sum or comply with such obligation. Without affecting the liability of Mortgagor or any other person liable for the payment of any Secured Obligation, and without affecting the lien or charge of this Mortgage, Mortgagee may, from time to time, do any of the following: (a) release any person so liable, (b) release or reconvey all or any part of the Collateral, (c) take or release any other or additional security for any Secured Obligation, or (d) make arrangements with debtors in relation to the Secured Obligations. Waiver by Mortgagee of any right or remedy as to any transaction or occurrence shall not be deemed to be a waiver of any future transaction or occurrence. By accepting full or partial payment or performance of any Secured Obligation after due or after the filing of a notice of default and election to sell, Mortgagee shall not have thereby waived its right to (i) require prompt payment and performance in full, when due, of all other Secured Obligations, (ii) declare a default for failure to so pay or perform, or (iii) proceed with the sale under any notice of default and election to sell previously given by Mortgagee, or as to any unpaid balance of the indebtedness secured by this Mortgage.

4.11 Reimbursement of Costs, Fees and Expenses: Secured by Mortgage. Mortgagor shall pay, on demand, to the maximum allowable under applicable law, all reasonable costs, fees, expenses, advances, charges, losses and liabilities paid or incurred by Mortgagee in administering this Mortgage, the collection of the Secured Obligations, and Mortgagee's exercise of any right, power, privilege or remedy under this Mortgage. Fees, costs and expenses of attorneys shall include the reasonable fees and disbursements of Mortgagee's outside and staff counsel and of any experts and agents, and including such fees incurred in the exercise of any remedy (with or without litigation), in any proceeding for the collection of the Secured Obligations, in any foreclosure on any of the Collateral, in protecting the lien or priority of any Loan Document, or in any litigation or controversy connected with the Secured Obligations, including any bankruptcy, receivership, injunction or other proceeding, or any appeal from or petition for review of any such proceeding.

5. RENTS, ISSUES AND PROFITS.

5.1 Assignment of Rents, Issues and Profits. Mortgagor absolutely, unconditionally and irrevocably assigns and transfers to Mortgagee all of its right, title and interest in and to all rents, issues, profits, royalties, income and other proceeds and similar benefits derived from the Collateral (collectively the "Rents"), and gives to Mortgagee the right, power and authority to collect such Rents. Mortgagor irrevocably appoints Mortgagee its true and lawful attorney-in-fact, at the option of Mortgagee, at any time and from time to time, to demand, receive and enforce payment, to give receipts, releases and satisfactions, and or sue, in its name or in Mortgagor's name, for all Rents, and to apply them to the Secured Obligations. Mortgagee hereby grants to Mortgagor a license to collect and retain Rents (but not more than one month in advance unless the written approval of Mortgagee has first been obtained) so long as an Event of Default shall not have occurred and be continuing. The assignment of the Rents is intended to

be an absolute assignment from Mortgagor to Mortgagee and not merely the passing of a security interest. This assignment of Rents is intended to be specific, perfected and choate upon recording.

5.2 Collection Upon Default. Upon the occurrence of an Event of Default, Mortgagor's license to collect the Rents shall automatically terminate. Upon such termination, Mortgagee may, at any time, either in person, by agent or by a receiver appointed by a court, and without regard to the adequacy of any security for the Secured Obligations, do any of the following: (a) enter upon and take possession of all or any part of the Collateral; (b) with or without taking possession of the Collateral in its own name, sue for or otherwise collect Rents (including those past due and unpaid, and all prepaid Rents and all other security or other deposits paid by tenants to Mortgagor); and (c) apply the Rents (less costs and expenses of operation and collection, including, without limitation, attorneys' fees, whether or not suit is brought or prosecuted to judgment) to any Secured Obligation, and in such order as Mortgagee may determine, even if payment or performance of said Secured Obligation may not then be due. Mortgagor agrees that, upon the occurrence of any Event of Default, Mortgagor shall promptly deliver all Rents and security deposits to Mortgagee.

5.3 Further Assignments. Upon Mortgagee's demand from time to time, Mortgagor shall execute and deliver to Mortgagee recordable assignments of Mortgagor's interest in any and all leases, subleases, contracts, rights, licenses and permits now or hereafter affecting all or any part of the Land. Mortgagee may, at its option, exercise its rights under this Mortgage or any such specific assignment and such exercise shall not constitute a waiver of any right under this Mortgage or any such specific assignment.

6. DEFAULT AND REMEDIES

6.1 Events of Default. The occurrence of any of the following events or conditions shall constitute an event of default ("Event of Default") under this Mortgage: Mortgagor fails to pay any amount owing under this Mortgage when due; Mortgagor fails to pay any taxes, insurance premiums, assessments or rents required under this Mortgage; Mortgagor fails to observe or perform any other obligation contained in this Mortgage; the occurrence of an Event of Default under any other Loan Document; all or any portion of the Improvements or Fixtures are destroyed by fire or other casualty and Mortgagor fails to satisfy restoration conditions ; or all or any material part of the Land or other Collateral is condemned, taken in eminent domain, seized or appropriated by any governmental or quasi-governmental agency or entity.

6.2 Acceleration Upon Default: Additional Remedies. Upon the occurrence of an Event of Default, Mortgagee may, at its option, exercise all of the applicable rights and remedies set forth herein and in the other Loan Documents and, in addition, declare all Secured Obligations to be immediately due and payable without any presentment, demand, protest or further notice of any kind; and whether or not Mortgagee exercises any said right or remedy. Mortgagee may: (a) either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court and without regard to the adequacy of its Collateral enter upon and take possession of all or part of the Collateral, in its own name. The entering and taking possession of the Collateral, the collection of Rents and their application to the Secured Obligations shall not cure or waive any Event of Default or notice of default or invalidate any act done in response to them. Regardless of whether possession of the Collateral or the collection, receipt and application of any of the Rents is by Mortgagee or a receiver, Mortgagee shall be entitled to exercise every right provided for in the Loan Agreement and other Loan Documents or by law upon occurrence of any Event of Default, including the right to exercise the power of sale; (b) commence an action to foreclose this Mortgage, appoint a receiver, or specifically enforce any of the covenants contained in this Mortgage; (c) exercise all of the rights and remedies available to a secured party under the applicable Uniform Commercial Code in such order and in such manner as Mortgagee, in its sole discretion, may determine, including without limitation, requiring Mortgagor to assemble the Collateral and make the Collateral available to Mortgagee at a reasonably convenient location. The expenses of retaking, holding, preparing for sale or the like shall include reasonable attorneys' fees and other expenses of Mortgagee and shall be secured by this Mortgage; and/or (d) exercise all other rights and remedies provided in this Mortgage, in any other Loan Document or other document or agreement now or hereafter securing all or any portion of the Secured Obligations, or as provided by law or in equity.

