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STATE 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): 65-6226
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
Pacific Intermountain Mortgage Co.
2420 Main Street
Baker City, OR 97814
4. Name of Water Right Owner/Claimant(s)
Larry L. & Susan E. Dahnke
5. Expiration Date of Notification Period January 1, 2027
6. Is this a Renewal of Request for Notification? ☐ YES ☒ NO
7. Signature(s) of Security Interest holder(s) Kim Hite
 (and title if applicable) office manager

For Office Use Only

Received by <u>[Signature]</u>	Date <u>5-29-07</u>	Fee <u>\$25-</u>
Receipted by <u>[Signature]</u>	Date <u>"</u>	Receipt No. <u>W035440</u>
Processed by _____	AJ Date _____	WR <u>[Signature]</u> Date <u>6-5-07</u>

RECEIVED

MAY 29 2007

WATER RESOURCES
WESTERN REGION

MALHEUR FEDERAL CREDIT UNION

Mortgagor(s):
LARRY L. DAHNKE
SUSAN E. DAHNKE
MARLENE M. REEL, TRUSTEE
U/T/A DATED JULY 1, 2004
5415 LITTLE WILLOW ROAD
PAYETTE, ID 83361

Mortgagee(s):
Malheur Federal Credit Union
c/o Pacific Intermountain Mortgage Co.
2420 Main St.
Baker City, OR 97814

REAL ESTATE MORTGAGE

THIS MORTGAGE is made and entered into by LARRY L. DAHNKE AND SUSAN E. DAHNKE, husband and wife, as to Parcels II, III & IV and MARLENE M. REEL, aka MARLENE DAHNKE-REEL, Trustee of the Marlene Reel Trust u/t/a July 1, 2004, as to Parcel I, at Payette, Idaho, herein called mortgagor, and Malheur Federal Credit Union, C/O Pacific Intermountain Mortgage Company, 2420 Main Street, Baker City, Oregon 97814, herein called mortgagee.

Mortgagors in consideration of THREE HUNDRED FIFTY THOUSAND DOLLARS (\$350,000.00) paid to mortgagor does hereby grant, bargain, sell and convey unto Malheur Federal Credit Union, mortgagee and mortgagee's successors and assigns, that real property situated in Payette County, State of Idaho, described on Exhibit "A", water rights described on Exhibit "A-1", and the Bureau of Land management Grazing Allotment described on Exhibit "B", attached hereto and by this reference made a part hereof, together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in any way appertaining and which may hereafter thereto belong or appertain, and the rents, issues and profits therefrom, and any and all fixtures upon the premises at the time of the execution of the mortgage or at any time during the term of this mortgage.

TO HAVE AND TO HOLD the premises with the appurtenances unto mortgagee and mortgagee's personal representative, successors and assigns forever.

This mortgage is intended to secure the payment of a promissory note dated May 17, 2007, in the principal amount of \$350,000.00 with the due date of the final installment being January 1, 2032.

The mortgagor warrants that the proceeds of the loan represented by the Note and this mortgage are (line out whichever is not applicable):

- (a) ~~primarily for mortgagor's personal, family or household purposes, or~~
- (b) for an organization or (even if mortgagor is a natural person) for business or commercial purposes.

This mortgage is further conditional upon the faithful observance by the mortgagor of the following Articles of covenants hereby expressly entered into by the mortgagor, to-wit:

ARTICLE I

MORTGAGOR FURTHER AGREES THAT THE LOAN SECURED BY THIS INSTRUMENT WILL BE IN DEFAULT SHOULD ANY LOAN PROCEEDS BE USED FOR A PURPOSE THAT WILL CONTRIBUTE TO EXCESSIVE EROSION OF HIGHLY ERODIBLE LAND OR TO THE CONVERSION OF WETLAND TO PRODUCE OR TO MAKE POSSIBLE THE PRODUCTION OF AN AGRICULTURAL COMMODITY, SUBJECT TO 7 CFR PART 1940, SUBPART G, EXHIBIT M.

ARTICLE II

HAZARDOUS SUBSTANCES: Notwithstanding any provision in the Mortgages or any other Loan Document, the provisions of this Article shall not be secured by the Mortgages and shall survive termination of this Mortgage, repayment of the Loan, and foreclosure of the Mortgages or similar proceedings.

