

RECEIVED

OCT 28 2013

Department of Water Resources
Eastern RegionSTATE OF IDAHO
DEPARTMENT OF WATER RESOURCES**Notice of Security Interest in a Water Right****And Request for Notification of a Change in Ownership or Any Proposed
Or Final Action to Amend, Transfer, or Otherwise Modify a Water Right**Please print or type. Attach pages with additional information. Instructions are on the back of this page.
Incomplete forms will be returned.

1. Water Right No(s): 34-4017^{OK}, 34-7562^{OK} AND 34-7113^{OK}
Adjudication Claim No(s): _____
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
FOUNDATION BANK
1110 112th AVE NE, Suite 200
BELLEVUE, WA 98004
4. Name of Water Right Owner/Claimant(s) JENNIFER A. HOLMES AND MARK E. HOLMES
5. Expiration Date of Notification Period _____
6. Is this a Renewal of Request for Notification? ☒ YES ☐ NO
7. Signature(s) of Security Interest holder(s) [Signature]
(and title if applicable) PRADEEP NAGA, VP, RELATIONSHIP MGR.

For Office Use Only

Received by <u>JB</u>	Date <u>10/28/2013</u>	Fee <u>\$75.-</u>
Received by <u>JB</u>	Date <u>10/28/2013</u>	Receipt No. <u>E039245</u>
Processed by _____	AJ Date _____	WR <u>JB</u> Date <u>11/4/2013</u>

SUPPORT DATA

IN FILE # 34-4017

RECORDATION REQUESTED BY:

FOUNDATION BANK
1110 112th Avenue NE, Suite 100
Bellevue, WA 98004

235462

Custer County Req. of

WHEN RECORDED MAIL TO:

FOUNDATION BANK
1110 112th Avenue NE, Suite 100
Bellevue, WA 98004

Time: 3:52 P.M. Date: 1/5/2006
Ruth M. Peck, Clerk
Ruth Brunker \$21.00
RMB/TV

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MORTGAGE

THIS MORTGAGE dated November 30, 2006, is made and executed between Mark E. Holmes and Jennifer A. Holmes, husband and wife, whose address is 3306 - 78th PI NE, Medina, WA 98039 (referred to below as "Grantor") and FOUNDATION BANK, whose address is 1110 112th Avenue NE, Suite 100, Bellevue, WA 98004 (referred to below as "Lender").

GRANT OF MORTGAGE. For valuable consideration, Grantor mortgages, grants, bargains, sells and conveys to Lender all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights, watercourses and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in Custer County, State of Idaho:

See Exhibit A, which is attached to this Mortgage and made a part of this Mortgage as if fully set forth herein.

The Real Property or its address is commonly known as 4599 North U.S. Highway 93, Mackay, ID 83251. The Real Property tax identification number is RP07N24E183004.

Grantor presently assigns to Lender all of Grantor's right, title, and interest in and to all present and future leases of the Property and all Rents from the Property. In addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.

THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE NOTE, THE RELATED DOCUMENTS, AND THIS MORTGAGE. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

GRANTOR'S WAIVERS. Grantor waives all rights or defenses arising by reason of any "one action" or "anti-deficiency" law, or any other law which may prevent Lender from bringing any action against Grantor, including a claim for deficiency to the extent Lender is otherwise entitled to a claim for deficiency, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale.

GRANTOR'S REPRESENTATIONS AND WARRANTIES. Grantor warrants that: (a) this Mortgage is executed at Borrower's request and not at the request of Lender; (b) Grantor has the full power, right, and authority to enter into this Mortgage and to hypothecate the Property; (c) the provisions of this Mortgage do not conflict with, or result in a default under any agreement or other instrument binding upon Grantor and do not result in a violation of any law, regulation, court decree or order applicable to Grantor; (d) Grantor has established adequate means of obtaining from Borrower on a continuing basis information about Borrower's financial condition; and (e) Lender has made no representation to Grantor about Borrower (including without limitation the creditworthiness of Borrower).