6.3 **Appointment of Receiver.** Upon the occurrence of an Event of Default under this Mortgage, Mortgagee, without notice to Mortgagor, and without regard to the then value of the Collateral or the interest of Mortgagor in it, shall have the right to enter the Land in person or to apply to any court having jurisdiction to appoint a receiver or receivers of the Land, Fixtures or Improvements. Mortgagor irrevocably consents to such appointment and waives notice of any such application. The actions that Mortgagee or such receiver may take in connection with such entry may include, but are not limited to (a) modifying, compromising obligations under, terminating and implementing remedies with respect to any assigned leases or subleases, and (b) entering into, modifying or terminating any contractual arrangements, subject to Mortgagee's right at any time to discontinue any of the same without liability. Mortgagee is further authorized by this provision to request the court to appoint a general receiver and to empower the receiver to (i) sell or lease all or any portion of the Land, Fixtures or Improvements, (ii) collect and apply to the outstanding balances of the Secured Obligations all sales or lease proceeds, or hold the proceeds pending a court order approving the receiver's final report and account, and (iii) hold the collections as cash collateral pending such court order or foreclosure sale. Any such receiver(s) shall also have all the usual powers and duties of receivers in similar cases and all the powers and duties of Mortgagee in case of entry as provided in this Mortgage, and shall continue to exercise all such powers until the date of confirmation of sale of the Land, Fixtures or Improvements, unless such receivership is sooner terminated. If Mortgagee elects to enter or take possession of the Land, Fixtures or Improvements, it will not assume any liability to Mortgagor or any other person for operation or maintenance of the Land, Fixtures or Improvements, and Mortgagor expressly waives any such Mortgagee liability.

6.4 **Application of Funds After Default.** Except as otherwise provided in this Mortgage, upon the occurrence of an Event of Default, Mortgagee may at any time, with notice to Mortgagor if providing such notice will not adversely delay the exercise of Mortgagee's rights or remedies, apply to any Secured Obligation, in such manner and order as Mortgagee may elect, even if such Secured Obligation may not yet be due, any amounts received and held by Mortgagee to pay insurance premium or taxes or as Rents, or as insurance or condemnation proceeds, and all other amounts received by Mortgagee from or on account of Mortgagor or the Collateral, or otherwise. The receipt, use or application of any such amounts shall not affect the maturity of any Secured Obligation, any of the rights or powers of Mortgagee under the terms of any Loan Document, or any of the obligations of Mortgagor or any guarantor under any Loan Document; or waive any Event of Default or notice of default under the Loan Documents; or invalidate any act of Mortgagee.

6.5 **Remedies Not Exclusive.** Mortgagee shall be entitled to enforce payment and performance of any Secured Obligation and to exercise all rights and powers under this Mortgage or any other Loan Document or other agreement or any law, even if some or all of the Secured Obligations may be otherwise secured, whether by guaranty, deed of trust, mortgage, pledge, lien, assignment or otherwise. Mortgagee shall be entitled to enforce this Mortgage and any other security for the Secured Obligations held by Mortgagee in such order and manner as it may in its absolute discretion determine. No remedy conferred upon or reserved to Mortgagee is intended to be exclusive of any other remedy in this Mortgage, and other agreement, or at law, but each shall be cumulative and in addition to every other remedy available to Mortgagee. Every power or remedy given by any of the Loan Documents to Mortgagee or to which it may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Mortgagee, and it may pursue inconsistent remedies. Mortgagor may be joined in any action brought by Mortgagee to foreclose under or otherwise enforce this Mortgage.

7. MISCELLANEOUS

7.1 **Amendments.** This instrument cannot be waived, modified, discharged or terminated except in writing signed by the party against whom enforcement of such changes is sought.

7.2 **Waivers.** Mortgagor waives, to the extent permitted by law, (a) the benefit of all laws (whenever enacted) providing for any appraisal before sale of any portion of the Collateral, (b) all rights of valuation, appraisal, stay of execution, notice of election to mature or declare due the whole of the Secured Obligations and marshaling in the event of foreclosure of this Mortgage, and (c) all rights and remedies that Mortgagor may have under the laws of the State of Washington regarding the rights and remedies of sureties. Further, Mortgagor hereby waives, to the fullest extent permitted by law, the right to plead, use or assert any statute of limitations as a plea, defense or bar to any

Secured Obligation, or to any complaint or other pleading or proceeding filed, instituted or maintained for the purpose of enforcing this Mortgage or any rights under it.

7.3 **Further Assurances.** Mortgagor agrees to do or cause to be done such further acts and things and to execute and deliver or to cause to be executed and delivered such additional assignments, agreements, powers and instruments as Mortgagee may reasonably require to: (a) further evidence, implement or perfect any of Mortgagee's rights, remedies and security interests, (b) correct any defect, error or omission in this Mortgage or the execution or acknowledgment of this Mortgage, (c) subject to the lien of this Mortgage any of Mortgagor's properties covered or intended to be covered by this Mortgage, (d) perfect, maintain and keep valid and effective such lien, (e) carry into effect the purposes of this Mortgage, or (f) better assure and confirm to Mortgagee its respective rights, powers and remedies under this Mortgage.

