

DC

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AUG 19 2010
DEPT. OF WATER RESOURCES
SOUTHERN REGION

**STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
NOTICE OF CHANGE IN WATER RIGHT OWNERSHIP**

Please print or type. Attach pages with additional information. Instructions are included at the end of this form. Incomplete forms will be returned.

1. Please list the water right number(s) and/or adjudication claim number(s) (if any) for each water right to be changed. List just the adjudication claim number if there is no corresponding water right record on file with the department. Indicate, by checking in the space provided (under the "split" heading), if the change in ownership is limited to a portion of a water right in which case IDWR will produce new water right number(s) for the split(s).

Water Right No(s)	Adjudication Claim No(s)	Split(s)	Water Right No(s)	Adjudication Claim No(s)	Split(s)
AS A37-00548	A37-00548		AS A37-4139	A37-4139	
AS A37-00549	A37-00549		AS A37-12396	A37-12396	
AS A37-1222	A37-1222		PD A37-12397	A37-12397	
AS A37-2142	A37-2142		LLC 37-8670		
AS A37-4440	A37-4440		LLC 37-22250		
AS A37-4138	A37-4138		LLC 37-22251		

2. The following **REQUIRED** information must be submitted with this form:

- A. The appropriate **FILING FEE**. See instructions for fee amounts.
- B. A copy of the most recent **DEED, TITLE POLICY, CONTRACT OF SALE** or other legal document indicating your ownership of the property and water right(s) or claim(s) in question, **WITH ATTACHED LEGAL DESCRIPTION**.
- C. Either of the following (if necessary to clarify division of water rights or other complex property descriptions):
PLAT OF PROPERTY or **SURVEY MAP** clearly showing the location of the point(s) of diversion and place of use of your water right(s) and/or adjudication claim(s) (these are on file with the county Planning and Zoning or Recorder's Office).

OR

- D. If your water right(s) and/or adjudication claim(s) is for ten or more acres of irrigation, you must submit a USDA Farm Service Agency or equivalent **AERIAL PHOTO** with the irrigated acres outlined and point(s) of diversion clearly marked. The **AERIAL PHOTO** should be submitted in place of the **PLAT OF PROPERTY** or **SURVEY MAP**.

3. Name and Address of Former Owner/Claimant(s)

Spring Canyon Ranch, LLC

C/O CROY CANYON LLC, 400 OYSTER PT BLVD #123

SOUTH SAN FRANCISCO , CA 94080

4. New Owner/Claimant(s)

Wells Fargo Bank, National Association

Name Connector (Check one): [] and, [] or, [] and/or

New Mailing Address

MAC C7300-079, 1740 Broadway, 17th Floor

City, State and ZIP Code

Denver, CO 80274

New Telephone Number

(210) 856-7323

Email: malik.moledina@wellsfargo.com

5. Date you acquired the property July 9, 2010

6. If the change in ownership affects the entire water right for each water right or adjudication claim number listed in line 1, then skip this line and go to line 7. If the change in ownership divides the water right(s) among multiple owners, you must describe, in detail, your portion of each water right after the change. Fill in the appropriate spaces in the box(es) below to describe your water right(s) after the change (you may copy this page, if necessary). If your quantity of water is greater than a proportionate split, you must attach documentation to show justification for a larger amount. If you are not sure how to identify your portion of the original water right or adjudication claim records, please contact the nearest IDWR office for assistance.

DESCRIPTION OF YOUR PORTION OF WATER RIGHT (If the right will not be split, skip this area and proceed to line 7)		
Water Use	Diversion Rate or Volume (cubic feet per second or acre-feet per annum)	Description (acres, number and type of stock, homes, etc)
Water Right and/or Adjudication Claim Number		
Irrigation		
Stock		
Domestic		
Other		
Totals		
Water Right and/or Adjudication Claim Number		
Irrigation		
Stock		
Domestic		
Other		
Totals		
Water Right and/or Adjudication Claim Number		
Irrigation		
Stock		
Domestic		
Other		
Totals		

For Snake River Basin Adjudication Claims: Please attach a Notice of Appearance completed by your attorney, if you wish IDWR to correspond with him/her for all matters related to your claims.

