

6-1-2015

Union Bank, N.A. v. North Idaho Resorts Clerk's Record v. 11 Dckt. 42467

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IN THE SUPREME COURT OF THE STATE OF IDAHO
SUPREME COURT NO. 42467-2014
BONNER COUNTY CV2011-0135

UNION BANK, N.A., a national banking association,
Plaintiff-Respondent,

v.

NORTH IDAHO RESORTS, LLC, an Idaho limited liability company
Defendant-Appellant,

and

PEND OREILLE BONNER DEVELOPMENT, LLC, a Nevada limited liability company, JV, L.L.C. an Idaho limited liability company, DAN JACOBSON, an individual, SAGE HOLDINGS LLC, an Idaho limited liability company, TIMBERLINE INVESTMENTS, LLC, an Idaho limited liability company, STEVEN G. LAZAR, an individual, AMY KORENGUT, an individual, HLT REAL ESTATE LLC, PANHANDLE STATE BANK, an Idaho corporation, R.E. LOANS, LLC, a California limited liability company, WELLS FARGO CAPITAL FINANCE, LLC, a Delaware limited liability company, PEND OREILLE BONNER DEVELOPMENT HOLDINGS, INC., a Nevada corporation, PENSICO TRUST CO. custodian f/b/a Barney Ng, a California corporation, B-K LIGHTING, INC., a California corporation, FREDERICK J. GRANT, an individual, CHRISTINE GRANT, an individual, RUSS CAPITAL GROUP, LLC, an Arizona Limited liability company, JOSEPH DUSSICH, an individual, MOUNTAIN WEST BANK, an Idaho corporation, STATE OF IDAHO, DEPARTMENT OF REVENUE AND TAXATION, MONTAHENO INVESTMENTS, LLC, a Nevada limited liability company, TOYON INVESTMENTS, LLC, a Nevada limited liability company, CHARLES W. REEVES and ANNE B. REEVES, husband and wife, ACI NORTHWEST, INC., an Idaho corporation, and DOES 1 through 20, inclusive,
Defendants.

Appealed from the First Judicial District, Bonner County, Idaho

HONORABLE MICHAEL J. GRIFFIN, presiding
District Judge

Susan P. Weeks, 1626 Lincoln Way, Coeur d'Alene, ID 83814 - Attorney for Appellant / North Idaho Resort

Gary A. Finney, 120 E. Lake St., Ste 317, Sandpoint, ID 83864 - Attorney for Appellant / JV LLC

John E. Miller, 1424 E. Sherman Ave., Ste. 500, Coeur d'Alene, ID 83814 - Attorney for Respondent

IN THE DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT OF THE STATE OF IDAHO,
IN AND FOR THE COUNTY OF BONNER

UNION BANK, N.A., a national banking association,)
Plaintiff-Respondent,)
)
v.)
)
NORTH IDAHO RESORTS, LLC, an Idaho limited)
liability company)
Defendant-Appellant,)
)
and)
)
PEND OREILLE BONNER DEVELOPMENT, LLC, a)
Nevada limited liability company, JV, L.L.C. an Idaho)
limited liability company, DAN JACOBSON, an)
individual, SAGE HOLDINGS LLC, an Idaho limited)
liability company, TIMBERLINE INVESTMENTS,)
LLC, an Idaho limited liability company, STEVEN G.)
LAZAR, an individual, AMY KORENGUT, an)
individual, HLT REAL ESTATE LLC, PANHANDLE)
STATE BANK, an Idaho corporation, R.E. LOANS,)
LLC, a California limited liability company, WELLS)
FARGO CAPITAL FINANCE, LLC, a Delaware)
limited liability company, PEND OREILLE BONNER)
DEVELOPMENT HOLDINGS, INC., a Nevada)
corporation, PENSCO TRUST CO. custodian f/b/a)
Barney Ng, a California corporation, B-K LIGHTING,)
INC., a California corporation, FREDERICK J.)
GRANT, an individual, CHRISTINE GRANT, an)
individual, RUSS CAPITAL GROUP, LLC, an Arizona)
Limited liability company, JOSEPH DUSSICH, an)
individual, MOUNTAIN WEST BANK, an Idaho)
corporation, STATE OF IDAHO, DEPARTMENT OF)
REVENUE AND TAXATION, MONTAHENO)
INVESTMENTS, LLC, a Nevada limited liability)
company, TOYON INVESTMENTS, LLC, a Nevada)
limited liability company, CHARLES W. REEVES and)
ANNE B. REEVES, husband and wife, ACI)
NORTHWEST, INC., an Idaho corporation, and DOES)
1 through 20, inclusive,)
Defendants.)
)
)
)
)

Supreme Court 42467-2014
Bonner County No. 2011-135
CLERK'S RECORD ON APPEAL

CLERK'S RECORD ON APPEAL

Appeal from the District Court of the First Judicial District of the state of Idaho, in and for the
County of Bonner.