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Mortgage, Borrower shall pay to Lender all Indebtedness secured by this Mortgage as it becomes due, and Borrower and Grantor shall strictly perform all Borrower's and Grantor's obligations under this Mortgage.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Borrower and Grantor agree that Borrower's and Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until the occurrence of an Event of Default, Grantor may (1) remain in possession and control of the Property; (2) use, operate or manage the Property; and (3) collect the Rents from the Property. The following provisions relate to the use of the Property or to other limitations on the Property.

Duty to Maintain. Grantor shall maintain the Property in tenable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Nuisance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), coal, clay, scoria, soil, gravel or rock products without Lender's prior written consent.

Removal of Improvements. Grantor shall not demolish or remove any Improvements from the Real Property without Lender's prior written consent. As a condition to the removal of any Improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such Improvements with Improvements of at least equal value.

Lender's Right to Enter. Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Real Property for purposes of Grantor's compliance with the terms and conditions of this Mortgage.

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans With Disabilities Act. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Grantor agrees neither to abandon or leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

DUE ON SALE - CONSENT BY LENDER. Lender may, at Lender's option, declare immediately due and payable all sums secured by this Mortgage upon the sale or transfer, without Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest in the Real Property; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of an interest in the Real Property. If any Grantor is a corporation, partnership or limited liability company, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock, partnership interests or limited liability company interests, as the case may be, of such Grantor. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by Idaho law.

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are part of this Mortgage:

Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, payroll taxes, special taxes, assessments, water charges and sewer service charges levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of any liens having priority over or equal to the interest of Lender under this Mortgage, except for the Existing Indebtedness referred to in this Mortgage or those liens specifically agreed to in writing by Lender, and except for the lien of taxes and assessments not due as further specified in the Right to Contest paragraph.

Right to Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if

taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Mortgage, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Mortgage.

Taxes. The following shall constitute taxes to which this section applies: (1) a specific tax upon this type of Mortgage or upon all or any part of the Indebtedness secured by this Mortgage; (2) a specific tax on Borrower which Borrower is authorized or required to deduct from payments on the Indebtedness secured by this type of Mortgage; (3) a tax on this type of Mortgage chargeable against the Lender or the holder of the Note; and (4) a specific tax on all or any portion of the Indebtedness or on payments of principal and interest made by Borrower.

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Mortgage, this event shall have the same effect as an Event of Default, and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (1) pays the tax before it becomes delinquent, or (2) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to this Mortgage as a security agreement are a part of this Mortgage:

Security Agreement. This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Grantor shall take whatever action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. In addition to recording this Mortgage in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Mortgage as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall not remove, sever or detach the Personal Property from the Property. Upon default, Grantor shall assemble any Personal Property not affixed to the Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender to the extent permitted by applicable law.

Addresses. The mailing addresses of Grantor (debtor) and Lender (secured party) from which information concerning the security interest granted by this Mortgage may be obtained (each as required by the Uniform Commercial Code) are as stated on the first page of this Mortgage.

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-fact are a part of this Mortgage:

Further Assurances. At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Borrower's and Grantor's obligations under the Note, this Mortgage, and the Related Documents, and (2) the liens and security interests created by this Mortgage on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or Lender agrees to the contrary in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

Attorney-in-Fact. If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

FULL PERFORMANCE. If Borrower and Grantor pay all the Indebtedness when due, and Grantor otherwise performs all the obligations imposed upon Grantor under this Mortgage, Lender shall execute and deliver to Grantor a suitable satisfaction of this Mortgage and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Grantor will pay, if permitted by applicable law, any reasonable termination fee as determined by Lender from time to time.

EVENTS OF DEFAULT. Each of the following, at Lender's option, shall constitute an Event of Default under this Mortgage:

Payment Default. Borrower fails to make any payment when due under the Indebtedness.

