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STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

Department of Water Resources
Eastern Region

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): 29-4264, 29-2182, 29-7243, 29-13199, 29-13201
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 **FEF** of \$25.00 per water right or adjudication claim.
3. Name and Mailing Address of Person or Company holding Security Interest
THE BANK OF COMMERCE
590 TYHEE STREET
AMERICAN FALLS, ID 83211
4. Name of Water Right Owner/Claimant(s)
TRAIL CREEK DEVELOPMENT, LLC
5. Expiration Date of Notification Period 8-01-08
6. Is this a Renewal of Request for Notification? ☐ YES ☒ NO
7. Signature(s) (and title if applicable) *Sten E. Winters*, **VICE PRESIDENT/LOAN OFFICER**

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Department of Water Resources
Eastern Region

For Office Use Only

Received by jc Date 1-4-07 Fee \$125-
 Received by jc Date 1-8-07 Receipt No. E032522
 Processed by _____ AJ Date _____ WR _____ Date _____

SUPPORT DATA

W/ FILE # 29-02182

LENDERS

SCHEDULE A

Office file Number	Policy Number	Date of Policy	Amount of Insurance	Premium Amount
10411	M-9994-9126176	September 11, 2006 4:23 PM	\$1,520,289.00	\$4,731.00

1. Name Of Insured:

Mortgagee: The Bank of Commerce-American Falls

2. The estate or interest in the land which is covered by this Policy is:

FEE SIMPLE

3. Title to the estate or interest in the land is vested in:

Trail Creek Development, LLC, an Idaho Limited Liability Company

4. The insured mortgage and assignments thereof, if any, are described as follows:

A Mortgage (with Future Advance Clause) to secure an indebtedness in the amount shown below, and any other obligations secured thereby

Mortgagor: Trail Creek Development, LLC
Mortgagee: The Bank of Commerce-American Falls
Amount: \$1,520,289.00
Dated: September 6, 2006
Recorded: September 11, 2006
Instrument No.: 20620437

5. The land referred to in this Policy is described as follows:

See Attached Exhibit "A"

This Policy valid only if Schedule B is attached.

"EXHIBIT A"

Parcel 1

A tract of land in Section 28 and in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 33, Township 6 South, Range 34 East of the Boise Meridian, Bannock County, Idaho, described as follows:

Beginning at the Northwest corner of the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 28, said point being marked with a 5/8" rebar and aluminum cap stamped PLS 843;

Thence, South 89°43'09" East, along the North line of said SE $\frac{1}{4}$ NW $\frac{1}{4}$, a distance of 1313.01 feet to the Northeast corner of said SE $\frac{1}{4}$ NW $\frac{1}{4}$, said point also being the Northwest corner of a parcel of land recorded in Warranty Deed Inst. No. 267346 and marked with a 5/8" rebar and aluminum cap stamped PLS 843;

Thence, South 00°40'05" West, along the West line of Warranty Deed Inst. No. 237346, a distance of 520.00 feet to a 5/8" rebar and aluminum cap stamped PLS 843;

Thence South 89°19'55" East, along the South line of said Warranty Deed, 416.00 feet to a 5/8" rebar and aluminum cap stamped PLS 843;

Thence, North 00°40'05" East, along the East line of said Warranty Deed, 522.98 feet to a point on the North line of the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section, said point being marked with a 5/8" rebar and aluminum cap stamped PLS 843;

Thence, South 89°44'31" East, along the North line of said SW $\frac{1}{4}$ NE $\frac{1}{4}$ and the SE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 1444.95 feet to the Northwest corner of a parcel described in Warranty Deed Inst. No. 484329 and marked with a 5/8" rebar and aluminum cap stamped PLS 843;

Thence, South 00°43'44" West, along the West line of said Warranty Deed Inst. No. 484329, a distance of 200.00 feet to a 5/8" rebar and aluminum cap stamped PLS 843;

Thence, South 89°44'31" East, along the South line of said Warranty Deed Inst. No. 484329, a distance of 714.82 feet to a 5/8" rebar and aluminum cap stamped PLS 843;

Thence, South 32°22'52" West, 193.52 feet to a ½" rebar and plastic cap stamped PLS 843;

Thence, South 07°30'05" East, 183.80 feet to a ½" rebar and plastic cap stamped PLS 843;

Thence, South 14°54'56" East 316.37 feet to a ½" rebar and plastic cap stamped PLS 843;

Thence, South 38°59'43" East, 126.44 feet to a ½" rebar and plastic cap stamped PLS 843;

Thence, North 45°45'50" East, 94.63 feet to a point on the Southerly line of a parcel shown on Warranty Deed Inst. No. 20106189 and marked with a ½" rebar and plastic cap stamped PLS 977;

Thence North 58°37'17" East, along said Southerly line, 184.70 feet to a point on the Southwesterly boundary line of the Revised plat of a portion of the West Pocatello Townsite, said point being marked with a ½" rebar and plastic cap stamped PLS 977;

Thence South 35°01'54" East, along said Southwesterly boundary line of said Plat, 1032.85 feet to a point which intersects the centerline of Trail Creek Road;

Thence, South 55°25'04" West, along said road centerline, 375.12 feet;

Thence continuing along said road centerline, along a curve to the right, having a radius of 968.00 feet, through a central angle of 11°12'50", for an arc length of 189.46 feet;

Thence, South 66°37'54" West, continuing along said centerline, 595.81 feet;

Thence continuing along said road centerline, along a curve to the left, having a radius of 286.49 feet, through a central angle of 30°35'00", for an arc length of 152.92 feet;

Thence, South 36°02'53" West, continuing along said road centerline, 25.20 feet;

Thence continuing along said road centerline, along a curve to the right, having a radius of 572.95 feet, through a central angle of 21°00'00", for an arc length of 210.00 feet;

Thence, South 57°02'55" West, continuing along said road centerline, 59.70 feet;

Thence continuing along said road centerline, along a curve to the left, having a radius of 572.93 feet, through a central angle of 16°00'00", for an arc length of 159.99 feet;

Thence, South 41°02'50" West, continuing along said road centerline, 112.70 feet;

Thence continuing along said road centerline, along a curve to the right, having a radius of 190.99 feet, through a central angle of 45°00'00", for an arc length of 150.00 feet;

Thence, South 86°02'56" West, continuing along said road centerline, 43.21 feet;

Thence continuing along said road centerline, along a curve to the left, having a radius of 280.29 feet, through a central angle of 41°19'13", for an arc length of 202.14 feet;

Thence, North 45°16'20" West, leaving said road centerline, 33.00 feet to a point on the Northwestern right of way line of said Trail Creek Road, said point being marked with a 5/8" rebar and aluminum cap stamped PLS 843;

Thence, North 66°21'34" West, 177.85 feet to a 5/8" rebar and aluminum cap stamped PLS 843;

Thence, North 27°47'21" West 143.45 feet to a 5/8" rebar and aluminum cap stamped PLS 843;

Thence, North 55°57'58" West, 138.42 feet to a 5/8" rebar and aluminum cap stamped PLS 843, said point being on the Easterly right-of-way of an access easement described in Warranty Deed Inst. No. 93016997;

Thence, North 89°52'25" West, 1377.90 feet to a 5/8" rebar and aluminum cap stamped PLS 843;

Thence, South 00°40'05" West, 1086.24 feet to a 5/8" rebar and aluminum cap stamped PLS 843;

Thence, North 89°55'09" West, 206.50 feet to a 5/8" rebar and aluminum cap stamped PLS 843;

Thence, South 00°38'37" West, 661.12 feet to a 5/8" rebar and aluminum cap stamped PLS 843, said point being on the North line of a parcel shown on Warranty Deed Inst. No. 20008237;

Thence, South 89°56'03" West, along the North line of Warranty Deed Inst. No. 20008237 and the North line of Warranty Deed Inst. No. 20325691, a distance of 959.34 feet to the Northwest corner of Warranty Deed Inst. No. 20325691, said point also being on the West line of the NE¼ NW¼ of Section 33, said point being marked with a 5/8" rebar and aluminum cap stamped PLS 843;

Thence, North 00°45'16" East, along said West line, 327.84 feet to the Southwest corner of the SE¼ SW¼ of Section 28, said point being marked with a 5/8" rebar and aluminum cap stamped PLS 843;

Thence, North 00°38'37" East, along the West line of the SE¼ SW¼ and the NE¼ SW¼, a distance of 2629.11 feet to the Northwest corner of said NE¼ SW¼, said point being marked with a 5/8" rebar and aluminum cap stamped PLS 843;

Thence, North 00°42'00" East, along the West line of the SE¼ NW¼, a distance of 1312.37 feet to the Point of Beginning.