7.4 **Notices.** All notices, demands, approvals and other communications shall be made in writing to the appropriate party at the address set forth in the first paragraph of this Mortgage. All such notices shall be made in accordance with the Loan Agreement.

7.5 **Headings.** Article and section headings are included in this Mortgage for convenience of reference only and shall not be used in construing this Mortgage.

7.6 **Severability.** Every provision of this Mortgage is intended to be severable. The illegality, invalidity or unenforceability of any provision of this Mortgage shall not in any way affect or impair the remaining provisions of this Mortgage, which provisions shall remain binding and enforceable.

7.7 **Subrogation.** To the extent that proceeds of the Secured Obligations are used, either directly or indirectly, to pay any outstanding lien, charge or prior encumbrance against the Collateral, Mortgagee shall be subrogated to any and all rights and liens held by any owner or holder of such outstanding liens, charges and prior encumbrances, regardless of whether such liens, charges or encumbrances are released.

7.8 **Governing Law.** This Mortgage shall be governed by, and construed in accordance with, the substantive laws of the State of Washington, except where the location of the Land may require the application of the laws of another state or where federal laws, including the Farm Credit Act of 1971, as amended, may be applicable.

7.9 **Interpretation.** In this Mortgage the singular shall include the plural and the masculine shall include the feminine and the neuter and vice versa, if the context so requires; and the word "person" shall include corporation, partnership or other form of association. Any reference in this Mortgage to any document, instrument or agreement creating or evidencing an obligation secured hereby shall include such document, instrument or agreement both as originally executed and as it may from time to time be modified.

7.10 **Successors and Assigns.** This Mortgage applies to, inures to the benefit of and binds all parties to this Mortgage, their heirs, legatees, devisees, administrators, executors, successors and assigns.

7.11 **Security Agreement.** This Mortgage constitutes a security agreement for all purposes under the Uniform Commercial Code in effect in the State(s) where the Mortgagor resides. Mortgagor hereby authorizes Mortgagee to file, at any time, one or more financing statements and any amendments and continuations thereof, describing any personal property or fixtures described herein, without further signature of Mortgagor. In addition to all other rights and remedies provided for in this Mortgage, Mortgagee shall have all of the rights and remedies of a secured party under the Uniform Commercial Code.

7.12 **Fixture Filing.** This Mortgage is intended to serve as a Fixture filing pursuant to the terms of the applicable Uniform Commercial Code. This Mortgage is to be recorded in the real estate records of each County in which the Land is located. In that regard, Mortgagor is Debtor and Mortgagee is Secured Party.

7.13 Limited Liability and Waiver. The following parties join in this instrument to perfect the lien offered as security for the Secured Obligations and to acknowledge the covenants and conditions contained herein are applicable to them as owners of the described property, but assume no liability for payment of the Note(s): **Black Creek Limited Partnership.** Without affecting the lien of this Mortgage, the undersigned hereby waives any defense for any action affecting the Collateral, the Secured Obligations or the Loan Documents, including but not limited to, the following and or notice thereof: (a) any alteration of any terms of the Loan Documents, including increase of indebtedness; (b) the order of application of payments made; (c) acceleration; (d) release or sale of all or a part of the Collateral; (e) the taking or release of additional security; (f) default or any action or nonaction taken by any party to the Loan Documents; (g) any statute of limitation, anti-deficiency laws, one action rules, election of remedies, jurisdiction, venue, redemption, rights of valuation, stay of execution or marshaling; (h) the order of Mortgagee's proceeding against any party and or the Collateral or portion thereof; (i) any act by Mortgagee or any party which results in discharge of a liable party or release of the Collateral; and (j) all rights and remedies under applicable law or equity regarding rights and remedies of borrowers, mortgagors, mortgagees, grantors, beneficiaries, sureties, guarantors and or nonrecourse guarantors.

7.14 WAIVER OF JURY TRIAL. MORTGAGOR HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS LOAN DOCUMENT OR ANY OTHER LOAN DOCUMENTS AND ANY FUTURE MODIFICATIONS, AMENDMENTS, EXTENSIONS, RESTATEMENTS AND SERVICING ACTIONS RELATING TO THIS LOAN DOCUMENT AND ANY OTHER LOAN DOCUMENTS. THE PARTIES INTEND THAT THIS JURY WAIVER WILL BE ENFORCED TO THE MAXIMUM EXTENT ALLOWED BY LAW.

7.15 Counterparts. This Mortgage may be executed in any number of counterparts, each of which, when executed, shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

IN WITNESS WHEREOF, Mortgagor has duly executed this Mortgage as of the date first above written.

MORTGAGOR:

TFI LIMITED PARTNERSHIP

By: Thomas T. Nicholson

Thomas T. Nicholson, General Partner

By: Scott R. Nicholson

Scott R. Nicholson, General Partner

BLACK CREEK LIMITED PARTNERSHIP

By: Thomas T. Nicholson

Thomas T. Nicholson, General Partner

By: Diana R. Nicholson

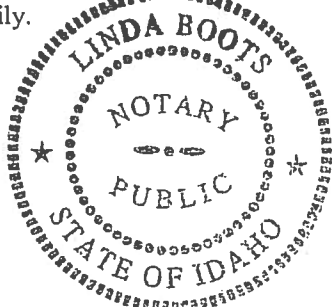
Diana R. Nicholson, General Partner

Thomas T. Nicholson
Thomas T. Nicholson

Diana R. Nicholson
Diana R. Nicholson

STATE OF Idaho)
)ss.
County of Ada)

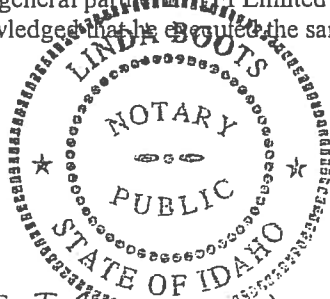
On this 4 day of February, 2015, before me personally appeared Thomas T. Nicholson, known to me to be a general partner in TFI Limited Partnership, the limited partnership which executed the within instrument, and acknowledged that he executed the same as such partner and in the partnership name freely and voluntarily.