HONORABLE MICHAEL J. GRIFFIN
District Judge

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Affidavit of Rick Lynskey in Support of Motions for Partial Summary Judgments as to Defendants North Idaho Resorts, LLC and JV, LLC: Re Reformation and Priority filed July 1, 2013	Vol. V - p. 1058
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Witness List filed April 28, 2014	Vol. VII - p. 1548

Date	Code	User		Judge
1/28/2011	NCOC	BOWERS	New Case Filed - Other Claims	Steve Verby
	APER	BOWERS	Plaintiff: Pacific Capital Bank, N.A. Appearance John E. Miller	Steve Verby
		BOWERS	Filing: A - All initial civil case filings of any type not listed in categories B-H, or the other A listings below Paid by: Miller, John E. (attorney for Pacific Capital Bank, N.A.) Receipt number: 0450827 Dated: 1/28/2011 Amount: \$88.00 (Check) For: Pacific Capital Bank, N.A. (plaintiff)	Steve Verby
	COMP	PHILLIPS	Complaint Filed - Complaint for Mortgage Foreclosure	Steve Verby
	SMIS	PHILLIPS	Summons Issued - 27	Steve Verby
2/2/2011		PHILLIPS	Filing: I1 - Initial Appearance by persons other than the plaintiff or petitioner Paid by: Finney et al Receipt number: 0451039 Dated: 2/2/2011 Amount: \$58.00 (Check) For: JV L.L.C. (defendant)	Steve Verby
	MOTN	OPPELT	Exparte Motion for Order Allowing Out of State Service	Steve Verby
	AFFD	OPPELT	Affidavit in Support of Exparte Motion for Order Allowing Out of State Service	Steve Verby
	NOAP	OPPELT	Notice Of Appearance for JV L.L.C.	Steve Verby
	APER	OPPELT	Defendant: JV L.L.C. Appearance Gary A. Finney	Steve Verby
2/7/2011		PHILLIPS	Filing: I1 - Initial Appearance by persons other than the plaintiff or petitioner Paid by: Finney et al Receipt number: 0451310 Dated: 2/7/2011 Amount: \$58.00 (Check) For: ACI Northwest Inc, an Idaho corporation (defendant)	Steve Verby
	NOAP	OPPELT	Notice Of Appearance	Steve Verby
	APER	OPPELT	Defendant: ACI Northwest Inc, an Idaho corporation Appearance John A Finney	Steve Verby
2/8/2011	AFFD	PHILLIPS	Affidavit Re Verification of Complaint for Mortgage Foreclosure	Steve Verby
2/9/2011	ORDR	PHILLIPS	Order Allowing Out of State Service of Summons	Steve Verby
2/23/2011		PHILLIPS	Filing: I1 - Initial Appearance by persons other than the plaintiff or petitioner Paid by: Wetzel Wetzel & Holt Receipt number: 0452255 Dated: 2/23/2011 Amount: \$58.00 (Check) For: North Idaho Resorts LLC, an Idaho limited liability (defendant)	Steve Verby
	APER	PHILLIPS	Defendant: North Idaho Resorts LLC, an Idaho limited liability Appearance Steven C. Wetzel	Steve Verby
	NOAP	PHILLIPS	Notice Of Appearance	Steve Verby
	NOTC	OPPELT	Notice of Intent to Take Default	Steve Verby

Date	Code	User	Judge
2/24/2011		PHILLIPS	Filing: I1 - Initial Appearance by persons other than the plaintiff or petitioner Paid by: Layman Layman & Robinson PLLC Receipt number: 0452451 Dated: 2/25/2011 Amount: \$58.00 (Check) For: Montaheno Investments LLC, a Nevada limited liabil (defendant), Pend Oreille Bonner Development Holdings, Inc. (defendant), Pend Oreille Bonner Development, LLC (defendant) and Toyon Investments LLC (defendant)
	APER	PHILLIPS	Defendant: Pend Oreille Bonner Development, LLC Appearance John R Layman and Patti Jo Foster
	APER	PHILLIPS	Defendant: Pend Oreille Bonner Development Holdings, Inc. Appearance John R Layman and Patti Jo Foster
	APER	PHILLIPS	Defendant: Montaheno Investments LLC, a Nevada limited liabil Appearance John R Layman and Patti Jo Foster
	APER	PHILLIPS	Defendant: Toyon Investments LLC Appearance John R Layman and Patti Jo Foster
	NOAP	PHILLIPS	Notice Of Appearance - Layman and Foster
	MISC	PHILLIPS	no envelope enclosed for mailing copy of appearance to Layman
3/3/2011		PHILLIPS	Filing: I1 - Initial Appearance by persons other than the plaintiff or petitioner Paid by: Lukins & Annis, PS Receipt number: 0453080 Dated: 3/8/2011 Amount: \$58.00 (Check) For: Mountain West Bank (defendant)
	APER	PHILLIPS	Defendant: Mountain West Bank Appearance Richard Wayne Sweney
	NOTC	PHILLIPS	Notice of Appearance
3/8/2011	REQU	PHILLIPS	Request for Entry of Default
3/10/2011	AFFD	PHILLIPS	Affidavit of John E Miller in Support of Request for Entry of Default
3/14/2011	ORDR	PHILLIPS	Order for Entry of Default
	CDIS	PHILLIPS	Civil Disposition entered for: Montaheno Investments LLC, a Nevada limited liabil, Defendant; Pend Oreille Bonner Development Holdings, Inc., Defendant; Pend Oreille Bonner Development, LLC, Defendant; Reeves, Ann B, Defendant; Reeves, Charles W, Defendant; Toyon Investments LLC, Defendant; Pacific Capital Bank, N.A., Plaintiff. Filing date: 3/14/2011
3/16/2011	MISC	OPPELT	Disclaimer