(1) **Definition of Hazardous Substance:** For purposes of this Agreement, a "Hazardous Substance" is defined to mean any substance, material or waste, including asbestos and petroleum (including crude oil or any fraction thereof), which is or becomes designated, classified or regulated as "toxic", "hazardous", a "pollutant" or similar designation under any federal, state or local law, regulation or ordinance

(2) **Indemnity regarding Hazardous Substances:** Mortgagor agrees to indemnify, defend with counsel acceptable to Lender, and hold Lender, it's parent and affiliated companies, and their respective officers, directors, employees and agents, harmless from and against all actual or threatened liabilities, claims, actions, damages (including foreseeable fees) and losses directly or indirectly arising out of or resulting from the presence of any Hazardous Substance in or around any part of the Properties or in the soil or groundwater under the Properties, including (a) any expenses incurred in connection with any reasonably necessary investigation of site conditions or any clean-up, remedial, removal or restoration work, and (b) any resulting damages or injuries to the person or property of any third parties or to any natural resources. In addition, Mortgagor shall similarly indemnify, defend and hold harmless any persons purchasing the Properties through a foreclosure sale or following a foreclosure sale, and any persons purchasing the Loan or any portion of or interest in it

(3) **Representation and Warranty:** Before signing this Agreement, Mortgagor researched and inquired into the previous, current and contemplated uses and ownership of the Properties. Based on that due diligence, Mortgagor represents and warrants that, to the best of his knowledge, no Hazardous Substance has been or will be disposed of, released onto or otherwise exists in, on, or under the Properties, except as Mortgagor has disclosed to Lender in writing.

(4) **Compliance with Law, Notices:** Mortgagor has complied, and shall comply and cause all occupants of the Properties to comply, with all laws, regulations and ordinances governing or applicable to Hazardous Substances as well as the recommendations of any qualified environmental engineer or other expert. Mortgagor shall promptly notify Lender if he/she/they know(s) or suspects there may be any Hazardous Substance in or around the Properties, or in the soil or groundwater under the Properties, or if any action or investigation by any governmental agency or third party pertaining to Hazardous Substances is pending or threatened.

(5) **Site Visits:** Mortgagor shall allow Lender access to the Properties at any reasonable time for the purposes of performing an appraisal, inspecting the Properties, taking soil or groundwater samples, and conducting tests, among other things, to investigate for the presence of Hazardous Substances, as defined in Article V. Such appraisals, inspections and audits shall be at the Lender's expense except if Lender performs such appraisals, inspections or audits after the occurrence of an Event of a Default as in hereinafter defined. Lender is under no duty to visit or observe the Properties. Any site visit, observation or examination by Lender shall be solely for the purpose of protecting Lender's security and preserving Lender's rights under the Loan Documents. Lender owes no duty of care to protect Mortgagor or any other party against, or to inform Mortgagor or any other party of, any adverse condition affecting the Properties, including any defects in the design or construction of any improvements on the Properties or the presence of any Hazardous Substances on the Properties.

ARTICLE III

(1) Mortgagor is lawfully seized of the premises and now has a valid and unencumbered fee simple title thereto, except easements and rights of way of record and mortgagor will warrant and defend said title against the claims and demands of all persons.

(2) Mortgagor will pay the promissory note(s) and all installments of interest thereon promptly as the same become due, according to the tenor of the note(s). The final due date for payment of principal and interest of the promissory note is January 1, 2032.

(3) So long as this mortgage remains in force, mortgagor will pay all taxes, assessments, and other charges of every nature levied or assessed upon or against the premises when due and payable, according to law, and before the same becomes delinquent, and will also pay all taxes levied or assessed on this mortgage or the debt thereby secured, and will promptly pay and satisfy any mechanics' liens or other encumbrances that, by operation of law or otherwise, become a lien upon the mortgaged premises superior to the lien of this mortgage.

(4) Mortgagor will keep the improvements (including but not limited to the dwelling, other outbuildings, fences, attached irrigation equipment) erected on the premises in good order and repair and will not commit or suffer any waste of the premises. At the request of the mortgagee, the mortgagor shall join with the mortgagee in executing one or more financing statements pursuant to the Uniform Commercial Code, in form satisfactory to the mortgagee and will pay for filing the same in the proper public office(s), as well as the cost of any lien search made by filing officers or searching agencies as may be deemed desirable by the mortgagee. Mortgagor will not make any changes in or alterations to the improvements on the mortgaged premises which will materially decrease the value of the same.