Linda Boots
Notary Public for the State of Idaho
Residing at Boise ID
My commission expires 5/31/19
Printed Name Linda Boots

STATE OF Idaho)
)ss.
County of Ada)

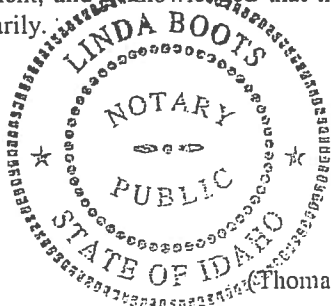
On this 4 day of February, 2015, before me personally appeared Scott R. Nicholson, known to me to be a general partner in TFI Limited Partnership, the limited partnership which executed the within instrument, and acknowledged that he executed the same as such partner and in the partnership name freely and voluntarily.



Linda Boots
Notary Public for the State of Idaho
Residing at Boise ID
My commission expires 5/31/19
Printed Name Linda Boots

STATE OF Idaho)
)ss.
County of Ada)

On this 4 day of February, 2015, before me personally appeared Thomas T. Nicholson, known to me to be a general partner in Black Creek Limited Partnership, the limited partnership which executed the within instrument, and acknowledged that he executed the same as such partner and in the partnership name freely and voluntarily.

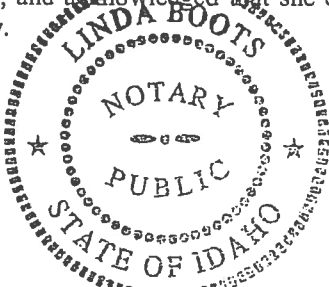


Linda Boots
Notary Public for the State of Idaho
Residing at Boise ID
My commission expires 5/31/19
Printed Name Linda Boots

Mortgage and Fixture Filing
Thomas T. Nicholson/Note Nos. 6220748 and 6220752

STATE OF Idaho)
)ss.
County of Ada)

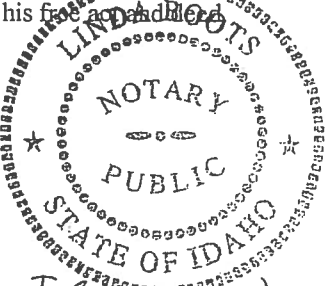
On this 4 day of February, 2015, before me personally appeared Diana R. Nicholson, known to me to be a general partner in Black Creek Limited Partnership, the limited partnership which executed the within instrument, and acknowledged that she executed the same as such partner and in the partnership name freely and voluntarily.



Linda Boots
Notary Public for the State of Idaho
Residing at Boise ID
My commission expires 5/31/19
Printed Name Linda Boots

STATE OF Idaho)
)ss.
County of Ada)

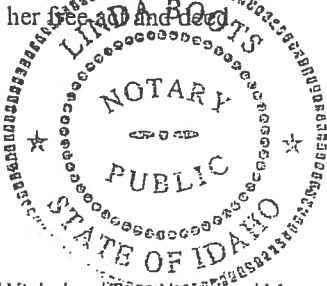
On this 4 day of February, 2015, before me personally appeared Thomas T. Nicholson, known to me to be the person(s) described in and who executed the within instrument, and acknowledged that he executed the same as his freely and voluntarily



Linda Boots
Notary Public for the State of Idaho
Residing at Boise ID
My commission expires 5/31/19
Printed Name Linda Boots

STATE OF Idaho)
)ss.
County of Ada)

On this 4 day of February, 2015, before me personally appeared Diana R. Nicholson, known to me to be the person(s) described in and who executed the within instrument, and acknowledged that she executed the same as her freely and voluntarily



Linda Boots
Notary Public for the State of Idaho
Residing at Boise ID
My commission expires 5/31/19
Printed Name Linda Boots

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**EXHIBIT A
PROPERTY DESCRIPTION**

ADA COUNTY PROPERTY:

ADA COUNTY PARCEL I:

Township 2 North, Range 2 East, Boise Meridian, Ada County, Idaho:

Section 14: NW $\frac{1}{4}$ NW $\frac{1}{4}$; NE $\frac{1}{4}$ NW $\frac{1}{4}$; NW $\frac{1}{4}$ NE $\frac{1}{4}$; S $\frac{1}{2}$ NW $\frac{1}{4}$; SW $\frac{1}{4}$; SW $\frac{1}{4}$ SE $\frac{1}{4}$.

EXCEPT that portion described in Book 165 of Deeds at Page 425; Book 165 of Deeds at Page 427; Book 167 of Deeds at Page 136; Book 221 of Deeds at Page 548; Book 256 of Deeds at Page 86; and Book 259 of Deeds at Page 146.

Section 15: NW $\frac{1}{4}$ NE $\frac{1}{4}$; S $\frac{1}{2}$ NE $\frac{1}{4}$; W $\frac{1}{2}$; SE $\frac{1}{4}$; NE $\frac{1}{4}$ NE $\frac{1}{4}$.

EXCEPTING and excluding from these presents all that tract of land described and included in Power-site-reserve No. 406, created by Executive Order of October 29, 1913, under the Act of Congress approved June 25, 1910, (26 Stat., 847) patent recorded May 14, 1923 in Book 6 of Patents at Page 234.

ALSO EXCEPT minerals reserved in Quit Claim Deed recorded June 5, 1991 as Instrument No. 9129636.

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

Section 23: All

EXCEPT that portion described in Book 165 of Deeds at Page 425; and Book 165 of Deeds at Page 521.

Section 24: W $\frac{1}{2}$ SW $\frac{1}{4}$; E $\frac{1}{2}$ SW $\frac{1}{4}$; SE $\frac{1}{4}$.

EXCEPT that portion described in Book 165 of Deeds at Page 421; Book 165 of Deeds at Page 521; and Book 167 of Deeds at Page 136.

Section 25: All

EXCEPT that portion described in Book 165 of Deeds at Page 421.

Section 26: N $\frac{1}{2}$; N $\frac{1}{2}$ SW $\frac{1}{4}$; SE $\frac{1}{4}$.