Default on Other Payments. Failure of Grantor within the time required by this Mortgage to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

Environmental Default. Failure of any party to comply with or perform when due any term, obligation, covenant or condition contained in any environmental agreement executed in connection with the Property.

Other Defaults. Borrower or Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Mortgage or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower or Grantor.

Default in Favor of Third Parties. Should Borrower or any Grantor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's or any Grantor's property or Borrower's ability to repay the Indebtedness or Borrower's or Grantor's ability to perform their respective obligations under this Mortgage or any related document.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or Grantor or on Borrower's or Grantor's behalf under this Mortgage or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Mortgage or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Death or Insolvency. The death of any Borrower or Grantor, the insolvency of Borrower or Grantor, the appointment of a receiver for any part of Borrower's or Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower or Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or Grantor or by any governmental agency against any property securing the Indebtedness. This includes a garnishment of any of Borrower's or Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower or Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower or Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Existing Indebtedness. The payment of any installment of principal or any interest on the Existing Indebtedness is not made within the time required by the promissory note evidencing such Indebtedness, or a default occurs under the instrument securing such Indebtedness and is not cured during any applicable grace period in such instrument, or any suit or other action is commenced to foreclose any existing lien on the Property.

Breach of Other Agreement. Any breach by Borrower or Grantor under the terms of any other agreement between Borrower or Grantor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any Indebtedness or other obligation of Borrower or Grantor to Lender, whether existing now or later.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the Indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness. In the event of a death, Lender, at its option, may, but shall not be required to, permit the guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure any Event of Default.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

shall mean each and every Grantor, and all references to Borrower shall mean each and every Borrower. This means that each Grantor signing below is responsible for all obligations in this Mortgage.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Mortgage unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Mortgage shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Mortgage. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Mortgage, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Severability. If a court of competent jurisdiction finds any provision of this Mortgage to be illegal, invalid, or unenforceable as to any person or circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other person or circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Mortgage. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Mortgage shall not affect the legality, validity or enforceability of any other provision of this Mortgage.

Merger. There shall be no merger of the interest or estate created by this Mortgage with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Successors and Assigns. Subject to any limitations stated in this Mortgage on transfer of Grantor's interest, this Mortgage shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Mortgage and the indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Mortgage or liability under the indebtedness.

Time Is of the Essence. Time is of the essence in the performance of this Mortgage.

Waiver of Homestead Exemption. Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Idaho as to all indebtedness secured by this Mortgage.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Mortgage. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Mortgage shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Mark E. Holmes and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Default. The word "Default" means the Default set forth in this Mortgage in the section titled "Default".

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Mortgage in the events of default section of this Mortgage.

Existing Indebtedness. The words "Existing Indebtedness" mean the indebtedness described in the Existing Liens provision of this Mortgage.

Grantor. The word "Grantor" means Mark E. Holmes and Jennifer A. Holmes.

Guaranty. The word "Guaranty" means the guaranty from guarantor, endorser, surety, or accommodation party to Lender, including without limitation a guaranty of all or part of the Note.

Improvements. The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Lender to enforce Grantor's obligations under this Mortgage, together with interest on such amounts as provided in this Mortgage.

Lender. The word "Lender" means FOUNDATION BANK, its successors and assigns.

Mortgage. The word "Mortgage" means this Mortgage between Grantor and Lender.

Note. The word "Note" means the promissory note dated November 30, 2006, in the original principal amount of \$200,000.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. NOTICE TO GRANTOR: THE NOTE CONTAINS A VARIABLE INTEREST RATE.

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Mortgage.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

EACH GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MORTGAGE, AND EACH GRANTOR AGREES TO ITS TERMS.