(5) This mortgage covers all water rights and ditch rights and mortgagor agrees that mortgagor will put to beneficial use all waters and maintain said water rights and not allow any water rights to be abandoned.

(6) Mortgagor agrees that mortgagee or its agents, successors or assigns and their agents may at all reasonable times inspect the property to ascertain whether the covenants and agreements contained herein are being performed. Said inspections will be on at least an annual basis.

(7) So long as this mortgage shall remain in force, mortgagor will keep the buildings now erected, or any which may hereafter be erected on the premises, insured against loss or damage by fire, with extended coverage, to the extent of the contributory value on the primary dwelling and the remaining outbuildings in some company or companies acceptable to the mortgagee and for the benefit of both parties hereto as their interests may appear, and will deliver all the policies and renewals thereof to the mortgagee.

(8) **WARNING:** Unless mortgagor provides mortgagee with evidence of insurance coverage as required by the contract or loan agreement between them, mortgagee may purchase insurance at mortgagor's expense to protect mortgagee's interest. This insurance may, but need not, also protect mortgagor's interest. If the collateral becomes damaged, the coverage purchased by mortgagee may not pay any claim made by or against mortgagor. Mortgagor may later cancel the coverage by providing evidence that mortgagor has obtained property coverage elsewhere. Mortgagor is responsible for the cost of any insurance coverage purchased by mortgagee, which cost may be added to mortgagor's contract or loan balance. If it is so added, the interest rate on the underlying contract or loan will apply to it. The effective date of coverage may be the date mortgagor's prior coverage lapsed or the date mortgagor failed to provide proof of coverage. The coverage mortgagee purchases may be considerably more expensive than insurance mortgagor might otherwise obtain alone and may not satisfy any need for property damage coverage or any mandatory liability insurance requirements imposed by applicable law.

NOW THEREFORE, if the mortgagor shall pay the promissory note(s) and shall fully satisfy and comply with the covenants hereinbefore set forth, then this conveyance shall be void, but otherwise it shall remain in full force and virtue as a mortgage to secure the payment of the promissory note(s) in accordance with the terms thereof and the performance of the covenants and agreements herein contained. Any failure to make any of the payments provided for in the note(s) or this mortgage when the same shall become due or payable, or to perform any agreement herein contained, shall give to the mortgagee the option to declare the whole amount due on the note(s), or unpaid thereon or on this mortgage, at once due and payable, and this mortgage by reason thereof may be foreclosed at any time thereafter. If the mortgagor shall fail to pay any taxes or other charges or any lien or insurance premium as herein provided to be done, the mortgagee shall have the option to pay the same. Any payment so made shall be added to and become a part of the debt secured by this mortgage, and draw interest at the same rate as the note(s) without waiver, however, of any right arising from breach of any of the covenants herein. Time is of the essence with respect to all sums due hereunder, and the promissory note(s).

In case a suit or action is brought to foreclose this mortgage, the court may, upon motion of the holder of the mortgage, without respect to the condition of the property, appoint a receiver to collect the rents and profits arising out of the premises and direct the receiver to apply such rents and profits to the payment and satisfaction of the amount due under this mortgage, first deducting all proper charges and expenses of the receivership, including a reasonable charge for attorney fees.

In the event any suit or action to foreclose this mortgage is commenced, the losing party therein agrees to pay the attorney fees, costs and disbursements of the prevailing party, including statutory costs and disbursements and costs of title report(s) and /or title search. If any appeal is taken from any judgment or decree entered pursuant to such suit or action, the losing party on appeal therein promises to pay the attorney fees, costs and disbursements, including all statutory costs and disbursements, of the prevailing party. To the extent permitted by law, all such sums shall be and are secured by the lien of this mortgage and shall be included in the judgment or decree of foreclosure.

Each and all of the covenants and agreements herein contained shall apply to, inure to the benefit of, and bind the personal representatives, successor and/or assigns of the mortgagor and of the mortgagee respectively.

In construing this mortgage and related note(s), it is understood that the mortgagor or mortgagee may be more than one person. If the context so requires, the singular shall be taken to mean and include the plural. Generally, all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to individuals.

All covenants and provisions of this mortgage shall bind the successors and assigns of mortgagor and shall inure to the benefit of successors and assigns of mortgagee, provided however mortgagor understands that a sale or other transfer of the mortgaged premises or any part thereof, without prior written consent of mortgagee, shall constitute a default of this mortgage.