7. Signature(s) of New Owner(s) or Claimant(s) By: Wells Fargo Bank N.A. *[Signature]* (title if applicable)
 (title if applicable)

IT IS IMPORTANT TO FILE THIS COMPLETED FORM AT THE APPROPRIATE IDWR OFFICE, WITH PAYMENT OF THE FILING FEE AND THE OWNERSHIP DOCUMENT(S), AS REFERRED TO IN LINE 2.

For IDWR Office Use Only:

Received by *[Signature]* Date 8/19/2010
 Received by *[Signature]* Date 8/19/2010
 Processed by AJ Date

Receipt Amt. \$100
 Receipt No. 5031586
 WR Date

Recording requested by,
and after recording, return to:

Kevin C. Braley
Holland & Hart LLP
P.O. Box 2527
Boise, ID 83701-2527

Instrument # 578907

HAILEY, BLAINE, IDAHO
7-9-2010 02:27:03 No. of Pages: 6
Recorded for : B C SHERIFFS DEPARTMENT
JOLYNN DRAGE Fee: 25.00
Ex-Officio Recorder Deputy
Index to: SHERIFF'S DEED

JS

SHERIFF'S DEED

KNOW ALL PERSONS BY THESE PRESENCE that I, Jerry "Walt" Femling, Sheriff of Blaine County, Idaho, being duly sworn and of legal age, hereby certify that I am the Sheriff of Blaine County, Idaho, and that:

1. At the request of Plaintiff Wells Fargo Bank National Association and under and by virtue of a Writ of Execution on Judgment of Foreclosure and an Order of Sale on Foreclosure issued out of the District Court of the Fifth Judicial District of the State of Idaho, in and for the County of Blaine, in the case of *Wells Fargo Bank, National Association vs. Spring Canyon Ranch, LLC, et al.*, case no. CV 09-365 and CV 09-771, I conducted a foreclosure sale on July 6th, 2010, commencing at or about 1:00 p.m. by advertisement and sale at the Blaine County Public Safety Facility at 1650 Aviation Drive, Hailey, Idaho. The property subject to the foreclosure sale was the property described in Exhibit A attached hereto (the "Foreclosed Property").

2. On July 8th, 2010, I issued a Sheriff's Certificate of Sale on Foreclosure (the "Sheriff's Certificate") to Wells Fargo Bank, National Association, who made the highest and best bid in the credit amount of \$10,900,173.04 for the Foreclosed Property at the foreclosure sale, which certificate was recorded in the official records of the recorder of Blaine County, Idaho on July 8th, 2010, as Instrument Number 578885.

3. The Amended Judgment and Decree of Foreclosure entered May 11, 2010 (the "Amended Judgment"), and the Order of Sale on Foreclosure entered May 19, 2010 (the "Order of Sale"), by the District Court of the Fifth Judicial District in and for the County of Blaine, Case No. CV 09-365 and CV 09-771, provided that Defendants Spring Canyon Ranch, LLC, and GeoEngineers, Inc., and each of them, and all persons claiming under them, either as encumbrancers, purchasers or otherwise, shall be, and they were, forever barred and foreclosed of and from all right, title, claim, interest or equity of redemption they may have in and to the Foreclosed Property or any part thereof. The equity of redemption having been barred and foreclosed by the Amended Judgment and the Order of Sale, Wells Fargo Bank, is entitled to a deed to the Foreclosed Property.

NOW THEREFORE, KNOW ALL PERSONS BY THIS DEED that I, Jerry "Walt" Femling, Sheriff of Blaine County, Idaho, in consideration of the premises, have granted and sold and do hereby convey to **Wells Fargo Bank, National Association**, a National Banking Association with an address of MAC C7300-079, 1740 Broadway, 7th Floor, Denver Colorado,

80274, and its successors and assigns, the property specifically described in **Exhibit A** attached hereto, to have and to hold, the described premises, with all appurtenances forever.

IN WITNESS WHEREOF, the grantor, as Sheriff of aforesaid, hereunder signs this deed this 9th day of July, 2010.