Date	Code	User		Judge
3/21/2011		PHILLIPS	Filing: I1 - Initial Appearance by persons other than the plaintiff or petitioner Paid by: Ramsden & Lyons LLP Receipt number: 0453868 Dated: 3/22/2011 Amount: \$58.00 (Check) For: B-K Lighting Inc (defendant)	Steve Verby
	APER	PHILLIPS	Defendant: B-K Lighting Inc Appearance Douglas S. Marfice	Steve Verby
	NOAP	PHILLIPS	Notice Of Appearance	Steve Verby
		PHILLIPS	Filing: I1 - Initial Appearance by persons other than the plaintiff or petitioner Paid by: Elsaesser Jarzabek et al Receipt number: 0453878 Dated: 3/22/2011 Amount: \$58.00 (Check) For: Jacobson, Dan S (defendant), Lazar, Steven G (defendant) and Sage Holdings LLC (defendant)	Steve Verby
	APER	PHILLIPS	Defendant: Jacobson, Dan S Appearance Bruce Anderson	Steve Verby
	APER	PHILLIPS	Defendant: Sage Holdings LLC Appearance Bruce Anderson	Steve Verby
	APER	PHILLIPS	Defendant: Lazar, Steven G Appearance Bruce Anderson	Steve Verby
	NOAP	PHILLIPS	Notice Of Appearance	Steve Verby
5/17/2011	SMRT	PHILLIPS	Summons Returned	Steve Verby
	SMIS	PHILLIPS	Summons Issued - First Amended Complaint	Steve Verby
	AMCO	PHILLIPS	First Amended Complaint Filed for: 1. Reformation of Legal Description Contained in Mortgage (Scrivener's Error); and 2. Mortgage Foreclosure	Steve Verby
5/18/2011	NOTC	PHILLIPS	Amended Notice of Appearance for JV LLC	Steve Verby
5/26/2011	MISC	PHILLIPS	Amended Disclaimer - Idaho State Tax Commission	Steve Verby
5/27/2011	SUBC	PHILLIPS	Substitution Of Counsel - Steven Wetzel of Wetzel, Wetzel & Holt out; Steven Wetzel of James Vernon & Weeks in for North Idaho Resorts	Steve Verby
7/11/2011	NODF	PHILLIPS	Notice Of Intent To Take Default	Steve Verby
7/14/2011	REQU	PHILLIPS	Request for Entry of Default	Steve Verby
	AFFD	PHILLIPS	Affidavit of John E Miller in Support of Request for Entry of Default	Steve Verby
7/20/2011	REQU	PHILLIPS	Request for Dismissal Without Prejudice of Defendant Amy Korengut Only	Steve Verby
7/21/2011	ORDR	PHILLIPS	Order for Entry of Default (re First Amended Complaint against certain defendants)	Steve Verby