Subject to a 33.00 foot road easement being Northwesternly of and contiguous with the center line of Trail Creek Road.

Excepting therefrom a one acre parcel and access easement described in Warranty Deed Inst. No. 93016997.

Also excepting therefrom a parcel and in the N½ SE¼ of said Section 28, described as follows:

Beginning at the Northwest corner of Warranty Deed Inst. No. 93016997, said point being a ½" rebar and plastic cap stamped PLS 977;

Thence, North 68°39'40" East, 205.05 feet to a ½" rebar and plastic cap stamped PLS 843;

Thence, South 08°58'41" East, 436.34 feet to a ½" rebar and plastic cap stamped PLS 843;

Thence, South 68°40'55" West, 610.16 feet to a point on the Westerly right of way of an access easement described in Warranty Deed Inst. No. 93016997, said point being marked with a ½" rebar and plastic cap stamped PLS 843;

Thence, North 22°33'40" West, 401.76 feet to a ½" rebar and plastic cap stamped PLS 843;

Thence, North 43°13'54" East, 143.75 feet to a ½" rebar and plastic cap stamped PLS 843;

Thence, South 89°31'28" East, 173.02 feet to a ½" rebar and plastic cap stamped PLS 843;

Thence, North 61°38'56" East, 217.90 feet to a ½" rebar and plastic cap stamped PLS 977, said point being the Northwest corner of Warranty Deed Inst. No. 93016997;

Thence, South 02°14'31" East, along the Westerly boundary line of said parcel, 301.99 feet;

Thence, North 76°00'31" East, along the Southerly boundary line of said parcel, 147.33 feet;

Thence, North 02°14'31" West, along the Easterly boundary line of said parcel, 301.99 feet;

Thence, South 76°00'31" West, along the Northerly boundary line of said parcel, 147.33 feet to the Point of Beginning.

Excepting Therefrom:

A tract of land in the E½E½ of Section 28 and the W½W½ of Section 27, Township 6 South, Range 34 East of the Boise Meridian, Bannock County, Idaho, described as follows:

Commencing at the Northwest corner of the SE¼NW¼ of said Section 28, said point being marked with a 5/8" rebar and aluminum cap stamped PLS 843;

Thence, S 89°43'09" E, along the North line of said SE¼NW¼, a distance of 1313.01 feet to the Northeast corner of said SE¼NW¼, said point also being the Northwest corner of a parcel of land recorded in Warranty Deed Inst. No. 267346 and marked with a 5/8" rebar and aluminum cap stamped PLS 843;

Thence, S 00°40'05" W, along the west line of Warranty Deed Inst. No. 267346, a distance of 520.00 feet to a 5/8" rebar and aluminum cap stamped PLS 843;

Thence, S 89°19'55" E, along the south line of said Warranty Deed, 416.00 feet to a 5/8" rebar and aluminum cap stamped PLS 843;

Thence, N 00°40'05" E, along the east line of said Warranty Deed, 522.98 feet to a point on the North line of the SW¼NE¼ of said Section, said point being marked with a 5/8" rebar and aluminum cap stamped PLS 843;

Thence, S 89°44'31" E, along the north line of said SW¼NE¼ and the SE¼NE¼ a distance of 1444.95 feet to the Northwest corner of a parcel described in Warranty Deed Inst. No. 484329 and marked with a 5/8" rebar and aluminum cap stamped PLS 843;

Thence, S 00°43'44" W, along the West line of said Warranty Deed Inst. No. 484329, a distance of 200.00 feet to a 5/8" rebar and aluminum cap stamped PLS 843, the TRUE POINT OF BEGINNING;

Thence, S 89°44'31" E, along the south line of said Warranty Deed Inst. No. 484329, a distance of 714.82 feet to a 5/8" rebar and aluminum cap stamped PLS 843;

Thence, S 32°22'52" W, 193.52 feet to a ½" rebar and plastic cap stamped PLS 843;

Thence, S 07°30'05" E, 183.80 feet to a ½" rebar and plastic cap stamped PLS 843;

Thence, S 14°54'56" E, 316.37 feet to a ½" rebar and plastic cap stamped PLS 843;

Thence, S 38°59'43" E, 126.44 feet to a ½" rebar and plastic cap stamped PLS 843;

Thence, N 45°45'50" E, 94.63 feet to a point on the Southerly line of a parcel shown on Warranty Deed Inst. No. 20106189 and marked with a ½" rebar and plastic cap stamped PLS 977;

Thence, N 58°37'17" E, along said Southerly line, 184.70 feet to a point on the Southwesterly boundary line of the Revised plat of a portion of the West Pocatello Townsite, said point being marked with a ½" rebar and plastic cap stamped PLS 977;

Thence, S 35°01'54" E, along said Southwesterly boundary line of said Plat, 1032.85 feet to a point which intersects the centerline of Trail Creek Road;

Thence, S 55°25'04" W, along said road centerline, 375.12 feet;

Thence continuing along said road centerline, along a curve to the right, having a radius of 968.00 feet, through a central angle of 11°12'50", for an arc length of 189.46 feet;

Thence, S 66°37'54" W, continuing along said centerline, 595.81 feet;

Thence continuing along said road centerline, along a curve to the left, having a radius of 286.49 feet, through a central angle of 30°35'00", for an arc length of 152.92 feet;

Thence, S 36°02'53" W, continuing along said road centerline, 25.20 feet;

Thence continuing along said road centerline, along a curve to the right, having a radius of 572.95 feet, through a central angle of 21°00'00", for an arc length of 210.00 feet;

Thence, S 57°02'55" W, continuing along said road centerline, 59.70 feet;

Thence continuing along said road centerline, along a curve to the left, having a radius of 572.93 feet, through a central angle of 16°00'00", for an arc length of 159.99 feet;

Thence, S 41°02'50" W, continuing along said road centerline, 112.70 feet;

Thence continuing along said road centerline, along a curve to the right, having a radius of 190.99 feet, through a central angle of 45°00'00", for an arc length of 150.00;

Thence, S 86°02'56" W, continuing along said road centerline, 43.21 feet;

Thence continuing along said road centerline, along a curve to the left, having a radius of 280.29 feet, through a central angle of 41°19'13", for an arc length of 202.14 feet;

Thence, N 45°16'20" W, leaving said road centerline, 33.00 feet to a point on the Northwesterly right-of-way line of said Trail Creek Road, said point being marked with a 5/8" rebar and aluminum cap stamped PLS 843;

Thence, N 13°45'28" E, 959.98' to a ½" rebar and plastic cap stamped PLS 843;

Thence, N 08°58'41" W, 436.04' to a ½" rebar and plastic cap stamped PLS 843;

Thence, N 07°07'24" E, 1231.27' to the TRUE POINT OF BEGINNING.

Subject to a 33.00 foot easement north of and contiguous with the center line of Trail Creek Road.