IN WITNESS WHEREOF, the mortgagor has executed this instrument. If the mortgagor is a corporation, it has caused it's name to be signed and it's seal, if any, affixed by an officer or other person duly authorized to do so by order of it's board of directors.


LARRY L. DAHNKE


SUSAN E. DAHNKE


MARLENE M. REEL, TRUSTEE
MARLENE REEL TRUST


MARLENE DAHNKE REEL, INDIVIDUALLY

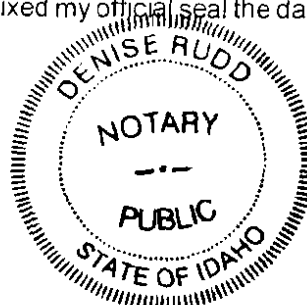
STATE OF IDAHO
County of

On this 18th day of May, 2007, before me, a Notary Public in and for the said state, personally appeared LARRY L. DAHNKE, known or identified to me to be the person(s) whose name(s) are subscribed to the within Instrument and acknowledged to me that they executed same.

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

Denise Rudd
Notary Public for Idaho

My commission expires: 9-21-12



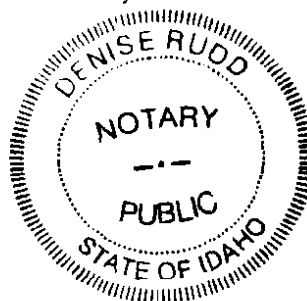
STATE OF IDAHO
County of

On this 18th day of May, 2007, before me, a Notary Public in and for the said state, personally appeared SUSAN E. DAHNKE, known or identified to me to be the person(s) whose name(s) are subscribed to the within Instrument and acknowledged to me that they executed same.

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

Denise Rudd
Notary Public for Idaho

My commission expires: 9-21-12



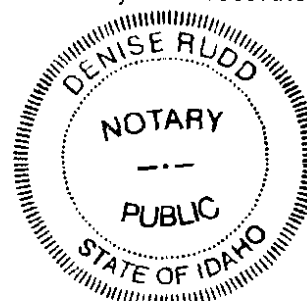
STATE OF IDAHO
County of

On this 18th day of May, 2007, before me, a Notary Public in and for the said state, personally appeared MARLENE M. REEL, Trustee of the Marlene Reel Trust, known or identified to me to be the person(s) whose name(s) are subscribed to the within Instrument and acknowledged to me that they executed same.

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

Denise Rudd
Notary Public for Idaho

My commission expires: 9-21-12



STATE OF IDAHO
County of

On this 18th day of May, 2007, before me, a Notary Public in and for the said state, personally appeared MARLENE DAHNKE REEL,, known or identified to me to be the person(s) whose name(s) are subscribed to the within Instrument and acknowledged to me that they executed same.

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

Denise Rudd
Notary Public for Idaho

My commission expires: 9-21-12

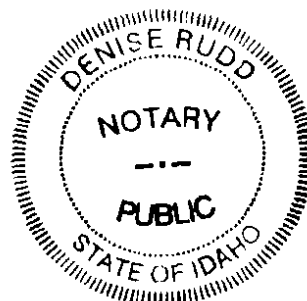


Exhibit A

PARCEL I:

Land in Township 9 North, Range 3 West, Boise Meridian, Payette County, Idaho:

In Section 19: Government Lot 4.

Land in Township 9 North, Range 4 West, Boise Meridian, Payette County, Idaho:

In Section 24: South Half Northwest Quarter; Southwest Quarter; West Half Southeast Quarter and Southeast Quarter Southeast Quarter;

In Section 25: Northwest Quarter and West Half Southwest Quarter;

In Section 26: Southeast Quarter and Southeast Quarter Southwest Quarter;

In Section 35: Northeast Quarter Northwest Quarter and the East Half, SAVE AND EXCEPTING the following described tract of land in the West Half East Half;

