



State of Idaho

DEPARTMENT OF WATER RESOURCES

Eastern Region, 900 North Skyline Drive, Suite A • Idaho Falls, Idaho 83402-1718

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C. L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Interim Director

October 18, 2010

The Bank of Commerce
C/O Western AgCredit
10980 South Jordan Gateway
PO Box 95850
South Jordan UT 84095-0850

RE: Notice of Security Interest in a Water Right 35-8195A & 35-13894

Dear Water Right Holder(s):

The department acknowledges receipt of correspondence adding a security interest to the above referenced water right(s) to you. The department has modified its records to reflect the security interest and has enclosed a computer-generated report for your records.

Please note the department still shows Klass Corp as the current owners of the above mentioned water rights, not Lava Rock Ranch LLC, a change of ownership will be required in order for the department to make this change.

Updating the security interest record for a water right does not reconfirm the validity of the right. When processing an security interest notice, the department does not review the history of water use to determine if the right has been deliberately abandoned or forfeited through five years or more of non-use. To read more about water right forfeiture, including how to protect a water right from forfeiture, please see Sections 42-222 and 42-223, Idaho Code.

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

Sincerely,

Jonie Barg
Technical Records Specialist

Enclosure

cc: Klass Corp
Larry Simons