Parcel 2

A tract of land in the E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 28 and the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 27, Township 6 South, Range 34 East of the Boise Meridian, Bannock County, Idaho, described as follows:

Commencing at the Northwest corner of the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 28, said point being marked with a 5/8" rebar and aluminum cap stamped PLS 843;

Thence, S 89°43'09" E, along the North line of said SE $\frac{1}{4}$ NW $\frac{1}{4}$, a distance of 1313.01 feet to the Northeast corner of said SE $\frac{1}{4}$ NW $\frac{1}{4}$, said point also being the Northwest corner of a parcel of land recorded in Warranty Deed Inst. No. 267346 and marked with a 5/8" rebar and aluminum cap stamped PLS 843;

Thence, S 00°40'05" W, along the west line of Warranty Deed Inst. No. 267346, a distance of 520.00 feet to a 5/8" rebar and aluminum cap stamped PLS 843;

Thence, S 89°19'55" E, along the south line of said Warranty Deed, 416.00 feet to a 5/8" rebar and aluminum cap stamped PLS 843;

Thence, N 00°40'05" E, along the east line of said Warranty Deed, 522.98 feet to a point on the North line of the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section, said point being marked with a 5/8" rebar and aluminum cap stamped PLS 843;

Thence, S 89°44'31" E, along the north line of said SW $\frac{1}{4}$ NE $\frac{1}{4}$ and the SE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 1444.95 feet to the Northwest corner of a parcel described in Warranty Deed Inst. No. 484329 and marked with a 5/8" rebar and aluminum cap stamped PLS 843;

Thence, S 00°43'44" W, along the West line of said Warranty Deed Inst. No. 484329, a distance of 200.00 feet to a 5/8" rebar and aluminum cap stamped PLS 843, the TRUE POINT OF BEGINNING;

Thence, S 89°44'31" E, along the south line of said Warranty Deed Inst. No. 484329, a distance of 714.82 feet to a 5/8" rebar and aluminum cap stamped PLS 843;

Thence, S 32°22'52" W, 193.52 feet to a 1/2" rebar and plastic cap stamped PLS 843;

Thence, S 07°30'05" E, 183.80 feet to a 1/2" rebar and plastic cap stamped PLS 843;

Thence, S 14°54'56" E, 316.37 feet to a 1/2" rebar and plastic cap stamped PLS 843;

Thence, S 38°59'43" E, 126.44 feet to a 1/2" rebar and plastic cap stamped PLS 843;

Thence, N 45°45'50" E, 94.63 feet to a point on the Southerly line of a parcel shown on Warranty Deed Inst. No. 20106189 and marked with a 1/2" rebar and plastic cap stamped PLS 977;

Thence, N 58°37'17" E, along said Southerly line, 184.70 feet to a point on the Southwesterly boundary line of the Revised plat of a portion of the West Pocatello Townsite, said point being marked with a 1/2" rebar and plastic cap stamped PLS 977;

Thence, S 35°01'54" E, along said Southwesterly boundary line of said Plat, 1032.85 feet to a point which intersects the centerline of Trail Creek Road;

Thence, S 55°25'04" W, along said road centerline, 375.12 feet;

Thence continuing along said road centerline, along a curve to the right, having a radius of 968.00 feet, through a central angle of 11°12'50", for an arc length of 189.46 feet;

Thence, S 66°37'54" W, continuing along said centerline, 595.81 feet;

Thence continuing along said road centerline, along a curve to the left, having a radius of 286.49 feet, through a central angle of 30°35'00", for an arc length of 152.92 feet;

Thence, S 36°02'53" W, continuing along said road centerline, 25.20 feet;

Thence continuing along said road centerline, along a curve to the right, having a radius of 572.95 feet, through a central angle of $21^{\circ}00'00''$, for an arc length of 210.00 feet;

Thence, $S 57^{\circ}02'55'' W$, continuing along said road centerline, 59.70 feet;

Thence continuing along said road centerline, along a curve to the left, having a radius of 572.93 feet, through a central angle of $16^{\circ}00'00''$, for an arc length of 159.99 feet;

Thence, $S 41^{\circ}02'50'' W$, continuing along said road centerline, 112.70 feet;

Thence continuing along said road centerline, along a curve to the right, having a radius of 190.99 feet, through a central angle of $45^{\circ}00'00''$, for an arc length of 150.00;

Thence, $S 86^{\circ}02'56'' W$, continuing along said road centerline, 43.21 feet;

Thence continuing along said road centerline, along a curve to the left, having a radius of 280.29 feet, through a central angle of $41^{\circ}19'13''$, for an arc length of 202.14 feet;

Thence, $N 45^{\circ}16'20'' W$, leaving said road centerline, 33.00 feet to a point on the Northwesterly right-of-way line of said Trail Creek Road, said point being marked with a $5/8''$ rebar and aluminum cap stamped PLS 843;

Thence, $N 13^{\circ}45'28'' E$, 959.98' to a $1/2''$ rebar and plastic cap stamped PLS 843;

Thence, $N 08^{\circ}58'41'' W$, 436.04' to a $1/2''$ rebar and plastic cap stamped PLS 843;

Thence, $N 07^{\circ}07'24'' E$, 1231.27' to the TRUE POINT OF BEGINNING.

Subject to a 33.00 foot easement north of and contiguous with the center line of Trail Creek Road.

SCHEDULE B

Policy Number: M-9994-9126176

Exceptions From Coverage

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

Part I

1. General taxes for the year 2005 in the amount of \$ 152.68 are paid in full. Parcel No. R3853028501.
2. General taxes for the year 2005 in the amount of \$ 14.44 are paid in full. Parcel No. R3853028906.
3. General taxes for the year 2005 in the amount of \$ 41.66 are paid in full. Parcel No. R3853028903.
4. General taxes for the year 2005 in the amount of \$ 79.50 are paid in full. Parcel No. R3853028007.
5. General taxes for the year 2005 in the amount of \$ 45.54 are paid in full. Parcel No. R3853028006.
6. General taxes for the year 2005 in the amount of \$ 7.34 are paid in full. Parcel No. R3853027601.
7. General taxes for the year 2005 in the amount of \$ 1.60 are paid in full. Parcel No. R3853027705.
8. Reservations in United States patent.
9. Right, title and interest of the public in and to those portions of the above described premises falling within the bounds of roads or highways.
10. Provisions contained in Warranty Deed recorded March 27, 1953, as instrument number 293332.
(Parcels 1 and 2)
11. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein.
For: Power Lines
In Favor of: Idaho Power Company
Recorded: March 18, 1975
Instrument No.: 534199
(Parcel 1)
12. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein.
For: Right of Way
In Favor of: The Mountain States Telephone and Telegraph Company
Recorded: December 19, 1978
Instrument No.: 615218
(Parcel 1)

(Continued)

**SCHEDULE B
PART I (CONTINUED)**

Policy Number: M-9994-9126176

SPECIAL EXCEPTIONS CONTINUED

13. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein.
For: Power Lines
In Favor of: Idaho Power Company
Recorded: March 3, 1980
Instrument No.: 643190
(Parcel 1)
14. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein.
For: Right of Way
In Favor of: Intermountain Gas Company
Recorded: April 27, 1981
Instrument No.: 667004
(Parcel 1)
15. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein.
For: Power Lines
In Favor of: Idaho Power Company
Recorded: July 21, 1986
Instrument No.: 776443
(Parcel 2)
16. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein.
For: Power Lines
In Favor of: Idaho Power Company
Recorded: July 21, 1986
Instrument No.: 776444
(Parcel 2)
17. Provisions contained in Warranty Deed recorded October 14, 1993, as instrument number 93017096. Said Warranty Deed is a re-recording of instrument recorded October 12, 1993, as instrument number 93016997.
(Parcel 1)
18. Any rights, easements, interests, notes or claims which may exist by reason of or reflected by the following facts shown on the survey recorded March 20, 2001 as Instrument No. 20105336 by Shurtliff Engineering.