Date	Code	User	Judge
7/21/2011	CDIS	PHILLIPS	Civil Disposition entered for: Pacific Capital Bank, N.A., Plaintiff; Pend Oreille Bonner Development Holdings, Inc., Defendant; Montaheno Investments LLC, a Nevada limited liability, Defendant; Toyon Investments LLC, Defendant; Reeves, Ann B, Defendant; Reeves, Charles W, Defendant. Filing date: 7/21/2011
	MISC	PHILLIPS	no copies or envelopes provided for mailing of Order of Default to other parties
7/26/2011	ORDR	PHILLIPS	Order Re Dismissal Without Prejudice of Defendant Amy Korengut Only
	MISC	PHILLIPS	no copies or envelopes provided for mailing of above dismissal
	CDIS	PHILLIPS	Civil Disposition entered for: Korengut, Amy, Defendant; Pacific Capital Bank, N.A., Plaintiff. Filing date: 7/26/2011
8/17/2011	NODF	PHILLIPS	Notice Of Intent To Take Default
	AFSV	PHILLIPS	Affidavit Of Service of First Amended Complaint
8/29/2011		KELSO	Filing: K4 - Cross Claim (defendant v defendant or plaintiff v. plaintiff) This fee is in addition to any fee filed as a plaintiff to initiate the case or as a defendant appearing in the case Paid by: Finney, Finney, Finney, P.A. Receipt number: 0462151 Dated: 8/29/2011 Amount: \$14.00 (Check) For: JV L.L.C. (defendant)
	EXMN	PHILLIPS	Ex-parte Motion for Order Allowing Service of Summons by Publication
	AFFD	PHILLIPS	Affidavit in Support of Ex Parte Motion for Order Allowing Service of Summons by Publication
	ANSW	PHILLIPS	JV, LLC Answer to First Amended Complaint, Counterclaim and Cross Claim
9/2/2011	ORDR	PHILLIPS	Order Allowing Service of Summons by Publication
9/9/2011	AFMA	ADLER	Affidavit Of Mailing pursuant to order for publication of summons
	AFSV	PHILLIPS	Affidavit Of Service - Curt Hecker, Registered Agent, served for Panhandle State Bank 6/27/11
	AFSV	PHILLIPS	Affidavit Of Service - Robert Myers, agent for Timberline Investments LLC served 6/27/11
	AFSV	PHILLIPS	Affidavit Of Service - Corporations Services, Registered Agent, served for Wells Fargo Capital finance LLC on 6/23/11
	AFSV	PHILLIPS	Affidavit Of Service - Chelsea Stephens, authorized person, served for Bailey Law Group for HLT Real Estate LLC on 6/22/11
	AFSV	PHILLIPS	Affidavit Of Service - Statutory Agent served for Russ Capital Group, LLC, on 6/29/11

Date	Code	User	Judge
9/9/2011	NOSV	PHILLIPS	- Certificate of Service - Philip Dimatteo served for Russ Capital 6/28/11 ; no longer statutory agent
	PROO	PHILLIPS	Proof Of Service - Selena Thai of Accoutning served for Mortgage Fund '08 LLC on 6/22/11
9/14/2011	ANSW	PHILLIPS	ACI Northwest, Inc's Answer to First Amended Complaint
	REQU	PHILLIPS	Request for Entry of Default
	AFFD	PHILLIPS	Affidavit in Support of Request for Entry of Default (re Panhandle State Bank, Timberline Investments, Wells Fargo Capital Finance, HLT Real Estate, Russ Capital Group and mortgage Fund '08)
	AFFD	PHILLIPS	Affidavit of John E Miller in Support of Request for Entry of Default
	EXMN	PHILLIPS	Ex-parte Motion for Order Allowing Service of Summons by Publication
	AFFD	PHILLIPS	Affidavit in Support of Ex Parte Motion for Order Allowing Service of Summons by Publication
9/19/2011	REQU	PHILLIPS	Request for Entry of Default (re B-K Lighting)
	AFFD	PHILLIPS	Affidavit of John E Miller in Support of Request for Entry of Default
	MISC	HENDRICKSO	*****END OF FILE 1*****BEGIN FILE 2*****
9/22/2011	ORDR	PHILLIPS	Order for Entry of Default (re B-K Lighting, Inc)
	CDIS	PHILLIPS	Civil Disposition entered for: B-K Lighting Inc, Defendant; Pacific Capital Bank, N.A., Plaintiff. Filing date: 9/22/2011
	ORDR	PHILLIPS	Order for Entry of Default against Panhandle State Bank, Timberline Investments LLC, Wells Fargo Capital Finance, LLC, HLT Real Estate LLC, Russ Capital Group, LLC, and Mortgage Fund '08, LLC
	CDIS	PHILLIPS	Civil Disposition entered for: HLT Real Estate LLC, Defendant; Mortgage Fund '08 LLC, Defendant; Panhandle State Bank, an Idaho corporation, Defendant; Russ Capital Group LLC, Defendant; Timberline Investments, LLC, an Idaho limited liab, Defendant; Wells Fargo Capital Finance LLC a Delaware LL Co., Defendant; Pacific Capital Bank, N.A., Plaintiff. Filing date: 9/22/2011
	ORDR	PHILLIPS	Order Allowing Service of Summons by Publication
9/26/2011	AFFD	PHILLIPS	Affidavit of Dana L Rayborn Wetzel Re Automatic Stay
9/27/2011	ORDR	OPPELT	Administrative Order B11-DW.1