Commencing on the South side line of the West Half Southeast Quarter at a point approximately 190 feet West of the Southeast corner of said West Half Southeast Quarter, which point is marked by an iron pipe set in the ground, and is the True Point of Beginning for this description;

thence in a Northwesterly direction approximately 2100 feet to the Southerly right of way line of the County road at the point where said Southerly right of way line is intersected by the Easterly side line of the main canal of the Little Willow Irrigation District which point is also marked by an iron pipe set in the ground;

thence Westerly in a straight line across said main canal to a point on the Westerly side line of said canal which is marked by a steel post imbedded in the ground;

thence in a Northeasterly direction following the North side line of said canal to the point where the same intersects the Northerly right of way line of said County road, which point is also marked by a steel post imbedded in cement;

thence in a Northerly direction in a straight line approximately 720 feet to the brow of a hill at a point marked by a steel post imbedded in cement;

thence in a Northwesterly direction following the brow of said hill to a point on the West side line of the Southwest Quarter Northeast Quarter approximately 3100 feet North of the Southwest corner of said West Half Southeast Quarter, which point is marked by a steel post imbedded in cement;

thence South following the West side line of the West Half East Half to the Southwest corner of said West Half East Half;

thence East following the South side line of said West Half Southeast Quarter approximately 1130 feet to the point of beginning;

FURTHER EXCEPTING THEREFROM the Southeast Quarter Northeast Quarter Northeast Quarter and the Northeast Quarter Southeast Quarter Northeast Quarter

All lying Northwesterly of Little Willow Creek Road;

In Section 36: West Half Northwest Quarter and the Southwest Quarter;

EXCEPTING THEREFROM the Southwest Quarter Northwest Quarter Northwest Quarter and the Southwest Quarter Northwest Quarter all lying Northwesterly of Little Willow Creek Road.

PARCEL II:

Land in Township 9 North, Range 4 West, Boise Meridian, Payette County, Idaho:

In Section 35: The Southeast Quarter Northeast Quarter Northeast Quarter and Northeast Quarter Southeast Quarter Northeast Quarter all lying Northwesterly of Little Willow Creek Road;

In Section 36: The Southwest Quarter Northwest Quarter Northwest Quarter and Southwest Quarter Northwest Quarter all lying Northwesterly of the Little Willow Creek Road.

Continued

PARCEL III:

Government Lots 1, 2 and 3; the SE1/4NW1/4 and the S1/2NE1/4 of Sec. 2, Twp. 8 N., R. 4 W., B.M., Payette County, Idaho.

PARCEL IV:

That portion of the W1/2SE1/4 of Sec. 35, Twp. 9 N., R. 4 W., B.M., Payette County, Idaho, described as follows:

Beginning on the South side line of aforesaid W1/2SE1/4 at a point that lies approximately 190 feet West of the Southeast corner of aforesaid W1/2SE1/4, which is the true point of beginning for this description, and which point is marked by an iron pipe set in the ground;

from this true point of beginning run thence in a Northwesterly direction approximately 2100 feet to the Southerly sideline of the right of way of that certain County road which now crosses said W1/2SE1/4 in a Northeasterly-Southwesterly direction at the point where said Southerly side line is intersected by the Easterly side line of the first main canal of the Little Willow Irrigation District lying South of the said County road, which point is also marked by an iron pipe set in the ground;

thence following the said Easterly side line in a Southwesterly direction to the point where the same intersects the West side line of aforesaid W1/2SE1/4;

thence South following said West side line a distance of 1300 feet, more or less, to the South side line of said W1/2SE1/4;

thence East following said South side line approximately 1130 feet to the point of beginning. ALSO,

In Sec. 35: The SW1/4, lying South of Little Willow Road.

EXCEPTING from said Parcel IV, the following:

A parcel of land situated within the S1/2 of Sec. 35, Twp. 9 N., R. 4 W., B.M., Payette County, Idaho, more particularly described as follows:

Beginning at the Southwest corner of Sec. 35, Twp. 9 N., R. 4 W., B.M.;

thence N. 80°13'36" E., a distance of 1347.29 feet to the True Point of Beginning at the intersection of the centerline of a County Road known as Little Willow Road and the centerline of an irrigation ditch known as Patton Ditch (first main canal of the Little Willow Irrigation District lying South of said Little Willow Road), which point bears N. 85°36'51" W., a distance of 3943.14 feet from the Southeast corner of said Sec. 35;

thence N. 60°12'28" E., a distance of 47.02 feet along the centerline of said Patton Ditch;

thence N. 72°30'27" E., a distance of 101.73 feet along the centerline of said Patton Ditch;

thence N. 57°02'44" E., a distance of 118.57 feet along the centerline of said Patton Ditch;

thence N. 71°52'36" E., a distance of 65.47 feet along the centerline of said Patton Ditch;

thence N. 86°17'04" E., a distance of 58.26 feet along the centerline of said Patton Ditch;