(Continued)

SCHEDULE B
PART I (CONTINUED)

Policy Number: M-9994-9126176

SPECIAL EXCEPTIONS CONTINUED

19. A Deed of Trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby

Grantor:	Trail Creek Development, LLC
Trustee:	Northern Title Company
Beneficiary:	Howard L. Armstrong and Marilyn H. Armstrong, husband and wife
Amount:	\$1,229,350.00
Dated:	December 7, 2004
Recorded:	December 8, 2004
Instrument No.:	20426190

20. Any rights, easements, interest, notes or claims which may exist by reason of or reflected by the following facts shown on the survey recorded March 1, 2005 as Instrument No. 20503602 by Snake River Surveying.

SCHEDULE B

Policy Number: M-9994-9126176

Exceptions From Coverage

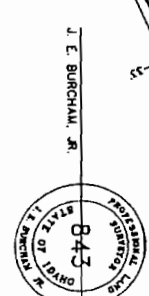
In addition to the matters set forth in Part I of this Schedule, the title to the estate or interest in the land described or referred to in Schedule A is subject to the following matters, if any be shown, but the Company insures that these matters are subordinate to the lien or charge of the insured mortgage upon the estate or interest:

Part II

Special Exceptions: NONE

LINE	LENGTH	BEARING
L1	200.00	S00°43'44"W
L2	714.82	S89°44'31"E
L3	193.52	S32°22'52"W
L4	181.80	S07°30'05"E
L5	316.37	S14°54'56"E
L6	128.44	S38°38'43"E
L7	94.63	N45°45'50"E
L8	184.70	N85°37'17"E
L9	375.12	S55°25'04"W
L10	595.81	S66°37'54"W
L11	25.20	S36°02'53"W
L12	59.70	S41°02'50"W
L13	112.70	S41°02'50"W
L14	43.21	S88°02'56"W
L15	33.00	N45°16'20"W
L16	177.85	N86°21'54"W
L17	143.45	N27°42'21"W
L18	138.42	N55°37'58"W
L19	143.75	N43°33'54"E
L20	173.02	S89°31'28"E
L21	217.80	N61°38'56"E
L22	205.35	N88°38'40"E
L23	438.04	S08°38'41"E
L24	810.18	S68°40'55"W
L25	401.78	N22°33'40"W
L26	147.33	S76°00'31"W
L27	301.99	N02°14'31"E
L28	147.33	N76°00'31"E
L29	301.99	S02°14'31"E

CURVE	DELTA	LENGTH	TAN	RAD	CH. BRG.	CHORD
C1	117°50'	189.46	95.03	868.00	N61°01'29"E	198.15
C2	30°35'00"	152.92	78.33	286.49	S51°20'24"W	151.11
C3	21°00'00"	210.00	106.18	572.85	N46°32'54"E	208.82
C4	16°00'00"	159.99	80.32	572.83	S49°02'54"W	159.47
C5	45°00'00"	150.00	79.11	190.39	N63°32'54"E	146.18
C6	41°19'15"	202.14	105.69	280.29	S65°23'17"W	197.79



LEGEND

R - RECORD OF SURVEY INST. NO. 2031695
 RI - WARRANTY DEED INST. NO. 625732
 92002640-20008237 AND 20312691
 O - SET 1/2" REBAR W/PLASTIC CAP PLS 84
 - SET 5/8" REBAR W/ALUMINUM CAP PLS 843
 - FD. 1/2" REBAR AS NOTED
 - FOUND 5/8" REBAR OR AS NOTED
 - FOUND 1978 BLM BRASS CAP
 - FOUND BANNOCK COUNTY BRASS CAP
 CR - CORNER RECONSTRUCTION

RECORD OF SURVEY

OF A TRACT OF LAND IN PARTS OF SECTION 28 AND THE
 W1/2 OF SECTION 27, TOWNSHIP 6 SOUTH, RANGE 24 EAST
 OF THE BOISE MERIDIAN

HOWARD L. ARMSTRONG
 FOR
 POCAHONTO, IDAHO

SNAKE RIVER SURVEYING
 PHONE (208) 226-5764 FAX (208) 226-5767
 AMERICAN FALLS, IDAHO

NOTES:

(1) FOR SECTION BREAKDOWN SEE SHEET 1 OF 4
 (2) BASIS OF BEARINGS IS S 89°36'28" E BETWEEN THE NW CORNER
 OF SECTION 28 AND THE N1/2 CORNER AS SHOWN PER (1)
 (3) THE INTERNAL BREAKDOWN OF THIS SECTION PER (1) WAS DONE BY
 3 MILE METHOD WHEN IT SHOULD HAVE BEEN A STANDARD BREAKDOWN
 THE 3 MILE METHOD BREAKDOWN WAS NOT ACCEPTED IN THIS SURVEY.

While this is a photographic reproduction of the recorded plat, the company assumes no liability for variation, if any, with a re-survey.

NORTHERN TITLE CO. OF IDAHO INC.