Date	Code	User		Judge
9/27/2011	CHJG	OPPELT	Change Assigned Judge	Jeff Brudie
9/28/2011	ORDR	PHILLIPS	Stay Order (re Mortgage Fund '08, LLC)	Steve Verby
	ORDR	PHILLIPS	Stay Order (re R.E. Loans, LLC)	Steve Verby
	CDIS	PHILLIPS	Civil Disposition entered for: Mortgage Fund '08 LLC, Defendant; R.E. Loans LLC, a California Limited Liability Co, Defendant; Pacific Capital Bank, N.A., Plaintiff. Filing date: 9/28/2011	Jeff Brudie
9/29/2011	CINF	PHILLIPS	Clerk Information - file being returned to Sylvia	Jeff Brudie
9/30/2011	ORDR	OPPELT	Order of Reassignment	Jeff Brudie
	CHJG	OPPELT	Change Assigned Judge	John Stegner
10/4/2011	NOTC	OPPELT	Notice	John Stegner
10/7/2011	MODQ	PHILLIPS	Motion To Disqualify (re Judge Stegner)	John Stegner
11/3/2011	ORDR	OPPELT	Order Granting Motion to Disqualify (Judge Stegner)	John Stegner
	DISA	OPPELT	Disqualification Of Judge - Automatic - Judge Stegner	John Stegner
	CHJG	OPPELT	Change Assigned Judge	District Court Clerks
11/15/2011	ORDR	OPPELT	Order of Reassignment	Jeff Brudie
	CHJG	OPPELT	Change Assigned Judge	Michael J Griffin
11/16/2011		BOWERS	Miscellaneous Payment: For Making Copy Of Any File Or Record By The Clerk, Per Page Paid by: Smith Research Receipt number: 0465690 Dated: 11/16/2011 Amount: \$73.00 (Check)	District Court Clerks
11/21/2011	MISC	OPPELT	Copy of Entire File and ROA's Sent to Judge Griffin. (Except Affidavit in Support of Request for Entry of Default (re Panhandle State Bank, Timberline Investments, Wells Fargo Capital Finance, HLT Real Estate, Russ Capital Group and mortgage Fund '08) - Filed on 09-14-11 Unable to Locate	Michael J Griffin
3/5/2012		HENDRICKSO	Filing: 11 - Initial Appearance by persons other than the plaintiff or petitioner Paid by: Meuleman Mollerup Receipt number: 0470791 Dated: 3/13/2012 Amount: \$58.00 (Check) For: R.E. Loans LLC, a California Limited Liability Co (defendant)	Michael J Griffin
	APER	HENDRICKSO	Defendant: R.E. Loans LLC, a California Limited Liability Co Appearance Richard L Stacey	Michael J Griffin
3/6/2012	MISC	DRIVER	Request for copy of entire file from Stephanie Wright of Idaho Transportation Department	Michael J Griffin
3/12/2012	NOTC	HENDRICKSO	Notice of Status and Entry of an Order for Relief from Automatic Stay Northern District of Texas	Michael J Griffin
3/15/2012	MISC	HENDRICKSO	Notice of Status faxed to Judge Griffin 3-15-12 422pm	Michael J Griffin

Date	Code	User	Judge
3/16/2012		DRIVER	Miscellaneous Payment: For Making Copy Of Any File Or Record By The Clerk, Per Page Paid by: State Controller's Warrant Ron G. Crane Receipt number: 0470993 Dated: 3/16/2012 Amount: \$348.00 (Check)
	MISC	DRIVER	Letter from Stephanie Wright with check for copy of entire file. Copy of entire file mailed.
5/2/2012	NOTC	OPPELT	Notice of Status; Entry of an Order for Relief from Automatic Stay Northern District of California; and Request to Lift the Stay Order of September 28, 2011
5/3/2012	CINF	OPPELT	Faxed to Judge Griffin - "Notice of Status; Entry of an Order for Relief from Automatic Stay Northern District of California; and Request to Lift the Stay Order of September 28, 2011"
5/14/2012	MOTN	HENDRICKSO	R.E. Loans, LLC's Motion for Telephonic Appearance
	NOHG	HENDRICKSO	Notice of Hearing re: Plaintiff's Request to Lift the Stay Order of September 28, 2011
	HRSC	HENDRICKSO	Hearing Scheduled (Hearing Scheduled 05/31/2012 10:00 AM) Idaho County Court
5/15/2012	MISC	HENDRICKSO	No Objection to Lifting Stay
5/16/2012	CINF	OPPELT	Faxed to Judge Griffin - "No Objection to Lifting Stay"
5/23/2012	ORDR	OPPELT	Order Granting R.E. Loans, LLC's Motion for Telephonic Appearance
	MISC	OPPELT	R.E. Loans, LLC's Conditional Objection to Pacific Capital Bank, N.A.'s Request to Lift the Stay Order
5/25/2012	MOTN	HENDRICKSO	Pend Oreille Bonner Development, LLC's Motion for Telephonic Appearance
	MISC	HENDRICKSO	Fax cover: documents faxed to Judge Griffin
	ORDR	HENDRICKSO	Order Granting Pend Oreille Bonner Development, LLC's Motion For Telephonic Appearance
5/29/2012	NOTC	OPPELT	North Idaho Resorts' Notice of Intent to Participate by Telephone at Hearing on May 31, 2012
5/30/2012	OBJC	OPPELT	Objection to the Requested Appearance by Pend Oreille Bonner Development, LLC
5/31/2012	CTLG	OPPELT	Court Log- - From Idaho County - No CD