thence S. 88°50'09" E., a distance of 76.12 feet along the centerline of said Patton Ditch;

thence N. 79°28'11" E., a distance of 126.48 feet along the centerline of said Patton Ditch;

thence N. 83°07'10" E., a distance of 87.00 feet along the centerline of said Patton Ditch;

thence N. 75°35'45" E., a distance of 54.33 feet along the centerline of said Patton Ditch;

thence N. 66°38'30" E., a distance of 41.40 feet along the centerline of said Patton Ditch;

thence N. 60°02'33" E., a distance of 128.64 feet along the centerline of said Patton Ditch;

thence N. 50°46'51" E., a distance of 42.62 feet along the centerline of said Patton Ditch;

thence N. 40°14'32" E., a distance of 51.34 feet along the centerline of said Patton Ditch;

thence N. 33°22'46" E., a distance of 70.88 feet along the centerline of said Patton Ditch;

thence N. 29°18'23" E., a distance of 47.84 feet along the centerline of said Patton Ditch;

thence N. 19°58'54" E., a distance of 61.11 feet along the centerline of said Patton Ditch;

thence N. 14°23'36" E., a distance of 59.86 feet along the centerline of said Patton Ditch;

thence N. 40°22'39" E., a distance of 47.73 feet along the centerline of said Patton Ditch;

Continued

thence N. 45°48'16" E., a distance of 55.02 feet along the centerline of said Patton Ditch;
 thence N. 24°45'51" E., a distance of 40.22 feet along the centerline of said Patton Ditch;
 thence N. 13°01'17" E., a distance of 99.96 feet along the centerline of said Patton Ditch;
 thence N. 16°08'52" E., a distance of 104.21 feet along the centerline of said Patton Ditch;
 thence N. 24°14'20" E., a distance of 46.93 feet along the centerline of said Patton Ditch;
 thence N. 49°33'30" E., a distance of 33.39 feet along the centerline of said Patton Ditch;
 thence N. 62°50'54" E., a distance of 104.36 feet along the centerline of said Patton Ditch;
 thence N. 87°37'54" E., a distance of 22.85 feet along the centerline of said Patton Ditch;
 thence N. 75°28'26" E., a distance of 228.48 feet along the centerline of said Patton Ditch;
 thence N. 61°24'57" E., a distance of 46.11 feet along the centerline of said Patton Ditch;
 thence N. 52°22'08" E., a distance of 109.50 feet along the centerline of said Patton Ditch;
 thence N. 56°47'25" E., a distance of 82.57 feet along the centerline of said Patton Ditch;
 thence N. 41°30'11" E., a distance of 40.89 feet along the centerline of said Patton Ditch;
 thence N. 29°26'13" E., a distance of 42.29 feet along the centerline of said Patton Ditch;
 thence N. 18°56'35" E., a distance of 44.93 feet along the centerline of said Patton Ditch;
 thence N. 15°15'40" E., a distance of 98.02 feet along the centerline of said Patton Ditch;
 thence N. 23°59'49" E., a distance of 52.90 feet along the centerline of said Patton Ditch;
 thence N. 47°21'58" E., a distance of 49.95 feet along the centerline of said Patton Ditch;
 thence N. 66°07'21" E., a distance of 174.30 feet along the centerline of said Patton Ditch;
 thence N. 52°40'00" E., a distance of 56.71 feet along the centerline of said Patton Ditch;
 thence N. 44°23'45" E., a distance of 75.62 feet along the centerline of said Patton Ditch;
 thence N. 31°56'20" E., a distance of 117.76 feet along the centerline of said Patton Ditch;
 thence N. 43°10'22" E., a distance of 42.88 feet along the centerline of said Patton Ditch;
 thence S. 77°16'23" W., a distance of 15.41 feet to a point on the Westerly side line of said Patton Ditch;
 thence N. 13°10'47" W., a distance of 18.38 feet along the Westerly side line of said Patton Ditch
 to a point on the centerline of said Little Willow Road, which point bears N. 40°01'29" W., a
 distance of 2686.57 feet from the Southeast corner of said Sec. 35;
 thence S. 61°27'36" W., a distance of 126.60 feet along the centerline of said Little Willow Road
 to a point of curvature;
 thence along the center of said Little Willow Road a distance of 381.96 feet along the arc of a
 1800.00 foot radius curve to the left with a central angle of 12°09'30", and a long chord bearing
 S. 55°22'51" W., a distance of 381.25 feet to a point on tangent;
 thence S. 49°18'06" W., a distance of 258.64 feet along the centerline of said Little Willow Road;
 thence S. 50°33'18" W., a distance of 67.98 feet along the centerline of said Little Willow Road;
 thence S. 52°28'10" W., a distance of 95.67 feet along the centerline of said Little Willow Road;
 thence S. 53°58'58" W., a distance of 333.57 feet along the centerline of said Little Willow Road;
 thence S. 53°37'47" W., a distance of 77.34 feet along the centerline of said Little Willow Road;
 thence S. 53°15'25" W., a distance of 307.86 feet along the centerline of said Little Willow Road
 to a point of curvature;
 thence along the center of said Little Willow Road a distance of 333.72 feet along the arc of a
 1100.00 foot radius curve to the right with a central angle of 17°22'57", and a long chord
 bearing S. 61°56'54" W., a distance of 332.44 feet to a point on tangent;
 thence S. 70°38'23" W., a distance of 19.64 feet along the centerline of said Little Willow Road
 to a point of curvature;
 thence along the center of said Little Willow Road a distance of 191.74 feet along the arc of a
 630.00 foot radius curve to the left with a central angle of 17°26'16", and a long chord bearing
 S. 61°55'15" W., a distance of 191.00 feet to a point of tangent;
 thence S. 53°12'07" W., a distance of 310.96 feet along the centerline of said Little Willow Road
 to a point of curvature;