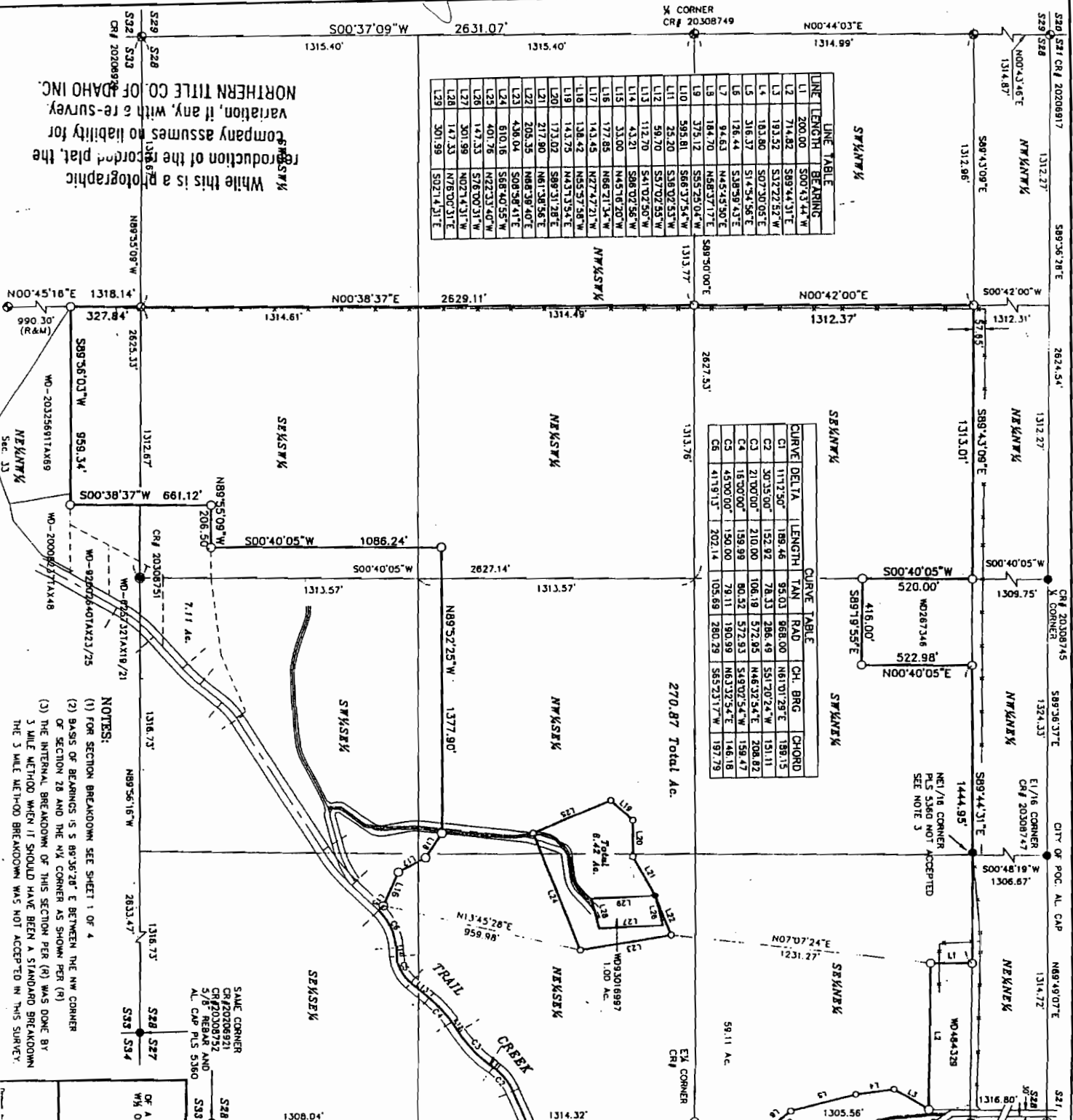


EXHIBIT 1

Stewart Title Guaranty Company, Stewart Title Insurance Company, Stewart Title Insurance Company of Oregon, National Land Title Insurance Company, Arkansas Title Insurance Company, Charter Land Title Insurance Company

Privacy Policy Notice

PURPOSE OF THIS NOTICE

Title V of the Gramm-Leach-Bliley Act (GLBA) generally prohibits any financial institution, directly or through its affiliates, from sharing nonpublic personal information about you with a nonaffiliated third party unless the Institution provides you with a notice of its privacy policies and practices, such as the type of information that it collects about you and the categories of persons or entities to whom it may be disclosed. In compliance with the GLBA, we are providing you with this document, which notifies you of the privacy policies and practices of Stewart Title Guaranty Company, Stewart Title Insurance Company, Stewart Title Insurance Company of Oregon, National Land Title Insurance Company, Arkansas Title Insurance Company, Charter Land Title Insurance Company.

We may collect nonpublic personal information about you from the following sources:

- Information we receive from you, such as on applications or other forms.
- Information about your transactions we secure from our files, or from our affiliates or others.
- Information we receive from a consumer reporting agency.
- Information that we receive from others involved in your transaction, such as the real estate agent or lender.

Unless it is specifically stated otherwise in an amended Privacy Policy Notice, no additional nonpublic personal information will be collected about you.

We may disclose any of the above information that we collect about our customers or former customers to our affiliates or to non-affiliated third parties as permitted by law.

We also may disclose this information about our customers or former customers to the following types of non-affiliated companies that perform marketing services on our behalf or with whom we have joint marketing agreements:

- Financial service providers such as companies engaged in banking, consumer finance, securities and Insurance.
- Non-financial companies such as envelope stuffers and other fulfillment service providers.

WE DO NOT DISCLOSE ANY NONPUBLIC PERSONAL INFORMATION ABOUT YOU WITH ANYONE FOR ANY PURPOSE THAT IS NOT SPECIFICALLY PERMITTED BY LAW.

We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

TRAIL CREEK DEVELOPMENT, LLC 5665 ARROWHEAD DRIVE POCATELLO, ID 83204 BORROWER'S NAME AND ADDRESS "I" includes each borrower above, jointly and severally.	THE BANK OF COMMERCE-AMERICAN FALLS 590 TYHEE AMERICAN FALLS, ID 83211 LENDER'S NAME AND ADDRESS "You" means the lender, its successors and assigns.	Loan Number <u>4014802090</u> Date <u>08-08-2008</u> Maturity Date <u>08-01-2008</u> Loan Amount \$ <u>1,520,289.00</u> Renewal Of _____
--	--	--

For value received, I promise to pay to you, or your order, at your address listed above the **PRINCIPAL** sum of ONE MILLION FIVE HUNDRED TWENTY THOUSAND TWO HUNDRED EIGHTY NINE AND NO/100 Dollars \$ 1,520,289.00

☐ **Single Advance:** I will receive all of this principal sum on _____. No additional advances are contemplated under this note.

☒ **Multiple Advance:** The principal sum shown above is the maximum amount of principal I can borrow under this note. On 08-08-2008 I will receive the amount of \$ _____ and future principal advances are contemplated.

Conditions: The conditions for future advances are UPON REQUEST OF CUSTOMER AND APPROVAL OF LOAN OFFICER

☐ **Open End Credit:** You and I agree that I may borrow up to the maximum principal sum more than one time. This feature is subject to all conditions and expires on _____.

☒ **Closed End Credit:** You and I agree that I may borrow (subject to all other conditions) up to the maximum principal sum only one time.

INTEREST: I agree to pay interest on the outstanding principal balance from 08-08-2008 at the rate of 9.7 per year until 08-07-2008.

☒ **Variable Rate:** This rate may then change as stated below.

☒ **Index Rate:** The future rate will be 1.500 PERCENT ABOVE the following index rate: HIGHEST PUBLISHED WALL STREET JOURNAL PRIME RATE SEE "LIMITATIONS" BELOW

THE RESULT OF THIS CALCULATION WILL BE ROUNDED TO THE NEAREST 0.001

☐ **No Index:** The future rate will not be subject to any internal or external index. It will be entirely in your control.

☒ **Frequency and Timing:** The rate on this note may change as often as EVERY DAY BEGINNING 08-07-2008

A change in the interest rate will take effect ON THE SAME DAY

☒ **Limitations:** During the term of this loan, the applicable annual interest rate will not be more than 18.000% or less 7.000 %. The rate may not change more than _____ % each _____

Effect of Variable Rate: A change in the interest rate will have the following effect on the payments:

☒ The amount of each scheduled payment will change.

☒ The amount of the final payment will change.

☐

ACCRUAL METHOD: Interest will be calculated on a ACTUAL/365 basis.

POST MATURITY RATE: I agree to pay interest on the unpaid balance of this note owing after maturity, and until paid in full, as stated below:

☒ on the same fixed or variable rate basis in effect before maturity (as indicated above).

☐ at a rate equal to _____

☒ **LATE CHARGE:** If a payment is made more than 15 days after it is due, I agree to pay a late charge of 5.000% OF THE LATE AMOUNT WITHIN MIN OF \$5.00

☒ **ADDITIONAL CHARGES:** In addition to interest, I agree to pay the following charges which ☒ are ☐ are not included in the principal or above: \$78.00 OFFICIALS; \$5,211.00 TITLE POLICY; \$250.00 LOAN DOC FEE; \$14,750.00 ORIGINATION FEE

PAYMENTS: I agree to pay this note as follows:

MONTHLY PAYMENTS OF ACCRUED INTEREST CALCULATED ON THE AMOUNT OF CREDIT OUTSTANDING BEGINNING ON 10-01-2008 AND PRINCIPAL DUE 01-2008. THIS IS A VARIABLE RATE LOAN AND THE PAYMENT AMOUNTS MAY CHANGE. THE FINAL PAYMENT MAY ALSO CHANGE.

PURPOSE: The purpose of this loan is BUSINESS R/F INFRASTRUCTURE, ROADS, WATER AND SEWER SYSTEM FOR SUBDIVISION

ADDITIONAL TERMS:

SECURITY

SECURITY INTEREST: I give you a security interest in all of the Property described below that I own or have sufficient rights in which to transfer interest, now or in the future, wherever the Property is or will be located, and all proceeds and products of the Property. "Property" includes parts, accessories, repairs, replacements, improvements, and accessions to the Property; any original evidence of title or ownership; and obligations that support the payment or performance of the Property. "Proceeds" includes anything acquired upon the sale, lease, license, exchange, or other disposition of the Property; any rights and claims arising from the Property; and any collections and distributions on account of the Property.