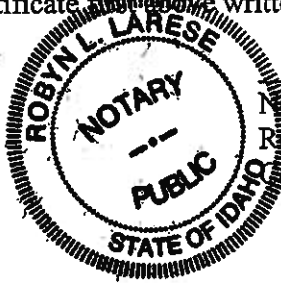
Jerry "Walt" Femling
BLAINE COUNTY SHERIFF

By Ginger M. Clement
Ginger M. Clement, Deputy

STATE OF IDAHO)
) ss:
County of Blaine)

On this 9th day of July 2010, before me, Robyn L. Larese, personally appeared Ginger M. Clement, known or identified to me to be a Deputy Sheriff of Blaine County, Idaho and the individual described in and who executed the within and foregoing instrument as said Deputy Sheriff, and duly acknowledged to me that he/she executed the same as Deputy Sheriff.

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



Notary Public
Residing at Hailey, Idaho
Comm. Expires 4

EXHIBIT A

a. Parcel I

A parcel of land lying within SECTIONS 11, 13 AND 14, TOWNSHIP 2 NORTH, RANGE 17 EAST, AND SECTIONS 7, 17, AND 18, TOWNSHIP 2 NORTH, RANGE 18 EAST, BOISE MERIDIAN, BLAINE COUNTY IDAHO, and being more particularly described as follows:

Commencing at the BLM brass cap marking the Southwest corner of said Section 18, which point is the REAL POINT OF BEGINNING; thence N 88°33'43"W, 1332.85 feet to a 5/8" bar by L. S. 3621 marking the 1/16th corner; thence N 00°15'20"E, 2649.19 feet to a 5/8" bar by L. S. 3621 marking the center east 1/16th corner; thence S 88°42'55"E, 1329.50 feet to the BLM brass cap marking the west ¼ corner of said Sections 13 and 18; thence N 00°09'19"E, 1310.14 feet to a BLM brass cap; thence N 88°15'33"W, 2655.51 feet to a 5/8" bar marking the center north 1/16th corner of Section 13; thence N 89°49'47"W, 2662.82 feet to a 5/8" bar marking the 1/16th corner of said Sections 13 and 14; thence S 00°12'41"W, 1279.45 feet to a 5/8" bar with aluminum cap marking the ¼ corner of Sections 13 and 14; thence S 89°40'00"W, 5293.11 feet to the 5/8" bar with aluminum cap marking the ¼ corner of Sections 14 and 15; thence N 00°18'28" W, 2636.52 feet to the 2" aluminum cap by L. S. 792 marking the section corner common to Sections 10, 11, 14 and 15; thence N 00°09'45" E, 2648.30 feet to the 2" aluminum cap marking the ¼ corner of Sections 10 and 11; thence N 89°39'22" E, 5317.87 feet to the 2½" aluminum cap marking the ¼ corner of Sections 11 and 12; thence S 00°10'54" W, 2727.02 feet to the 2" aluminum cap marking the section corner common to Sections 11, 12, 13 and 14; thence N 89°03'30" E, 2666.04 feet to the 2" aluminum cap marking the ¼ corner of Sections 12 and 13; thence S 87°50'15" E, 2654.34 feet to the BLM brass cap marking the section corner common to Sections 12, 13, 7 and 18; thence N 00°13'40" W, 1326.38 feet to the 5/8" bar marking the 1/16th corner common to Sections 12 and 7; thence S 89°11'32" E, 2805.46 feet to the 5/8" bar marking the center south 1/16th corner of said Section 7; thence