GRANTOR:

X

Mark E. Holmes

X

Jennifer A. Holmes

EXHIBIT A

A PORTION OF THE NW¼ OF SECTION 18, AND THE SW¼ OF SECTION 7, TOWNSHIP 7 NORTH, RANGE 24 E.B.M., CUSTER COUNTY, IDAHO, DESCRIBED AS FOLLOWS:
COMMENCING AT THE N¼ CORNER OF SAID SECTION 18, THENCE S. 81°27'12" W. 1509.59 FEET ALONG THE NORTH LINE OF SAID SECTION 18 TO THE POINT OF BEGINNING, SAID POINT BEING A 5/8" REBAR LYING IN AN EXISTING FENCE LINE (PLS #3577); THENCE S. 51°41'18" E. 105.57 FEET ON OR ALONG SAID FENCE LINE TO A 5/8" REBAR (PLS #3577); THENCE S. 5°05'12" W. 91.10 FEET ON OR ALONG SAID FENCE LINE TO A 5/8" REBAR (PLS #3577); THENCE S. 35°23'48" E. 207.60 FEET ON OR ALONG SAID FENCE LINE TO A 5/8" REBAR (PLS #3577); THENCE S. 28°07'12" W. 418.30 FEET ON OR ALONG SAID FENCE LINE TO A 5/8" REBAR (PLS #3577); THENCE S. 1°14'12" W. 623.15 FEET ON OR ALONG SAID FENCE LINE TO A 5/8" REBAR (PLS #3577); THENCE S. 81°45'37" W. 1803.64 FEET TO A POINT ON THE WEST LINE OF THE NW¼ OF SAID SECTION 18; THENCE N. 0°29'02" W. 1303.62 FEET ALONG SAID WEST LINE TO THE NW CORNER OF SAID SECTION 18, SAID POINT BEING A G.L.O. BRASS CAP MONUMENT; THENCE N. 81°27'12" E. 815.35 FEET ALONG THE NORTH LINE OF THE NW¼ OF SAID SECTION 18 TO A 5/8" REBAR (PLS #3577); THENCE N. 8°32'48" W. 189.22 FEET INTO THE SW¼ OF SECTION 7 TO A 5/8" REBAR LYING IN AN EXISTING FENCE LINE (PLS #3577); THENCE S. 83°39'49" E. 736.70 FEET ON OR ALONG SAID FENCE LINE TO A 5/8" REBAR LYING IN THE NORTH LINE OF THE NW¼ OF SECTION 18; THENCE S. 83°39'49" E. 169.11 FEET ON OR ALONG SAID FENCE LINE INTO THE NW¼ OF SAID SECTION 18 TO A FOUND 1/2" REBAR; THENCE N. 44°24'03" E. 72.09 FEET ON OR ALONG SAID FENCE LINE TO A 5/8" REBAR (PLS #3577) LYING ON THE NORTH LINE OF THE NW¼ OF SAID SECTION 18; THENCE N. 81°27'12" E. 83.67 FEET ALONG SAID NORTH LINE TO THE POINT OF BEGINNING.

RECORDATION REQUESTED BY:

FOUNDATION BANK
Bellevue Main
1110 - 112th Avenue NE, Suite 200
Bellevue, WA 98004

WHEN RECORDED MAIL TO:

FOUNDATION BANK
1110 112th Avenue NE, Suite 200
Bellevue, WA 98004

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF MORTGAGE



017000099507401010201301

THIS MODIFICATION OF MORTGAGE dated October 10, 2013, is made and executed between Mark E. Holmes and Jennifer A. Holmes, husband and wife (referred to below as "Grantor") and FOUNDATION BANK, whose address is 1110 - 112th Avenue NE, Suite 200, Bellevue, WA 98004 (referred to below as "Lender").

MORTGAGE. Lender and Grantor have entered into a Mortgage dated November 30, 2006 (the "Mortgage") which has been recorded in Custer County, State of Idaho, as follows:

Recorded 12/5/06 under recording number 235462.

REAL PROPERTY DESCRIPTION. The Mortgage covers the following described real property located in Custer County, State of Idaho:

See Exhibit A, which is attached to this Modification and made a part of this Modification as if fully set forth herein.

The Real Property or its address is commonly known as 4599 North U.S. Highway 93, Mackey, ID 83251. The Real Property tax identification number is RPO7N24E183004.