- ☒ **Accounts and Other Rights to Payment:** All rights to payment, whether or not earned by performance, including, but not limited to, payment property or services sold, leased, rented, licensed, or assigned. This includes any rights and interests (including all liens) which I have by law agreement against any account debtor or obligor.
- ☐ **Inventory:** All inventory held for ultimate sale or lease, or which has been or will be supplied under contracts of service, or which are materials, work in process, or materials used or consumed in my business.
- ☐ **Equipment:** All equipment including, but not limited to, machinery, vehicles, furniture, fixtures, manufacturing equipment, farm machinery equipment, shop equipment, office and record keeping equipment, parts, and tools. The Property includes any equipment described in a list schedule I give to you, but such a list is not necessary to create a valid security interest in all of my equipment.
- ☐ **Instruments and Chattel Paper:** All instruments, including negotiable instruments and promissory notes and any other writings or records evidence the right to payment of a monetary obligation, and tangible and electronic chattel paper.
- ☐ **General Intangibles:** All general intangibles including, but not limited to, tax refunds, patents and applications for patents, copyrights, trademarks, trade secrets, goodwill, trade names, customer lists, permits and franchises, payment intangibles, computer programs and supporting information provided in connection with a transaction relating to computer programs, and the right to use my name.
- ☐ **Documents:** All documents of title including, but not limited to, bills of lading, dock warrants and receipts, and warehouse receipts.
- ☐ **Farm Products and Supplies:** All farm products including, but not limited to, all poultry and livestock and their young, along with their products, and replacements; all crops, annual or perennial, and all products of the crops; and all feed, seed, fertilizer, medicines, and supplies used or produced in my farming operations.
- ☒ **Government Payments and Programs:** All payments, accounts, general intangibles, and benefits including, but not limited to, payments in deficiency payments, letters of entitlement, warehouse receipts, storage payments, emergency assistance and diversion payments, production flexibility contracts, and conservation reserve payments under any preexisting, current, or future federal or state government program.
- ☐ **Investment Property:** All investment property including, but not limited to, certificated securities, uncertificated securities, security entitlements, securities accounts, commodity contracts, commodity accounts, and financial assets.
- ☒ **Deposit Accounts:** All deposit accounts including, but not limited to, demand, time, savings, passbook, and similar accounts.
- ☒ **Specific Property Description:** The Property includes, but is not limited by, the following:

PERSONAL GUARANTEES OF CHESTER LACKEY, MARIN LACKEY, NATASHA KUCERA AND JONATHAN KUCERA

If applicable, enter real estate description and record owner information: MORTGAGE DATED 9-6-2006

The Property will be used for a ☐ personal ☒ business ☐ agricultural ☐ _____ pur
Borrower/Owner State of organization/registration (if applicable) _____

ADDITIONAL TERMS OF THE SECURITY AGREEMENT

GENERALLY - This agreement secures this note and any other debt I have with you, now or later. However, it will not secure other debts if you fail with respect to such other debts, to make any required disclosure about this security agreement or if you fail to give any required notice of the right of rescission. If property described in this agreement is located in another state, this agreement may also, in some circumstances, be governed by the law of the state in which the Property is located.

NAME AND LOCATION - My name indicated on page 1 is my exact legal name. If I am an individual, my address is my principal residence. If I am not an individual, my address is the location of my chief executive offices or sole place of business. If I am an entity organized and registered under state law, my address is located in the state in which I am registered, unless otherwise indicated on page 2. I will provide verification of registration and location upon your request. I will provide you with at least 30 days notice prior to any change in my name, address, or state of organization or registration.

OWNERSHIP AND DUTIES TOWARD PROPERTY - I represent that I own all of the Property, or to the extent this is a purchase money security interest I will acquire ownership of the Property with the proceeds of the loan. I will defend it against any other claim. Your claim to the Property is ahead of the claims of any other creditor. I agree to do whatever you require to protect your security interest and to keep your claim in the Property ahead of the claims of other creditors. I will not do anything to harm your position. I will not use the Property for a purpose that will violate any laws or subject the Property to forfeiture or seizure.

I will keep books, records and accounts about the Property and my business in general. I will let you examine these records at any reasonable time. I will prepare any report or accounting you request, which deals with the Property.

I will keep the Property in my possession and will keep it in good repair and use it only for the purpose(s) described on page 1 of this agreement without your express

PURCHASE MONEY SECURITY INTEREST - For the sole purpose of determining the extent of a purchase money security interest under this security agreement: (a) payments on any nonpurchase loan also secured by this agreement will not be deemed to apply to the Purchase Money Loan, and (b) payments on the Purchase Money Loan will be deemed to apply first to the nonpurchase money portion of the loan, if any, and then to the purchase money obligations in the order in which the items of collateral were acquired or if acquired at the same time, in the order selected by you. No security interest will be term by application of this formula. "Purchase Money Loan" means an loan of which, in whole or in part, are used to acquire collateral securing the loan and all extensions, renewals, consolidations and refinancing of such loan.

PAYMENTS BY LENDER - You are authorized to pay, on my behalf, charges I am or may become obligated to pay to preserve or protect secured property (such as property insurance premiums). You may those payments as advances and add them to the unpaid principal of the note secured by this agreement or you may demand immediate payment of the amount advanced.

INSURANCE - I agree to buy insurance on the Property against theft and for the amounts you require and to furnish you continuing proof of coverage. I will have the insurance company name you as loss payee on any such policy. You may require added security if you agree that insurance proceeds may be used to repair or replace the Property. The firm will be reasonably acceptable to you. The insurance will remain in force until the Property is released from this agreement. If I fail to maintain the insurance (or fail to name you as loss payee) you may purchase it yourself.

WARRANTIES AND REPRESENTATIONS - If this agreement is secured by accounts, I will not settle any account for less than its full value without your written permission. I will collect all accounts until you

If this agreement covers farm products, I will provide you, at your request, a written list of the buyers, commission merchants or selling agents to or through whom I may sell my farm products. In addition to those parties named on this written list, I authorize you to notify at your sole discretion any additional parties regarding your security interest in my farm products. I remain subject to all applicable penalties for selling my farm products in violation of my agreement with you and the Food Security Act. In this paragraph the terms farm products, buyers, commission merchants and selling agents have the meanings given to them in the Federal Food Security Act of 1985.

If this agreement covers chattel paper or instruments, either as original collateral or proceeds of the Property, I will note your interest on the face of the chattel paper or instruments.

REMEDIES - I will be in default on this security agreement if I am in default on any note this agreement secures or if I fail to keep any promise contained in the terms of this agreement. If I default, you have all of the rights and remedies provided in the note and under the Uniform Commercial Code. You may require me to make the secured property available to you at a place which is reasonably convenient. You may take possession of the secured property and sell it as provided by law. The proceeds will be applied first to your expenses and then to the debt. I agree that 10 days written notice sent to my last known address by first class mail will be reasonable notice under the Uniform Commercial Code. My current address is on page 1.

PERFECTION OF SECURITY INTEREST - I authorize you to file a financing statement covering the Property. I will comply with, facilitate, and otherwise assist you in connection with obtaining possession of or control over the Property for purposes of perfecting your security interest under the Uniform Commercial Code.

ADDITIONAL TERMS OF THE NOTE

DEFINITIONS - As used on pages 1 and 2, "I" means the terms that apply to this loan. "I," "me" or "my" means each Borrower who signs this note and each other person or legal entity (including guarantors, endorsers, and sureties) who agrees to pay this note (together referred to as "us"). "You" or "your" means the Lender and its successors and assigns.

APPLICABLE LAW - The law of the state of Idaho will govern this agreement. Any term of this agreement which is contrary to applicable law will not be effective, unless the law permits you and me to agree to such a variation. If any provision of this agreement cannot be enforced according to its terms, this fact will not affect the enforceability of the remainder of this agreement. No modification of this agreement may be made without your express written consent. Time is of the essence in this agreement.