S 00°03'58" W, 1313.77 feet to the aluminum cap marking the ¼ corner common to Sections 7 and 18; thence
S 00°22'06" W, 1312.08 feet to the 5/8" bar marking the center north 1/16th corner of said Section 18; thence
S 89°42'53" E, 1325.37 feet to the 5/8" bar marking the northeast 1/16th corner of said Section 18; thence
S 00°48'36" W, 1319.34 feet to the 5/8" bar marking the center east 1/16 corner of said Section 18; thence
S 89°24'01" E, 1315.22 feet to the BLM brass cap marking the ¼ corner of Sections 18 and 17; thence
S 88°24'27" E, 790.65 feet to the 5/8" bar on the south side of Croy Creek Road; thence
N 58°17'12" E, 1070.44 feet to the 5/8" bar on the south side of Croy Creek Road; thence
N 54°32'25" E, 665.75 feet to the 5/8" bar on the south side of Croy Creek Road; thence
N 50°09'06" E, 474.75 feet along said road to the 5/8" bar on the center section line; thence
S 00°09'41" W, 1303.55 feet to the bar marking the center section corner of Section 17; thence
S 00°16'05" W, 1319.97 feet to the BLM brass cap marking the center South 1/16th corner of said Section 17; thence
N 88°23'58" W, 2600.76 feet to the 5/8" bar marking the 1/16 corner of said Sections 17 and 18; thence
S 00°04'54" W, 918.49 feet to the 5/8" bar on the north line of the Climax Lode Mining Claim; thence
S 87°15'00" W, 87.77 feet to the 5/8" bar marking the northwest corner of the Climax Lode Mining Claim; thence
S 05°45'15" E, 398.62 feet to a point on the westerly boundary of Climax Lode Mining Claim and the south boundary of said Section 18; thence
N 89°32'52" W, 2596.48 feet to the BLM brass cap marking the ¼ corner of Sections 18 and 19; thence
N 89°32'07" W, 2782.46 feet to the REAL POINT OF BEGINNING.

Also known as Tax Lot 6973.

AND

Parcel II

Those patented mining claims as described in Sections 3, 10 and 11 in Township 2 North, Range 17 East, Boise Meridian, Blaine County, Idaho, as follows:

IDAHO DEMOCRAT, MARQUISE, VERMONT, IDAHO
REPUBLICAN AND BELMONT, all Consolidated Survey No. 1342;

GLADYS B., DEWEY, MCKINLEY, SPANISH, all Consolidated Survey No. 2747; and SEE BEE, Consolidated Survey No. 2755, all situated in the MINERAL HILL MINING DISTRICT, BLAINE COUNTY, IDAHO (the "Real Property").

- b. all easements, rights-of-way and appurtenances; all water, water rights, water courses 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 First Mortgage also assigned to Wells Fargo all of Spring Canyon's right, title and interest in and to all present and future leases of the Real Property and all Rents (as defined by the First Mortgage) from the Property. The First Mortgage also granted Wells Fargo a Uniform Commercial Code security interest in the Personal Property (as defined by the First Mortgage) and Rents. The Real Property, together with the rights and interests described in this paragraph are hereinafter referred to collectively as the "Mortgaged Property."
- c. The Mortgaged Property includes, in part and without limitation, the following water rights:

Idaho Water Right No. A37-00548

Idaho Water Right No. A37-00549

Idaho Water Right No. A37-01222

Idaho Water Right No. A37-02142

Idaho Water Right No. A37-04440

Idaho Water Right No. A37-04138

Idaho Water Right No. A37-04139

Idaho Water Right No. A37-12396

Idaho Water Right No. A37-12397

Idaho Water Right Application No. 37-22442

Idaho Water Right Application No. 37-22443

Idaho Water Right No. 37-8670

Idaho Water Right No. 37-22250

Idaho Water Right No. 37-22251

4838474_1.DOC

COPY

Party's Name: Wells Fargo Bank, National Association

Attorney Name & Address:

Linda B. Jones
Kevin C. Braley
HOLLAND & HART LLP
Suite 1400, U.S. Bank Plaza
101 S. Capitol Boulevard
Post Office Box 2527
Boise, Idaho 83701
Telephone: (208) 342-5000
Idaho State Bar No. 4125

**IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF TWIN FALLS**

In Re SRBA

Case No. 39576

**NOTICE OF SUBSTITUTION
OF PARTIES**

**SUBCASE NOS.: 37-548, 37-549, 37-
1222, 37-2142, 37-4138, 37-4139, 37-
4440, and 37-12396**

NOTICE IS HEREBY GIVEN: Wells Fargo Bank, National Association ("Wells Fargo") hereby notifies the Court and the parties herein that Wells Fargo, as the successor in interest to Spring Canyon Ranch, LLC, and the current owner of the subject water rights and all interest therein and the owner of the underlying land, is hereby substituted in place of Spring Canyon Ranch, LLC for all purposes in these proceedings, including, but not limited to, the resolution of the matters in this subcase.

Attached at Exhibit "A" is a true and correct copy of the Sheriff's Deed conveying all right, title, and interest in the land and the appurtenant water rights being adjudicated in these proceedings to Wells Fargo Bank.