Section 27: SE $\frac{1}{4}$ SE $\frac{1}{4}$; NE $\frac{1}{4}$ SE $\frac{1}{4}$.

EXCEPT a fractional part of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ more particularly described as follows:

A tract of land in the NE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 27, Township 2 North, Range 2 East, Boise Meridian, Ada County, Idaho, more particularly described as follows:

Beginning at the Northwest corner of the NE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of said Section 27;
Thence South 827.14 feet;
Thence South 79°30' East 37.57 feet;
Thence South 84°12' East 87.90 feet;

Mortgage and Fixture Filing
(Thomas T. Nicholson/Note Nos. 6220748 and 6220752)

Thence North 10°02' East 665.50 feet;
Thence North 51°03' West 298.52 feet;
Thence South 89°04' West 8.17 feet to the REAL POINT OF BEGINNING.

Township 2 North, Range 3 East, Boise Meridian, Ada County, Idaho:

Section 30: Government Lots 3, 4 & 5, NE ¼ SW ¼; Government Lot 2.

EXCEPT Warranty Deed recorded in Book 162 of Deeds at Page 319.

Section 31: Government Lots 1 and 2; E ½ NW ¼.

ADA COUNTY PARCEL VII:

The SW ¼ NE ¼; The West 50 feet of the NW ¼ NE ¼; and the W ½ W ½ SE ¼ NE ¼ of Section 29, Township 2 North, Range 1 East, Boise Meridian, Ada County, Idaho.

BOISE COUNTY PROPERTY:

BOISE COUNTY PARCEL A

Homestead Entry Survey No. 248 being a portion of Sections 32 and 33 in Township 9 North of Range 8 East of the Boise Meridian, Boise County, Idaho, more particularly bounded and described as follows:

Beginning at Corner No. 1 from which the South corner to Sections 32 and 33 in Township 9 North of Range 8 East of the Boise Meridian bears South 0°10' East 31.76 chains distance;

Thence meandering South Fork of Payette River, South 82°30' East 6.7 chains;

South 57° East 3.1 chains;

South 43° East 6.7 chains;

South 23° East 4.6 chains;

South 10° 30' East 1.7 chains to corner No. 2;

Thence South 45° 13' West 2.98 chains to Corner No. 3;

Thence North 13° 18' West 4.61 chains to Corner No. 4;

Thence North 76° 12' West 2.55 chains to Corner No. 5;

Thence North 79° 43' West 7.6 chains to Corner No. 6;

Thence North 44° 6' West 3.96 chains to Corner No. 7;

Thence North 77° 3' West 3.36 chains to Corner No. 8;

Thence South 78° 24' West 4.34 chains to Corner No. 9;

Thence South 53° 50' West 7.89 chains to Corner No. 10;

Thence South 83° 8' West 11.48 chains to Corner No. 11;

Thence North 83° 54' West 3.67 chains to Corner No. 12;

Thence North 43° 6' West 8.11 chains to Corner No. 13;

Thence meandering said South fork of the Payette River North 60° 15' East 3.35 chains;

North 87° 45' East 2.0 chains;

North 82° East 2.5 chains;

South 83° 45' East 4.0 chains;

North 79° 30' East 16.0 chains;

North 67° 15' East 3.4 chains;

North 86° 30' East 4.05 chains to Corner No. 1, the PLACE OF BEGINNING; according to the official plat of the survey of the said land returned to the general land office by the surveyor general.

EXCEPTING THEREFROM Tracts I, II, III & IV.

Tract I

Mortgage and Fixture Filing
(Thomas T. Nicholson/Note Nos. 6220748 and 6220752)

A certain parcel of land lying within the boundaries of Homestead Entry Survey No. 248 in the Boise National Forest and situated in Lot 9, Section 33, Township 9 North, Range 8 East, Boise Meridian, Boise County, Idaho, more particularly described as follows:

Commencing at Corner No. 3 of H.E.S. No. 248, the REAL PLACE OF BEGINNING;
Thence North 13° 18' West 100.00 feet to an iron pin;
Thence North 40° 07' East 188.57 feet to an iron pin on the left bank of the South Fork of the Payette River;
Thence South 17° 21' East 115.00 feet along the left bank of the South Fork of the Payette River to an iron pin;
Thence South 45° 13' West 187.00 feet to the PLACE OF BEGINNING.

Tract II

A certain parcel of land lying within the boundaries of Homestead Entry Survey No. 248 in the Boise National Forest and situated in Lot 9, Section 33, Township 9 North, Range 8 East, Boise Meridian, Boise County, Idaho, more particularly described as follows:

Commencing at Corner No. 3 of Homestead Entry Survey No. 248;
Thence North 13° 18' West 100.00 feet to an iron pin, the REAL PLACE OF BEGINNING;
Thence North 13° 18' West 100.00 feet to an iron pin;
Thence North 40° 17' East 170.60 feet to an iron pin on the left bank of the South Fork of the Payette River;
Thence South 22° 20' East 90.00 feet along the left bank of the South Fork of the Payette River to an iron pin;
Thence South 40° 07' West 188.57 feet to the PLACE OF BEGINNING.

Tract III

A certain parcel of land lying within the boundaries of Homestead Entry Survey No. 248 in the Boise National Forest and situated in Lot 9, Section 33, Township 9 North, Range 8 East, Boise Meridian, Boise County, Idaho, and more particularly described as follows, to wit:

Commencing at Corner No. 5 of H.E.S. 248, a Granite Stone and Steel Rod;
Thence North 79° 43' West a distance of 125.00 feet to the TRUE POINT OF BEGINNING;
Thence North 14° 55' East 438.57 feet to a steel rod on the left bank of the South Fork of the Payette River;
Thence North 46° 15' West 100.00 feet along the left bank of the South Fork of the Payette River, to a steel pipe;
Thence South 16° 19' West 495.04 feet to a steel pipe;
Thence South 79° 43' East 100.00 feet to the TRUE POINT OF BEGINNING.