PAYMENTS - Each payment I make on this note will first reduce the amount I owe you for charges which are neither interest nor principal. The remainder of each payment will then reduce accrued unpaid interest, and then unpaid principal. If you and I agree to a different application of payments, we will describe our agreement on this note. I may prepay a part of, or the entire balance of this loan without penalty, unless we specify to the contrary on this note. Any partial prepayment will not excuse or reduce any later scheduled payment until this note is paid in full (unless, when I make the prepayment, you and I agree in writing to the contrary).

INTEREST - Interest accrues on the principal remaining unpaid from time to time, until paid in full. If I receive the principal in more than one advance, each advance will start to earn interest only when I receive the advance. The interest rate in effect on this note at any given time will apply to the entire principal sum outstanding at that time. Notwithstanding anything to the contrary, I do not agree to pay and you do not intend to charge any rate of interest that is higher than the maximum rate of interest you could charge under applicable law for the extension of credit that is agreed to in this note (either before or after maturity). If any notice of interest accrual is sent and is in error, we mutually agree to correct it, and if you actually collect more interest than allowed by law and this agreement, you agree to refund it to me.

INDEX RATE - The index will serve only as a device for setting the interest rate on this note. You do not guarantee by selecting this index, or the margin, that the interest rate on this note will be the same rate you charge on any other loans or class of loans you make to me or other borrowers.

POST MATURITY RATE - For purposes of deciding when the "Post Maturity Rate" (shown on page 1) applies, the term "maturity" means the date of the last scheduled payment indicated on page 1 of this note or the date you accelerate payment on the note, whichever is earlier.

SINGLE ADVANCE LOANS - If this is a single advance loan, you and I expect that you will make only one advance of principal. However, you may add other amounts to the principal if you make any payments described in the "PAYMENTS BY LENDER" paragraph on page 2.

MULTIPLE ADVANCE LOANS - If this is a multiple advance loan, you and I expect that you will make more than one advance of principal. If this is closed end credit, repaying a part of the principal will not entitle me to additional credit.

SET-OFF - I agree that you may set off any amount due and payable under this note against any right I have to receive money from you.

"Right to receive money from you" means:

- (1) any deposit account balance I have with you;
- (2) any money owed to me on an item presented to you or in your possession for collection or exchange; and
- (3) any repurchase agreement or other nondeposit obligation.

"Any amount due and payable under this note" means the total amount of which you are entitled to demand payment under the terms of this note at the time you set off. This total includes any balance the date for which you properly accelerate under this note.

If my right to receive money from you is also owned by someone who has not agreed to pay this note, your right of set-off will apply to interest in the obligation and to any other amounts I could withdraw by my sole request or endorsement. Your right of set-off does not apply to an account or other obligation where my rights are only as a representative. It also does not apply to any Individual Retirement Account or other tax-deferred retirement account.

You will not be liable for the dishonor of any check when the dishonor occurs because you set off this debt against any of my accounts. I agree to hold you harmless from any such claims arising as a result of exercise of your right to set-off.

DEFAULT - I will be in default if any one or more of the following occurs: (1) I fail to make a payment on time or in the amount due; (2) I fail to keep the Property insured, if required; (3) I fail to pay, or keep my promise, on any debt or agreement I have with you; (4) any other creditor of mine attempts to collect any debt I owe him through court proceedings; (5) I die, am declared incompetent, make an assignment for the benefit of creditors, or become insolvent (either because my liabilities exceed my assets or I am unable to pay my debts as they become due); (6) I make any written statement or provide any financial information that is untrue or inaccurate at the time it was provided; (7) I do or fail to do something which causes you to believe you will have difficulty collecting the amount I owe you; (8) any collateral securing this note is used in a manner or for a purpose which threatens confiscation by a legal authority; (9) I change my name or assume an additional name without notifying you before making such a change; (10) I fail to plant, cultivate and harvest crops in due season; (11) any loan proceeds are used for a purpose that will contribute to excessive erosion of highly erodible land to the conversion of wetlands to produce an agricultural commodity further explained in 7 C.F.R. Part 1840, Subpart G, Exhibit M.

REMEDIES - If I am in default on this note you have, but are not limited to, the following remedies:

- (1) You may demand immediate payment of all I owe you under this note (principal, accrued unpaid interest and other accrued charges).
- (2) You may set off this debt against any right I have to the payment of money from you, subject to the terms of the "SET-OFF" paragraph herein.
- (3) You may demand security, additional security, or additional property to be obligated to pay this note as a condition for not using any other remedy.
- (4) You may refuse to make advances to me or allow purchases of credit by me.
- (5) You may use any remedy you have under state or federal law.
- (6) You may make use of any remedy given to you in any agreement securing this note.

By selecting any one or more of these remedies you do not give up your right to use later any other remedy. By waiving your right to demand payment in full, you do not waive your right to consider late payment a default if it continues or happens again.

COLLECTION COSTS AND ATTORNEY'S FEES - I agree to pay all of collection, replevin or any other or similar type of cost if I am in default. In addition, if you hire an attorney to collect this note, I agree to pay any fee you incur with such attorney plus court costs (except where prohibited by law). To the extent permitted by the United States Bankruptcy Code, I also agree to pay the reasonable attorney fees and costs you incur to collect this debt as awarded by any court exercising jurisdiction under the Bankruptcy Code.

WAIVER - I give up my rights to require you to do certain things. I waive my rights to:

- (1) demand payment of amounts due (presentment);
- (2) obtain official certification of nonpayment (protest); or
- (3) give notice that amounts due have not been paid (notice of dishonor).

I waive any defenses I have based on suretyship or impairment of collateral.

OBLIGATIONS INDEPENDENT - I understand that I must pay this debt even if someone else has also agreed to pay it (by, for example, signing this form or a separate guarantee or endorsement). You may, alone, or anyone else who is obligated on this note, or any number of us together, to collect this note. You may without notice release any party to this agreement without releasing any other party. If you give up your rights, with or without notice, it will not affect my duty to pay this note. Any extension of new credit to any of us, or renewal of this note, or less than all of us will not release me from my duty to pay this note. You are entitled to only one payment in full. I agree that you may at your option extend this note or the debt represented by this note any portion of the note or debt, from time to time without limit or for any term without affecting my liability for payment of the note. I will not assign my obligation under this agreement without your written approval.

FINANCIAL INFORMATION - I agree to provide you, upon request, financial statement or information you may deem necessary. I agree that the financial statements and information I provide to you are to be accurate, correct and complete.

PAYMENT BY CHECK - If any payment on this note is made with a check that is dishonored, I agree to pay you a \$20.00 fee.

SIGNATURES - I AGREE TO THE TERMS OF THIS NOTE (INCLUDING THOSE ON PAGES 1 AND 2). I have received a copy on today's date.

TRAIL CREEK DEVELOPMENT, LLC

CHESTER LARKEY, MANAGING MEMBER

JONATHAN KUCERA, MANAGING MEMBER

GUARANTYAMERICAN FALLS

(City)

IDAHO

(State)

SEPTEMBER 08, 2006

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce THE BANK OF COMMERCE-AMERICAN FALLS

(herein, with its participants, successors and assigns, called "Lender"), at its option, at any time or from time to time to make loans or extend other accommodations to or for the account of TRAIL CREEK DEVELOPMENT, LLC

(herein called "Borrower") or to engage in any other transactions with Borrower, the Undersigned hereby absolute and unconditionally guarantees to Lender the full and prompt payment when due, whether at maturity or earlier by reason of acceleration or otherwise, of the debts, liabilities and obligations described as follows:

- A. If this ☐ is checked, the Undersigned guarantees to Lender the payment and performance of the debt, liability or obligation of Borrower to Lender evidenced by or arising out of the following: _____

_____ and any extension.

renewals or replacements thereof (hereinafter referred to as the "Indebtedness").