DATED this 17th day of August, 2010..

By: 

HOLLAND & HART LLP

Linda B. Jones

Kevin C. Braley

Attorneys for Wells Fargo Bank, National
Association

CERTIFICATE OF SERVICE

I hereby certify that on this 17th day of August 2010, I caused to be served a true and correct copy of the foregoing by the method indicated below, and addressed to the following:

Original to:

Clerk of the District Court
Snake River Basin Adjudication
253 Third Avenue North
P.O. Box 2707
Twin Falls, ID 83303-2707

☐ U.S. Mail
☐ Hand Delivered
☐ Overnight Mail
☒ Telecopy (Fax)

Copies to:

Albert P. Barker
BARKER ROSHOLT & SIMPSON
PO Box 2139
Boise, ID 83701-2139
Telephone: (208) 336-0700
Fax: (208) 344-6034

☐ U.S. Mail
☐ Hand Delivered
☐ Overnight Mail
☒ Telecopy (Fax)

Craig D. Hobdey
HOBDEY & HOBDEY
PO Box 176
Gooding, ID 83330
Telephone: (208) 934-4429
Fax: (208) 934-4420

☐ U.S. Mail
☐ Hand Delivered
☐ Overnight Mail
☒ Telecopy (Fax)

Kevin J. Beaton
STOEL RIVES LLP
101 S. Capitol Blvd., Ste. 1900
Boise, ID 83702-5958
Telephone: (208) 389-9000
Fax: (208) 389-9040

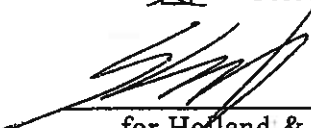
☐ U.S. Mail
☐ Hand Delivered
☐ Overnight Mail
☒ Telecopy (Fax)

US Department of Justice
Environment & Natural Resources
550 West Fort Street, MSC 033
Boise, ID 83724

☒ U.S. Mail
☐ Hand Delivered
☐ Overnight Mail
☐ Telecopy (Fax)

IDWR Document Depository
322 East Front Street
P.O. Box 83720
Boise, ID 83720-0098
Fax: (208) 287-6700

☐ U.S. Mail
☐ Hand Delivered
☐ Overnight Mail
☒ Telecopy (Fax)


for Holland & Hart LLP

4893904_1.DOC

NOTICE OF SUBSTITUTION OF PARTIES- 3

Recording requested by,
and after recording, return to:

Kevin C. Braley
Holland & Hart LLP
P.O. Box 2527
Boise, ID 83701-2527

Instrument # 578907

HAILEY, BLAINE, IDAHO
7-9-2010 02:27:03 No. of Pages: 6
Recorded for : B C SHERIFFS DEPARTMENT
JOLYNN DRAGE Fee: 25.00
Ex-Officio Recorder Deputy
Index to: SHERIFF'S DEED

AB

SHERIFF'S DEED

KNOW ALL PERSONS BY THESE PRESENCE that I, Jerry "Walt" Femling, Sheriff of Blaine County, Idaho, being duly sworn and of legal age, hereby certify that I am the Sheriff of Blaine County, Idaho, and that:

1. At the request of Plaintiff Wells Fargo Bank National Association and under and by virtue of a Writ of Execution on Judgment of Foreclosure and an Order of Sale on Foreclosure issued out of the District Court of the Fifth Judicial District of the State of Idaho, in and for the County of Blaine, in the case of *Wells Fargo Bank, National Association vs. Spring Canyon Ranch, LLC, et al.*, case no. CV 09-365 and CV 09-771, I conducted a foreclosure sale on July 6th, 2010, commencing at or about 1:00 p.m. by advertisement and sale at the Blaine County Public Safety Facility at 1650 Aviation Drive, Hailey, Idaho. The property subject to the foreclosure sale was the property described in Exhibit A attached hereto (the "Foreclosed Property").

2. On July 8th, 2010, I issued a Sheriff's Certificate of Sale on Foreclosure (the "Sheriff's Certificate") to Wells Fargo Bank, National Association, who made the highest and best bid in the credit amount of \$10,900,173.04 for the Foreclosed Property at the foreclosure sale, which certificate was recorded in the official records of the recorder of Blaine County, Idaho on July 8th, 2010, as Instrument Number 578885.