Continued

thence along the center of said Little Willow Road a distance of 333.00 feet along the arc of a 363.00 foot radius curve to the left with a central angle of $52^{\circ}33'35''$, and a long chord bearing S. $26^{\circ}55'19''$ W., a distance of 321.44 feet to a point on tangent;
thence S. $0^{\circ}38'31''$ W., a distance of 56.73 feet along the centerline of said Little Willow Road to the True Point of Beginning.

EXHIBIT "A-1"

WATER RIGHTS

Dahnke

All fixtures (including trade fixtures), supplies, equipment and inventory used for the production of water on the Real Property or for the irrigation or drainage thereof, whether now owned or hereafter acquired, and whether now existing or hereafter arising, and all proceeds (including insurance proceeds) from the sale or other disposition of any of such Property. Said fixtures, supplies, equipment and inventory include, but are not limited to, the following:

520.9 acres of water rights from the Willow Creek Irrigation District

Water right #65-6226 for 0.04cfs filed with the Idaho Dept. Of Water Resources

EXHIBIT "B"
LARRY L. DAHNKE

All right, title, and interest of Mortgagor in any permits used or operated by the Mortgagor in conjunction with the property described herein, including that certain Bureau of Land Management Grazing Allotment No. 0084 for 58 AUM's and are hereby mortgaged, assigned, and transferred to the Mortgagee, together with all renewals thereof; Mortgagor will pay all rents, fees and other charges payable under the terms of said leases, permits, privileges or allotments, and perform all acts and things necessary to preserve and keep in good standing all of said leases, permits, privileges or allotments and renewals thereof; Mortgagor will take no action which would adversely affect any of Mortgagor's right or preference status thereunder; in the event of the foreclosure of this Mortgage, Mortgagor will waive all claims for preference, or any of such rights upon the demand from the purchaser of the Property at the foreclosure sale, or any successor to such purchaser; the lands covered by said leases, permits, privileges, or allotments, and by any renewals thereof, shall at all times be operated in conjunction with the property and neither shall be transferred to any other person separately from the other; and in case of the failure of the Mortgagor to pay any rents, fees, or other charges payable under the terms of any of said leases, permits, privileges or allotments, Mortgagee may, at its option, make payment thereof in any amounts so paid with interest thereon at the then existing default rate of interest as defined in the note secured hereby, shall be a part of the debt secured by this Mortgage and a lien on the property repayable immediately upon demand, the leases, permits, privileges, or allotments now held by the Mortgagor.

Should title in fee simple to any of the lands covered by the aforesaid leases, permits, privileges, or allotments or to any other lands lying within the exterior boundaries of the Property, hereafter be acquired by the Mortgagor, such lands, upon such acquisition, shall become subject to the lien of this Mortgage to the same extent as though such lands had been originally included herein as part of the property, and further, all of the terms, covenants, and conditions of the Mortgage, applicable to the property, shall extend and be applicable to such lands hereafter as acquired.