MODIFICATION. Lender and Grantor hereby modify the Mortgage as follows:

Additional Advance in the amount of \$269,097.34.

CONTINUING VALIDITY. Except as expressly modified above, the terms of the original Mortgage shall remain unchanged and in full force and effect and are legally valid, binding, and enforceable in accordance with their respective terms. Consent by Lender to this Modification does not waive Lender's right to require strict performance of the Mortgage as changed above nor obligate Lender to make any future modifications. Nothing in this Modification shall constitute a satisfaction of the promissory note or other credit agreement secured by the Mortgage (the "Note"). It is the intention of Lender to retain as liable all parties to the Mortgage and all parties, makers and endorser to the Note, including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, shall not be released by virtue of this Modification. If any person who signed the original Mortgage does not sign this Modification, then all persons signing below acknowledge that this Modification is given conditionally, based on the representation to Lender that the non-signing person consents to the changes and provisions of this Modification or otherwise will not be released by it. This waiver applies not only to any initial extension or modification, but also to all such subsequent actions.

ACCEPTANCE OF FACSIMILE AND SCANNED SIGNATURES. Borrower, Lender and all Parties agree that the Agreement(s), and Document(s) and any agreements ancillary to any agreements(s), and any other related document(s) to be entered into in connection with the agreement(s) or document(s) will be considered signed when the signature of the borrower(s) and all parties is delivered by facsimile transmission or delivered by scanned image (e.g., .pdf or .tiff file extension name) as an attachment to electronic mail (email).

Lender reserves the right to reject any Agreement(s) or Document(s) if the faxed or scanned transmission is illegible or incomplete. Lender may, in its absolute discretion, at any point in time during the loan term, require delivery of original signatures on any Agreement or Document. If satisfactory signature is not received, disbursement may be affected.

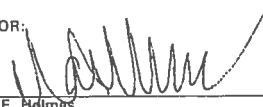
Facsimile or scanned signature(s) may be treated in all respects as having the same effect as an original signature, in the Lender's discretion. Delivery of an executed counterpart of a signature page to this Agreement and any other ancillary agreement(s) and any Document and any other related document(s) by fax or e-mail shall be effective as delivery of a manually executed counterpart of the Agreement(s) or Document(s). Documents which require Notary Public seals must be delivered to Lender as original documents, rather than by fax or other electronic format.

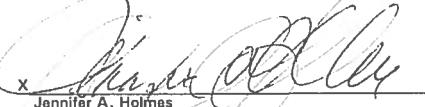
The Agreement(s) may be executed in multiple counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts, taken together, shall constitute one and the same Agreement.

Any individual or entity who submits a signature by fax or electronic transmission agrees that the Lender may rely upon that signature as authorized by the individual whose name appears as the signatory. If a Borrower or Guarantor subsequently informs the Lender that the signature is a forgery or was not authorized by the individual whose name appears as the signatory, the Lender shall treat this notification as a revocation of the signature. Absent such notification, the Lender may reasonably rely upon the authenticity of the signature and the Borrower and Guarantors shall indemnify the Lender from any loss arising from the submission of an inauthentic or unauthorized signature in connection with the Borrower's loan.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MODIFICATION OF MORTGAGE AND GRANTOR AGREES TO ITS TERMS. THIS MODIFICATION OF MORTGAGE IS DATED OCTOBER 10, 2013.