3. The Amended Judgment and Decree of Foreclosure entered May 11, 2010 (the "Amended Judgment"), and the Order of Sale on Foreclosure entered May 19, 2010 (the "Order of Sale"), by the District Court of the Fifth Judicial District in and for the County of Blaine, Case No. CV 09-365 and CV 09-771, provided that Defendants Spring Canyon Ranch, LLC, and GeoEngineers, Inc., and each of them, and all persons claiming under them, either as encumbrancers, purchasers or otherwise, shall be, and they were, forever barred and foreclosed of and from all right, title, claim, interest or equity of redemption they may have in and to the Foreclosed Property or any part thereof. The equity of redemption having been barred and foreclosed by the Amended Judgment and the Order of Sale, Wells Fargo Bank, is entitled to a deed to the Foreclosed Property.

NOW THEREFORE, KNOW ALL PERSONS BY THIS DEED that I, Jerry "Walt" Femling, Sheriff of Blaine County, Idaho, in consideration of the premises, have granted and sold and do hereby convey to Wells Fargo Bank, National Association., a National Banking Association with an address of MAC C7300-079, 1740 Broadway, 7th Floor, Denver Colorado,

EXHIBIT

A

IN WITNESS WHEREOF, the grantor, as Sheriff of aforesaid, hereunder signs this deed this 9th day of July, 2010.

By Ginger M. Clement
Ginger M. Clement, Deputy

On this 9th day of July 2010, before me, Robyn L. Larese, personally appeared Ginger M. Clement, known or identified to me to be a Deputy Sheriff of Blaine County, Idaho and the individual described in and who executed the within and foregoing instrument as said Deputy Sheriff, and duly acknowledged to me that he/she executed the same as Deputy Sheriff.



Notary Public
Residing at Hailey, Idaho
Comm. Expires 4

SHERIFF'S DEED - 2

EXHIBIT A

a. Parcel I

A parcel of land lying within SECTIONS 11, 13 AND 14, TOWNSHIP 2 NORTH, RANGE 17 EAST, AND SECTIONS 7, 17, AND 18, TOWNSHIP 2 NORTH, RANGE 18 EAST, BOISE MERIDIAN, BLAINE COUNTY IDAHO, and being more particularly described as follows:

Commencing at the BLM brass cap marking the Southwest corner of said Section 18, which point is the REAL POINT OF BEGINNING; thence N 88°33'43"W, 1332.85 feet to a 5/8" bar by L. S. 3621 marking the 1/16th corner; thence N 00°15'20"E, 2649.19 feet to a 5/8" bar by L. S. 3621 marking the center east 1/16th corner; thence S 88°42'55"E, 1329.50 feet to the BLM brass cap marking the west ¼ corner of said Sections 13 and 18; thence N 00°09'19"E, 1310.14 feet to a BLM brass cap; thence N 88°15'33"W, 2655.51 feet to a 5/8" bar marking the center north 1/16th corner of Section 13; thence N 89°49'47"W, 2662.82 feet to a 5/8" bar marking the 1/16th corner of said Sections 13 and 14; thence S 00°12'41"W, 1279.45 feet to a 5/8" bar with aluminum cap marking the ¼ corner of Sections 13 and 14; thence S 89°40'00"W, 5293.11 feet to the 5/8" bar with aluminum cap marking the ¼ corner of Sections 14 and 15, thence N 00°18'28" W, 2636.52 feet to the 2" aluminum cap by L. S. 792 marking the section corner common to Sections 10, 11, 14 and 15; thence N 00°09'45" E, 2648.30 feet to the 2" aluminum cap marking the ¼ corner of Sections 10 and 11; thence N 89°39'22" E, 5317.87 feet to the 2½" aluminum cap marking the ¼ corner of Sections 11 and 12; thence S 00°10'54" W, 2727.02 feet to the 2" aluminum cap marking the section corner common to Sections 11, 12, 13 and 14; thence N 89°03'30" E, 2666.04 feet to the 2" aluminum cap marking the ¼ corner of Sections 12 and 13; thence S 87°50'15" E, 2654.34 feet to the BLM brass cap marking the section corner common to Sections 12, 13, 7 and 18; thence N 00°13'40" W, 1326.38 feet to the 5/8" bar marking the 1/16th corner common to Sections 12 and 7; thence S 89°11'32" E, 2805.46 feet to the 5/8" bar marking the center south 1/16th corner of said Section 7; thence