Date	Code	User		Judge
5/31/2012	DCHH	OPPELT	Hearing result for Hearing Scheduled scheduled on 05/31/2012 10:00 AM: District Court Hearing Held Court Reporter: Keith Evans Number of Transcript Pages for this hearing estimated: Idaho County Court Richard L. Stacey/Anna E. Eberlin/John Layman, and Steven Wetzel Appearing Telephonically - Less Than 100 Pages	Michael J Griffin
6/7/2012	ORDR	CMOORE	Order Lifting Stay	Michael J Griffin
6/11/2012	MISC	HENDRICKSO	JV's Demand for Jury Trial	Michael J Griffin
6/15/2012		HENDRICKSO	Filing: K4 - Cross Claim (defendant v defendant or plaintiff v. plaintiff) This fee is in addition to any fee filed as a plaintiff to initiate the case or as a defendant appearing in the case Paid by: James Vernon & Weeks Receipt number: 0475330 Dated: 6/19/2012 Amount: \$14.00 (Check) For: North Idaho Resorts LLC, an Idaho limited liability (defendant)	Michael J Griffin
	ANSW	HENDRICKSO	North Idaho Resorts, LLC's Answer to First Pacific Capital Bank, N.A.'s Amended Complaint, Counter Claim and Cross Claim	Michael J Griffin
7/2/2012	MISC	OPPELT	Defendant JV LLC's Response to Plaintiff's Request for Admissions of Fact and Genuineness of Documents	Michael J Griffin
7/6/2012	MISC	OPPELT	Pacific Capital Bank, N.A.'s Reply to Counter Claim by North Idaho Resorts, LLC	Michael J Griffin
7/9/2012	NOTC	HENDRICKSO	Notice of Name Change	Michael J Griffin
	REPL	HENDRICKSO	Pacific Capital Bank, N.A.'s Reply to Counter Claim by JV, LLC	Michael J Griffin
7/20/2012	MISC	HENDRICKSO	Faxed copies of Notice of Name Change to Judge Griffin for review	Michael J Griffin
7/25/2012	NOSV	OPPELT	Notice Of Service	Michael J Griffin
	MISC	HENDRICKSO	*****END OF FILE #2*** BEGIN FILE #3*****	Michael J Griffin
8/9/2012	STIP	HENDRICKSO	Stipulation re: Priorities Between Pacific Capital Bank N.A. and R.E. Loans, LLC	Michael J Griffin
	APER	HENDRICKSO	Defendant: Grant, Frederick J Appearance John E. Miller	Michael J Griffin
	APER	HENDRICKSO	Defendant: Grant, Christine Appearance John E. Miller	Michael J Griffin
		HENDRICKSO	Filing: I1 - Initial Appearance by persons other than the plaintiff or petitioner Paid by: The Law Office of John E Miller Receipt number: 0478034 Dated: 8/14/2012 Amount: \$66.00 (Check) For: Grant, Christine (defendant) and Grant, Frederick J (defendant)	Michael J Griffin
	MISC	HENDRICKSO	Disclaimer	Michael J Griffin