GRANTOR:

X 
Mark E. Holmes

X 
Jennifer A. Holmes

LENDER:

FOUNDATION BANK

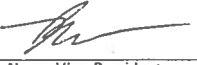
X 
Pradeep Naga, Vice President

EXHIBIT A

The land referred to in this commitment is situated in the State of Idaho, County of Custer and is described as follows:

A portion of the NW¼ of Section 18, and the SW¼ of Section 7, Township 7 North, Range 24 East, Boise Meridian, Custer County, Idaho, described as follows:

Commencing at the NW¼ corner of said Section 18 thence South 81°27'12" West, 1509.59 feet along the North line of said Section 18 to the Point of Beginning, said point being a 5/8" rebar lying in an existing fence line (PLS #3577); thence South 51°41'18" East, 105.57 feet on or along said fence line to a 5/8" rebar (PLS #3577); thence South 5°05'12" West, 91.10 feet on or along said fence line to a 5/8" rebar (PLS #3577); thence South 35°23'48" East 207.60 feet on or along said fence line to a 5/8" rebar (PLS #3577); thence South 28°07'12" West, 418.30 feet on or along said fence line to a 5/8" rebar (PLS #3577); thence South 1°14'12" West, 623.15 feet on or along said fence line to a 5/8" rebar (PLS #3577); thence South 81°45'37" West, 1803.64 feet to a point on the west line of the NW¼ of said Section 18; thence North 0°29'02" West, 1303.62 feet along said West line to the NW corner of said Section 18, said point being a G.L.O. brass cap monument; thence North 81°27'12" East, 815.35 feet along the North line of the NW¼ of said Section 18 to a 5/8" rebar (PLS #3577); thence North 8°32'48" West, 189.22 feet into the SW¼ of Section 7 to a 5/8" rebar lying in an existing fence line (PLS #3577); thence South 83°39'49" East, 736.70 feet on or along said fence line to a 5/8" rebar lying in the North line of the NW¼ of Section 18; thence South 83°39'49" East, 169.11 feet on or along said fence line into the NW¼ of said Section 18 to a found ½" rebar; thence North 44°24'03" East, 72.09 feet on or along said fence line to a 5/8" rebar (PLS #3577) lying on the North line of the NW¼ of said Section 18; thence North 81°27'12" East, 83.67 feet along said North line to the Point of Beginning as shown on the Record of Survey filed February 23, 1999, as instrument No. 217559, records of Custer County, Idaho.



017000099507401010201302

Loan No: 170000995

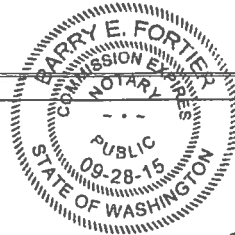
MODIFICATION OF MORTGAGE
(Continued)

Page 2

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF King)

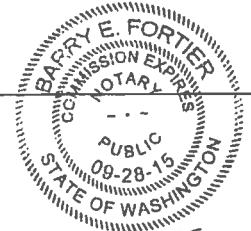
On this 17th day of October, in the year 20 13, before me Barry E. Fortier, a notary public in and for the State of Idaho, personally appeared Mark E. Holmes, known or identified to me (or proved to me on the oath of N/A for Washington), to be the person whose name is subscribed to the within instrument and acknowledged to me that he or she executed the same.
Barry E. Fortier, as Barry E. Fortier, as
Notary Public for Idaho Washington
My commission expires September 28, 2015



INDIVIDUAL ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF King)

On this 17th day of October, in the year 20 13, before me Barry E. Fortier, a notary public in and for the State of Idaho, personally appeared Jennifer A. Holmes, known or identified to me (or proved to me on the oath of N/A for Washington), to be the person whose name is subscribed to the within instrument and acknowledged to me that he or she executed the same.
Barry E. Fortier, as Barry E. Fortier, as
Notary Public for Idaho Washington
My commission expires September 28, 2015



LENDER ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF King)

On this 17th day of October, in the year 20 13, before me Herbert T. Washburn, a notary public in and for the State of Idaho, personally appeared Pradeep Naga known or identified to me (or proved to me on the oath of N/A for Washington), to be Vice President authorized agent for FOUNDATION BANK that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of FOUNDATION BANK, duly authorized by the FOUNDATION BANK through its board of directors or otherwise, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute said instrument and in fact executed this said instrument on behalf of FOUNDATION BANK.
Herbert T. Washburn
Notary Public for Idaho Washington
My commission expires 02/27/2014