- B. If this ☒ is checked, the Undersigned guarantees to Lender the payment and performance of each and every debt, liability and obligation of every type and description which Borrower may now or at any time hereafter owe to Lender (whether such debt, liability or obligation now exists or is hereafter created, incurred, and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, or joint, several, or joint and several; all such debt, liabilities and obligations being hereinafter collectively referred to as the "Indebtedness"). Without limitation this guaranty includes the following described debt(s): NOTE DATED 9-6-2006 IN THE NAME OF TRAIL CREEK DEVELOPMENT, LLC IN THE AMOUNT OF \$1,520,289.00.

The Undersigned further acknowledges and agrees with Lender that:

1. No act or thing need occur to establish the liability of the Undersigned hereunder, and no act or thing, except full payment and discharge of all indebtedness, shall in any way exonerate the Undersigned or modify, reduce, limit or release the liability of the Undersigned hereunder.

2. This is an absolute, unconditional and continuing guaranty of payment of the Indebtedness and shall continue to be in force and be binding upon the Undersigned, whether or not all Indebtedness is paid in full, until the guaranty is revoked by written notice actually received by the Lender, and such revocation shall not be effective as to Indebtedness existing or committed for at the time of actual receipt of such notice by the Lender, or as to all renewals, extensions and refinancings thereof. If there be more than one Undersigned, such revocation shall be effective only as to the one so revoking. The death or incompetence of the Undersigned shall not revoke the guaranty, except upon actual receipt of written notice thereof by Lender and then only as to the decedent or the incompetent and only prospectively, as to future transactions, as herein set forth.

3. If the Undersigned shall be dissolved, shall die, or shall be or become insolvent (however defined) or revoke this guaranty, then the Lender shall have the right to declare immediately due and payable, and the Undersigned will forthwith pay to the Lender, the full amount of all Indebtedness, whether due and payable or unmatured. If the Undersigned voluntarily commences or there is commenced involuntarily against the Undersigned a case under the United States Bankruptcy Code, the full amount of all Indebtedness, whether due and payable or unmatured, shall be immediately due and payable without demand or notice thereof.

4. The liability of the Undersigned hereunder shall be limited to a principal amount of \$ _____. (if unlimited or if no amount is stated, the Undersigned shall be liable for all Indebtedness, without any limitation as to amount), plus accrued interest thereon and all other costs, fees, and expenses agreed to be paid under the agreements evidencing the Indebtedness and securing the payment of the Indebtedness, and all attorneys' fees, collection costs and enforcement expenses referable thereto. Indebtedness may be created and continued in any amount, whether or not in excess of such principal amount, without affecting or impairing the liability of the Undersigned hereunder. The Lender may apply any sums received by or available to Lender on account of the Indebtedness from Borrower or any other person (except the Undersigned), from their properties, out of all collateral security or from any other source to payment of the excess. Such application of receipts shall not reduce or affect or impair the liability of the Undersigned hereunder. If the liability of the Undersigned is limited to a stated amount pursuant to this paragraph 4, any payment made by the Undersigned under this guaranty shall be effective to reduce or discharge such liability only if accompanied by a written transmittal document, received by the Lender advising the Lender that such payment is made under this guaranty for such purpose.

5. The Undersigned will pay or reimburse Lender for all costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by Lender in connection with the protection, defense or enforcement of this guaranty in any litigation or bankruptcy or insolvency proceedings.

GUARANTYAMERICAN FALLS

(City)

IDAHO

(State)

SEPTEMBER 06, 2006

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce THE BANK OF COMMERCE-AMERICAN FALLS

(herein, with its participants, successors and assigns, called "Lender"), at its option, at any time or from time to time to make loans or extend other accommodations to or for the account of TRAIL CREEK DEVELOPMENT, LLC

(herein called "Borrower") or to engage in any other transactions with Borrower, the Undersigned hereby absolute and unconditionally guarantees to Lender the full and prompt payment when due, whether at maturity or earlier, in whole or in part, for any reason of acceleration or otherwise, of the debts, liabilities and obligations described as follows:

A. If this ☐ is checked, the Undersigned guarantees to Lender the payment and performance of the debt, liability or obligation of Borrower to Lender evidenced by or arising out of the following: _____

_____ and any extension

renewals or replacements thereof (hereinafter referred to as the "Indebtedness").

B. If this ☒ is checked, the Undersigned guarantees to Lender the payment and performance of each and every debt, liability and obligation of every type and description which Borrower may now or at any time hereafter owe to Lender (whether such debt, liability or obligation now exists or is hereafter created, incurred, and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, or joint, several, or joint and several; all such debt, liabilities and obligations being hereinafter collectively referred to as the "Indebtedness"). Without limitation, this guaranty includes the following described debt(s): NOTE DATED 9-8-2006 IN THE NAME OF TRAIL CREEK DEVELOPMENT, LLC IN THE AMOUNT OF \$1,520,289.00.

The Undersigned further acknowledges and agrees with Lender that:

1. No act or thing need occur to establish the liability of the Undersigned hereunder, and no act or thing, except full payment and discharge of all indebtedness, shall in any way exonerate the Undersigned or modify, reduce, limit or release the liability of the Undersigned hereunder.

2. This is an absolute, unconditional and continuing guaranty of payment of the Indebtedness and shall continue to be in force and be binding upon the Undersigned, whether or not all Indebtedness is paid in full, until the guaranty is revoked by written notice actually received by the Lender, and such revocation shall not be effective as to Indebtedness existing or committed for at the time of actual receipt of such notice by the Lender, or as to all renewals, extensions and refinancings thereof. If there be more than one Undersigned, such revocation shall be effective only as to the one so revoking. The death or incompetence of the Undersigned shall not revoke the guaranty, except upon actual receipt of written notice thereof by Lender and then only as to the decedent or the incompetent and only prospectively, as to future transactions, as herein set forth.

3. If the Undersigned shall be dissolved, shall die, or shall be or become insolvent (however defined) or revoke this guaranty, then the Lender shall have the right to declare immediately due and payable, and the Undersigned will forthwith pay to the Lender, the full amount of all Indebtedness, whether due and payable or unmatured. If the Undersigned voluntarily commences or there is commenced involuntarily against the Undersigned a case under the United States Bankruptcy Code, the full amount of all Indebtedness, whether due and payable or unmatured, shall be immediately due and payable without demand or notice thereof.

4. The liability of the Undersigned hereunder shall be limited to a principal amount of \$ _____. (if unlimited or if no amount is stated, the Undersigned shall be liable for all Indebtedness, without any limitation as to amount), plus accrued interest thereon and all other costs, fees, and expenses agreed to be paid under the agreements evidencing the Indebtedness and securing the payment of the Indebtedness, and all attorneys' fees, collection costs and enforcement expenses referable thereto. Indebtedness may be created and continued in any amount, whether or not in excess of such principal amount, without affecting or impairing the liability of the Undersigned hereunder. The Lender may apply any sums received by or available to Lender on account of the Indebtedness from Borrower or any other person (except the Undersigned), from their properties, out of all collateral security or from any other source to payment of the excess. Such application of receipts shall not reduce or affect or impair the liability of the Undersigned hereunder. If the liability of the Undersigned is limited to a state amount pursuant to this paragraph 4, any payment made by the Undersigned under this guaranty shall be effective to reduce or discharge such liability only if accompanied by a written transmittal document, received by the Lender advising the Lender that such payment is made under this guaranty for such purpose.

5. The Undersigned will pay or reimburse Lender for all costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by Lender in connection with the protection, defense or enforcement of this guaranty in any litigation or bankruptcy or insolvency proceedings.