Date	Code	User		Judge
8/9/2012	CESV	HENDRICKSO	Certificate Of Service of Disclaimer by Grants	Michael J Griffin
8/10/2012	MISC	HENDRICKSO	Document faxed to Judge Griffin	Michael J Griffin
8/15/2012	AFSV	HENDRICKSO	Affidavit Of Service - Joseph Hussich on 06-28-2012	Michael J Griffin
	REQU	HENDRICKSO	Request for Entry of Default	Michael J Griffin
	AFFD	HENDRICKSO	Affidaviti of John E. Miller in Support of Request for Entry of Default	Michael J Griffin
8/16/2012	REQU	HENDRICKSO	Request for Entry of Default	Michael J Griffin
	AFFD	HENDRICKSO	Affidavit of John E. Miller in Support of Request for Entry of Default	Michael J Griffin
	AFPB	HENDRICKSO	Affidavit Of Publication Pensco Trust Co. custodian f/b/a Barney Ng	Michael J Griffin
8/22/2012	MISC	HENDRICKSO	Fax cover - documents faxed to Judge for review	Michael J Griffin
	CINF	HENDRICKSO	paperwork is at Jo's desk in pending	Michael J Griffin
	MISC	HENDRICKSO	Documents faxed to Judge for review	Michael J Griffin
8/27/2012	STIP	HENDRICKSO	Stipulation re: Priorities Between Pacific Capital Bank N.A. and Dan S. Jacobson, Sage HOLDings, LLC and Steven G. Lazar	Michael J Griffin
	STIP	HENDRICKSO	Stipulation re: Priorities Between Pacific Capital Bank, N.A. and Mountain West Bank	Michael J Griffin
	ORDR	HENDRICKSO	Order for Entry of Default (Dussich Joseph ONLY)	Michael J Griffin
	ORDR	HENDRICKSO	Order for Entry of Default	Michael J Griffin
8/29/2012	NOHG	HENDRICKSO	Notice of Heaing re: Plaintiff's Motion to Amend Caption and Reference to Plaintiff	Michael J Griffin
	HRSC	HENDRICKSO	Hearing Scheduled (Motion 09/20/2012 04:00 PM) Idaho County Court Attorney J. Miller by telephone	Michael J Griffin
	NOWD	HENDRICKSO	Notice of Withdrawal and Substitution	Michael J Griffin
	APER	HENDRICKSO	Defendant: Reeves, Ann B Appearance John R Layman	Michael J Griffin
	APER	HENDRICKSO	Defendant: Reeves, Ann B Appearance Bradley C Crockett	Michael J Griffin
	APER	HENDRICKSO	Defendant: Reeves, Charles W Appearance John R Layman	Michael J Griffin
	APER	HENDRICKSO	Defendant: Reeves, Charles W Appearance Bradley C Crockett	Michael J Griffin
	APER	HENDRICKSO	Defendant: Toyon Investments LLC Appearance Bradley C Crockett	Michael J Griffin
	APER	HENDRICKSO	Defendant: Montaheno Investments LLC, a Nevada limited liabil Appearance Bradley C Crockett	Michael J Griffin
	APER	HENDRICKSO	Defendant: Pend Oreille Bonner Development Holdings, Inc. Appearance Bradley C Crockett	Michael J Griffin

Date	Code	User		Judge
8/29/2012	APER	HENDRICKSO	Defendant: Pend Oreille Bonner Development, LLC Appearance Bradley C Crockett	Michael J Griffin
	MOTN	HENDRICKSO	Plaintiff's Motion to Amend the Caption and Reference to Plaintiff in the First Amended Complaint by Virtue of Name Change	Michael J Griffin
	AFFD	HENDRICKSO	Affidavit of Counsel in Support of Plaintiff's Motion to Amend The Caption and Reference to Plaintiff in the First Amended Complaint by Virtue of Name Change	Michael J Griffin
	NOHG	HENDRICKSO	Notice of Hearing re: Plaintiff's Motion To Amend Caption and Reference to Plaintiff	Michael J Griffin
	HRSC	HENDRICKSO	Hearing Scheduled (Motion 09/20/2012 04:00 PM) Plaintiff's Motion to Amend Caption and Reference to Plaintiff	Michael J Griffin
	MOTN	HENDRICKSO	Plaintiff's Motion To Allow the Parties to Appear Telephonically at Plaintiff's Motion Calendared for Hearing on September 20, 2012 4:00 pm	Michael J Griffin
8/30/2012	ORDR	HENDRICKSO	Order Granting Plaintiffs Motion To Appear Telephonically at its Motions Calendared for Hearing on September 20, 2012 at 4:00 pm	Michael J Griffin
	MOTN	HENDRICKSO	Plaintiff's Motin To Strike Demand for Jury Trial by Counterclaimant, JV, LLC	Michael J Griffin
	MEMO	HENDRICKSO	Memorandum in Support of Plaintiff,s Motion To Strike Demand for Jury Trial By Counterclaimant, JV LLC	Michael J Griffin
	NOHG	HENDRICKSO	Notice of Hearing re: Plaintiff's Motion to Strike Demand For Jury Trial	Michael J Griffin
	HRSC	HENDRICKSO	Hearing Scheduled (Motion 09/20/2012 04:00 PM) Plaintiff's Motin to Strike Demand for Jury Trial	Michael J Griffin
9/5/2012	NOTC	HENDRICKSO	North Idaho Resorts' Notice of Intent to Participate by Telephone in Hearing on September 20, 2012	Michael J Griffin
9/12/2012	MISC	HENDRICKSO	Notice of Intent to Participate by phone faxed to Judge Griffin	Michael J Griffin
9/13/2012	NOSV	OPPELT	Notice Of Service of Plaintiff's Response to North Idaho Resorts, LLC's First Set of Requests for Admissions	Michael J Griffin
9/17/2012	HRVC	HENDRICKSO	Hearing result for Motion scheduled on 10/04/2012 08:30 AM: Hearing Vacated Plaintiff's Motin to Strike Demand for Jury Trial - by telephone	Michael J Griffin
9/18/2012	NOHG	HENDRICKSO	Amended Notice of Hearing - (Changing from September 9, 2012) and JV, LLC's Consent to Plaintiff's Motions and JV, LLC's Withdrawal of Demand for Jury	Michael J Griffin