S 00°03'58" W, 1313.77 feet to the aluminum cap marking the ¼ corner common to Sections 7 and 18; thence
S 00°22'06" W, 1312.08 feet to the 5/8" bar marking the center north 1/16th corner of said Section 18; thence
S 89°42'53" E, 1325.37 feet to the 5/8" bar marking the northeast 1/16th corner of said Section 18; thence
S 00°48'36" W, 1319.34 feet to the 5/8" bar marking the center east 1/16 corner of said Section 18; thence
S 89°24'01" E, 1315.22 feet to the BLM brass cap marking the ¼ corner of Sections 18 and 17; thence
S 88°24'27" E, 790.65 feet to the 5/8" bar on the south side of Croy Creek Road; thence
N 58°17'12" E, 1070.44 feet to the 5/8" bar on the south side of Croy Creek Road; thence
N 54°32'25" E, 665.75 feet to the 5/8" bar on the south side of Croy Creek Road; thence
N 50°09'06" E, 474.75 feet along said road to the 5/8" bar on the center section line; thence
S 00°09'41" W, 1303.55 feet to the bar marking the center section corner of Section 17; thence
S 00°16'05" W, 1319.97 feet to the BLM brass cap marking the center South 1/16th corner of said Section 17; thence
N 88°23'58" W, 2600.76 feet to the 5/8" bar marking the 1/16 corner of said Sections 17 and 18; thence
S 00°04'54" W, 918.49 feet to the 5/8" bar on the north line of the Climax Lode Mining Claim; thence
S 87°15'00" W, 87.77 feet to the 5/8" bar marking the northwest corner of the Climax Lode Mining Claim; thence
S 05°45'15" E, 398.62 feet to a point on the westerly boundary of Climax Lode Mining Claim and the south boundary of said Section 18; thence
N 89°32'52" W, 2596.48 feet to the BLM brass cap marking the ¼ corner of Sections 18 and 19; thence
N 89°32'07" W, 2782.46 feet to the REAL POINT OF BEGINNING.

Also known as Tax Lot 6973.

AND

Parcel II

Those patented mining claims as described in Sections 3, 10 and 11 in Township 2 North, Range 17 East, Boise Meridian, Blaine County, Idaho, as follows:

IDAHO DEMOCRAT, MARQUISE, VERMONT, IDAHO
REPUBLICAN AND BELMONT, all Consolidated Survey No. 1342;

GLADYS B., DEWEY, MCKINLEY, SPANISH, all Consolidated Survey No. 2747; and SEE BEE, Consolidated Survey No. 2755, all situated in the MINERAL HILL MINING DISTRICT, BLAINE COUNTY, IDAHO (the "Real Property").

- b. all easements, rights-of-way and appurtenances; all water, water rights, water courses 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 First Mortgage also assigned to Wells Fargo all of Spring Canyon's right, title and interest in and to all present and future leases of the Real Property and all Rents (as defined by the First Mortgage) from the Property. The First Mortgage also granted Wells Fargo a Uniform Commercial Code security interest in the Personal Property (as defined by the First Mortgage) and Rents. The Real Property, together with the rights and interests described in this paragraph are hereinafter referred to collectively as the "Mortgaged Property."

- c. The Mortgaged Property includes, in part and without limitation, the following water rights:

Idaho Water Right No. A37-00548

Idaho Water Right No. A37-00549

Idaho Water Right No. A37-01222

Idaho Water Right No. A37-02142

Idaho Water Right No. A37-04440

Idaho Water Right No. A37-04138

Idaho Water Right No. A37-04139

Idaho Water Right No. A37-12396

Idaho Water Right No. A37-12397

Idaho Water Right Application No. 37-22442

Idaho Water Right Application No. 37-22443

Idaho Water Right No. 37-8670

Idaho Water Right No. 37-22250

Idaho Water Right No. 37-22251

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