Tract IV

A certain parcel of land lying within the boundaries of Homestead Entry Survey No. 248 in the Boise National Forest and situated in Lot 9, Section 33, Township 9 North, Range 8 East, Boise Meridian, Boise County, Idaho, and more particularly described as follows, to wit:

Commencing at Corner No. 5 of H.E.S. No. 248, a granite stone marked 5-H.E.S. 248, the TRUE POINT OF BEGINNING;
Thence North 79° 43' West 125.00 feet to a pin;
Thence North 14° 55' East 438.57 feet to an iron pin on the left bank of the South Fork of the Payette River;
Thence South 39° 45' East 125.00 feet along the left bank of the South Fork of the Payette River to an iron pin;
Thence South 11° 17' West 356.90 feet to the POINT OF BEGINNING.

BOISE COUNTY PARCEL B

Situated in Lot 8, Section 32, Township 9 North, Range 8 East, Boise Meridian, County of Boise, State of Idaho, more particularly described as follows:

Commencing at Corner No. 11 of H.E.S. No. 248, the REAL POINT OF BEGINNING;
Thence North 83° 26'46" East, 59.15 feet to a point on the line between Corner No's. 10 and 11 of H.E.S. No. 248;
Thence South 6° 31'18" West, 26.36 feet to a point;
Thence South 75° 58'10" West, 62.46 feet to a point;
Thence North 19° 15'50" West, 38.42 feet to a point on the line between Corner No's. 11 and 12 of H.E.S. No. 248;
Thence South 84° 27'27" East, 17.54 feet to Corner No. 11 of H.E.S. No. 248, the POINT OF BEGINNING.

CANYON COUNTY PROPERTY:

CANYON COUNTY PARCEL I

Government Lots 8 and 9; the Northeast Quarter of the Southeast Quarter and the Southwest Quarter of the Northeast Quarter, all in Section 22, Township 1 North, Range 3 West, Boise Meridian, Canyon County, Idaho.

CANYON COUNTY PARCEL II

The Southwest Quarter in Section 25, Township 1 North, Range 3 West, Boise Meridian, Canyon County, Idaho.

CANYON COUNTY PARCEL III

Government Lots 2, 3 and 4; the Southeast Quarter of the Northwest Quarter; the Northeast Quarter of the Southwest Quarter; the West Half of the Southeast Quarter; the Southeast Quarter of the Southeast Quarter; the Northwest Quarter of the Northwest Quarter; the Northeast Quarter of the Southeast Quarter, all in Section 26, Township 1 North, Range 3 West, Boise Meridian, Canyon County, Idaho.

CANYON COUNTY PARCEL IV

Government Lot 4 in Section 27, Township 1 North, Range 3 West, Boise Meridian, Canyon County, Idaho.

CANYON COUNTY PARCEL V

Government Lots 5 and 6 in Section 35, Township 1 North, Range 3 West, Boise Meridian, Canyon County, Idaho.

CANYON COUNTY PARCEL VI

Government Lots 5, 6 and 7; the Northeast Quarter of the Northwest Quarter, All in Section 36, Township 1 North, Range 3 West, Boise Meridian, Canyon County, Idaho.

EXCEPTING THEREFROM

BEGINNING at a point, said point being the North Quarter corner of above described Section 36; thence South 6° 31' 47" East a distance of 1,743 feet to a point, said point being the REAL POINT OF BEGINNING;
thence
South 84° 17' 02" West a distance of 268 feet to a point; thence
South 05° 20' 02" West a distance of 335.9 feet to a point; thence
South 73° 47' 58" East a distance of 166 feet to a point; thence

Mortgage and Fixture Filing
(Thomas T. Nicholson/Note Nos. 6220748 and 6220752)

North 59° 36' 02" East a distance of 44.3 feet to a point; thence
North 31° 35' 02" East a distance of 41.9 feet to a point; thence
North 12° 38' 02" East a distance of 358.1 feet to the REAL POINT OF BEGINNING.

CANYON COUNTY PARCEL VII

The East One-Half of the Southwest Quarter of Section 3, Township 1 South, Range 2 West, Boise Meridian, Canyon County, Idaho.

CANYON COUNTY PARCEL VIII

The West One-Half of the Southwest Quarter of Section 4, Township 1 South, Range 2 West, Boise Meridian, Canyon County, Idaho.

EXCEPTING THEREFROM

Any portion of Idaho State Highway #45;

AND

The East One-Half of the Southeast Quarter of Section 4, Township 1 South, Range 2 West, Boise Meridian, Canyon County, Idaho.

CANYON COUNTY PARCEL IX

The Southeast Quarter of the Southeast Quarter of Section 5, Township 1 South, Range 2 West, Boise Meridian, Canyon County, Idaho.

EXCEPTING THEREFROM

Any portion of Idaho State Highway #45.

CANYON COUNTY PARCEL X

The Northeast Quarter of the Northeast Quarter of Section 8, Township 1 South, Range 2 West, Boise Meridian, Canyon County, Idaho.

EXCEPTING THEREFROM

Any portion of Idaho State Highway #45.

CANYON COUNTY PARCEL XI

The Northwest Quarter of the Northwest Quarter; the North One-Half of the Northeast Quarter; the Southwest Quarter of the Northeast Quarter; the East One-Half of the Northwest Quarter, all in Section 9, Township 1 South, Range 2 West, Boise Meridian, Canyon County, Idaho.

EXCEPT THEREFROM that portion lying Southeasterly of the Sproats Pond Lateral.

CANYON COUNTY PARCEL XII

The Northeast Quarter of the Northwest Quarter of Section 10, Township 1 South, Range 2 West, Boise Meridian, Canyon County, Idaho;

AND

The Northwest Quarter of the Northwest Quarter of Section 10, Township 1 South, Range 2 West, Boise Meridian, Canyon County, Idaho.

EXCEPTING THEREFROM

BEGINNING at the Southwest corner of the Northwest Quarter of the Northwest Quarter of Section 10, Township 1 South, Range 2 West, Boise Meridian, Canyon County, Idaho, and running North a distance of 330 feet; thence East a distance of 522 feet; thence South 38° 10' West a distance of 419.8 feet to the South line of the said Northwest Quarter of the Northwest Quarter; thence West a distance of 260 feet to the POINT OF BEGINNING.

TOGETHER WITH BLM Grazing Privileges for:

5,373 AUMs under Allotment #00826; 265 AUMs under Allotment #01341; 11,323 AUMs under Allotment #00825; and 120 AUMs under Allotment #00878;

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PIONEER TITLE COMPANY
OF ADA COUNTY

821 West State Street / Boise, Idaho 83702-5836 / Telephone (208) 336-6700

P-131291 JP/SO

READ AND APPROVED: *[Signature]*

WARRANTY DEED
(INDIVIDUAL)

FOR VALUE RECEIVED MICHAEL J. COUGHLIN and KIRSTEN K. COUGHLIN, Husband and Wife

Grantors, do hereby grant, bargain, sell and convey unto THOMAS T. NICHOLSON and DIANA R. NICHOLSON, Husband and Wife

the Grantee, whose current address is: 10330 W. Stardust Drive, Boise, ID 83709
the following described real property in Boise County, State of Idaho, more particularly described as follows, to-wit:
See attached Exhibit "A", which by this reference becomes a part hereof, and which is comprised of three (3) pages.

151984

BOISE COUNTY IDAHO SS
REQUEST OF

Int. View Title
DATE

94 JUN -2 PM 4:40

ARLENE COUGHLIN
BY *Shirley Lunge*
FEE \$12.00

TO HAVE AND TO HOLD the said premises, with their appurtenances unto the said Grantee, and Grantee's heirs and assigns forever. And the said Grantors do hereby covenant to and with the said Grantee, the Grantors are the owner in fee simple of said premises; that said premises are free from all encumbrances, EXCEPT those to which this conveyance is expressly made subject and those made, suffered or done by the Grantee; and subject to reservations, restrictions, dedications, easements, rights of way and agreements, (if any) of record, and general taxes and assessments, (includes irrigation and utility assessments, (if any) for the current year, which are not yet due and payable, and that Grantors will warrant and defend the same from all lawful claims whatsoever.

Dated: May 31, 1994

Michael J. Coughlin
Michael J. Coughlin

Kirsten K. Coughlin
Kirsten K. Coughlin

STATE OF IDAHO, County of ADA, ss.

On this 01 day of June, in the year of 1994, before me Shirley Lunge, a notary public, personally appeared MICHAEL J. COUGHLIN and KIRSTEN K. COUGHLIN, known or identified to me as the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.



Notary Public: *Shirley Lunge*
Residing at: Caldwell, Idaho
My Commission Expires: 6-23-95

EXHIBIT "A"

PARCEL A

HOMESTEAD ENTRY SURVEY NO. 248 BEING A PORTION OF SECTIONS 32 AND 33 IN TOWNSHIP 9 NORTH OF RANGE 8 EAST OF THE BOISE MERIDIAN IDAHO, MORE PARTICULARLY BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT CORNER NO. 1 FROM WHICH THE SOUTH CORNER TO SECTION 32 AND 33 IN TOWNSHIP 9 NORTH OF RANGE 8 EAST OF THE BOISE MERIDIAN BEARS SOUTH 10° EAST 31.76 CHAINS DISTANCE; THENCE, MEANDERING SOUTH FORK OF PAYETTE RIVER, SOUTH 82 DEGREES 30' EAST 6.7 CHAINS, SOUTH 57 DEGREES EAST 3.1 CHAINS, SOUTH 43 DEGREES EAST 6.7 CHAINS, SOUTH 23 DEGREES EAST 4.8 CHAINS, SOUTH 10 DEGREES 30' EAST 1.7 CHAINS TO CORNER NO. 2; THENCE SOUTH 45 DEGREES 13' WEST 2.98 CHAINS TO CORNER NO. 3; THENCE NORTH 13 DEGREES 18' WEST 4.61 CHAINS TO CORNER NO. 4; THENCE NORTH 78 DEGREES 12' WEST 2.55 CHAINS TO CORNER NO. 5; THENCE NORTH 79 DEGREES 43' WEST 7.6 CHAINS TO CORNER NO. 6; THENCE NORTH 44 DEGREES 6' WEST 3.96 CHAINS TO CORNER NO. 7; THENCE NORTH 77 DEGREES 3' WEST 3.36 CHAINS TO CORNER NO. 8; THENCE SOUTH 78 DEGREES 24' WEST 4.34 CHAINS TO CORNER NO. 9; THENCE SOUTH 53 DEGREES 50' WEST 7.89 CHAINS TO CORNER NO. 10; THENCE SOUTH 83 DEGREES 8' WEST 11.48 CHAINS TO CORNER NO. 11; THENCE NORTH 83 DEGREES 54' WEST 3.67 CHAINS TO CORNER NO. 12; THENCE NORTH 43 DEGREES 6' WEST 8.11 CHAINS TO CORNER NO. 13; THENCE MEANDERING SAID SOUTH FORK OF THE PAYETTE RIVER NORTH 60 DEGREES 15' EAST 3.35 CHAINS, NORTH 87 DEGREES 45' EAST 2.0 CHAINS NORTH 82 DEGREES EAST 2.5 CHAINS, SOUTH 83 DEGREES 45' EAST 4.0 CHAINS, NORTH 79 DEGREES 30' EAST 16.0 CHAINS, NORTH 87 DEGREES 15' EAST 3.4 CHAINS, NORTH 86 DEGREES 30' EAST 4.05 CHAINS TO CORNER NO. 1, THE PLACE OF BEGINNING: ACCORDING TO THE OFFICIAL PLAT OF THE SURVEY OF THE SAID LAND RETURNED TO THE GENERAL LAND OFFICE BY THE SURVEYOR GENERAL, TOGETHER WITH ALL THE WATER RIGHTS APPURTENANT THERETO.

EXCEPTING THEREFROM TRACTS I, II, III, & IV.

TRACT I:

A CERTAIN PARCEL OF LAND LYING WITHIN THE BOUNDARIES OF HOMESTEAD ENTRY SURVEY NO. 248 IN THE BOISE NATIONAL FOREST AND SITUATED IN LOT 9, SECTION 33, TOWNSHIP 9 NORTH, RANGE 8 EAST, BOISE MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT CORNER NO. 3 OF H.E.S. NO. 248, THE REAL PLACE OF BEGINNING; THENCE NORTH 13 DEGREES 18' WEST 100.00 FEET TO AN IRON PIN; THENCE NORTH 40 DEGREES 07' EAST 188.57 FEET TO AN IRON PIN ON THE LEFT BANK OF THE SOUTH FORK OF THE PAYETTE RIVER; THENCE SOUTH 17 DEGREES 21' EAST 115.00 FEET ALONG THE LEFT BANK OF THE SOUTH FORK OF THE PAYETTE RIVER TO AN IRON PIN; THENCE SOUTH 45 DEGREES 13' WEST 187.00 FEET TO THE PLACE OF BEGINNING

CONTINUED

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TRACT II:

A CERTAIN PARCEL OF LAND LYING WITHIN THE BOUNDARIES IF HOMESTEAD ENTRY SURVEY NO. 248 IN THE BOISE, NATIONAL FOREST AND SITUATED IN LOT 9, SECTION 33, TOWNSHIP 9 NORTH, RANGE 8 EAST, BOISE MERIDIAN, RECORDS OF BOISE COUNTY, IDAHO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT CORNER NO. 3 OF HOMESTEAD ENTRY SURVEY NO. 248;
THENCE NORTH 13 DEGREES 18' WEST 100.00 FEET TO AN IRON PIN, THE REAL PLACE OF BEGINNING;
THENCE NORTH 13 DEGREES 18' WEST 100.00 FEET TO AN IRON PIN;
THENCE NORTH 40 DEGREES 17' EAST 170.60 FEET TO AN IRON PIN ON THE LEFT BANK OF THE SOUTH FORK OF THE PAYETTE RIVER;
THENCE SOUTH 22 DEGREES 20' EAST 90.00 FEET ALONG THE LEFT BANK OF THE SOUTH FORK OF THE PAYETTE RIVER TO AN IRON PIN;
THENCE SOUTH 40 DEGREES 07' WEST 188.57 FEET TO THE PLACE OF BEGINNING.

TRACT III:

A CERTAIN PARCEL OF LAND LYING WITHIN THE BOUNDARIES OF HOMESTEAD ENTRY SURVEY NO. 248 IN THE BOISE NATIONAL FOREST AND SITUATED IN LOT 9, SECTION 33, TOWNSHIP 9 NORTH, RANGE 8 EAST, BOISE MERIDIAN, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS, TO WIT;

COMMENCING AT CORNER NO. 5 OF H.E.S 248, A GRANITE STONE AND STEEL ROD;
THENCE, NORTH 79 DEGREES 43' WEST A DISTANCE OF 124.00 FEET TO THE TRUE POINT OF BEGINNING;
THENCE, NORTH 14 DEGREES 55' EAST 438.57 FEET TO A STEEL ROD ON THE LEFT BANK OF THE SOUTH FORK OF THE PAYETTE RIVER,
THENCE NORTH 46 DEGREES 15' WEST 100.00 FEET ALONG THE LEFT BANK OF THE SOUTH FORK OF THE PAYETTE RIVER, TO A STEEL PIPE;
THENCE SOUTH 16 DEGREES 19' WEST 495.04 FEET TO A STEEL PIPE;
THENCE SOUTH 79 DEGREES 43' EAST 100.00 FEET TO TRUE POINT OF BEGINNING.

TRACT IV:

A CERTAIN PARCEL OF LAND LYING WITHIN THE BOUNDARIES OF HOMESTEAD ENTRY SURVEY NO. 248 IN THE BOISE NATIONAL FOREST AND SITUATED IN LOT 9, SECTION 33, TOWNSHIP 9 NORTH, RANGE 8 EAST, BOISE MERIDIAN, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS, TO-WIT;

COMMENCING AT CORNER NO. 5 OF H.E.S NO. 248, A GRANITE STONE MARKED 5-H.E.S 248. THE TRUE POINT OF BEGINNING;
THENCE NORTH 79 DEGREES 43' WEST 125.00 FEET TO A PIN,
THENCE NORTH 14 DEGREES 55' EAST 438.57 FEET TO AN IRON PIN ON THE LEFT BANK OF THE SOUTH FORK OF THE PAYETTE RIVER,
THENCE SOUTH 39 DEGREES 45' EAST 125.00 FEET ALONG THE LEFT BANK OF THE SOUTH FORK OF THE PAYETTE RIVER TO AN IRON PIN,
THENCE SOUTH 11 DEGREES 17' WEST 356.90 FEET TO THE POINT OF BEGINNING.

CONTINUED

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PARCEL B

SITUATED IN LOT 8, SECTION 32, TOWNSHIP 9 NORTH, RANGE 8 EAST, BOISE MERIDIAN, COUNTY OF BOISE, STATE OF IDAHO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A CORNER NO. 11 OF H.E.S. NO. 248, THE REAL POINT OF BEGINNING;
THENCE NORTH 83 DEGREE 26'46" EAST, 59.15 FEET TO A POINT ON THE LINE BETWEEN CORNERS NO.'S 10 AND 11 OF H.E.S. NO.248;
THENCE SOUTH 6 DEGREES 31'18" WEST, 26.36 FEET TO A POINT;
THENCE SOUTH 75 DEGREES 58'10" WEST, 62.46 FEET TO A POINT;
THENCE NORTH 19 DEGREES 15'50" WEST, 38.42 FEET TO A POINT; ON THE LINE BETWEEN CORNERS NOS. 11 AND 12 OF H.E.S. NO. 248;
THENCE SOUTH 84 DEGREES 27'27" EAST, 17.54 FEET TO CORNER NO. 248, THE POINT OF BEGINNING;

END OF LEGAL DESCRIPTION