Date	Code	User	Judge	
9/18/2012	HRSC	HENDRICKSO	Hearing Scheduled (Motion 10/04/2012 08:30 AM) Plaintiff's Motin to Strike Demand for Jury Trial - by telephone	Michael J Griffin
	HRSC	HENDRICKSO	Hearing Scheduled (Motion 10/04/2012 08:30 AM) Plaintiff's Moti0n to Strike Demand for Jury Trial - by telephone	Michael J Griffin
	HRVC	HENDRICKSO	Hearing result for Motion scheduled on 09/20/2012 04:00 PM: Hearing Vacated Plaintiff's Motion to Amend Caption and Reference to Plaintiff	Michael J Griffin
	HRSC	HENDRICKSO	Hearing Scheduled (Motion 10/04/2012 08:30 AM) Plaintiff's Motion to Amend Caption and Reference to Plaintiff	Michael J Griffin
	HRVC	HENDRICKSO	Hearing result for Motion scheduled on 09/20/2012 04:00 PM: Hearing Vacated Idaho County Court Attorney J. Miller by telephone Attorney S. Wetzel by telephone	Michael J Griffin
	HRSC	HENDRICKSO	Hearing Scheduled (Motion 10/04/2012 08:30 AM) Idaho County Court Attorney J. Miller by telephone Attorney S. Wetzel by telephone	Michael J Griffin
9/19/2012	HRVC	HENDRICKSO	Hearing result for Motion scheduled on 09/20/2012 04:00 PM: Hearing Vacated Plaintiff's Motin to Strike Demand for Jury Trial	Michael J Griffin
	NOTC	HENDRICKSO	Defendants Dan S. Jacobson, Sage HOldings, LLC and Steven G. Lazar's Notice of Non-Opposition re: October 4, 2012	Michael J Griffin
	NOTC	HENDRICKSO	R.E. Loans, LLC's Notice of Non-Opposition [re: October 4, 2012, Hearings]	Michael J Griffin
10/4/2012	WDRW	HENDRICKSO	Hearing result for Motion scheduled on 10/04/2012 08:30 AM: Withdrawn Plaintiff's Motion to Strike Demand for Jury Trial - by telephone	Michael J Griffin
	GRNT	HENDRICKSO	Hearing result for Motion scheduled on 10/04/2012 08:30 AM: Motion Granted Plaintiff's Motion to Amend Caption and Reference to Plaintiff	Michael J Griffin
	GRNT	HENDRICKSO	Hearing result for Motion scheduled on 10/04/2012 08:30 AM: Motion Granted Idaho County Court Attorney J. Miller by telephone Attorney S. Wetzel by telephone	Michael J Griffin
10/10/2012	ORDR	OPPELT	Order Granting Motion to Strike Demand for Jury	Michael J Griffin
10/17/2012	ORDR	OPPELT	Order Granting Motion to Amend the Caption and Reference to Plaintiff in the First Amended Complaint by Virtue of Name Change	Michael J Griffin

Date	Code	User		Judge
10/19/2012	DCHH	HENDRICKSO	Hearing result for Motion scheduled on 10/04/2012 08:30 AM: District Court Hearing Held - By Phone Grangeville Idaho Court Reporter: K. Evans Number of Transcript Pages for this hearing estimated: Plaintiff's Motion to Amend Caption and Reference to Plaintiff	Michael J Griffin
10/31/2012	REQU	JACKSON	Request from Judge's clerk for copy of 8-27-12 stipulation	Michael J Griffin
	CINF	JACKSON	Clerk Information - Copy of Stipulation sent to Judge's Clerk per request	Michael J Griffin
1/4/2013	ORDR	HENDRICKSO	Order Granting Second Motion to Amend the Caption and Reference to Plaintiff in the First Amended Complaint by Virtue of Name Change	Michael J Griffin
1/14/2013	MOTN	HENDRICKSO	Plaintiffs Motion to Allow the Parties to Appear Telephonically at Plaintiff's Motion Calendared for Hearing on January 31, 2013 at 10:30am	Michael J Griffin
	NOHG	HENDRICKSO	Notice of Hearing re: Plaintiff's Second Motion to Amend Caption and Reference to Plaintiff; and Notice of Trial Setting and Scheduling Conference	Michael J Griffin
	HRSC	HENDRICKSO	Hearing Scheduled (Motion 01/31/2013 10:30 PM) By telephone Second Motion to Amend Caption and Reference to Plaintiff	Michael J Griffin
	MOTN	HENDRICKSO	Plaintiff's Motion to Amend the Caption and Reference to Plaintiff in the First Amended Complaint by Virtue of Name Change	Michael J Griffin
	AFFD	HENDRICKSO	Affidavit of Counsel in Support of Plaintiff's Second Motion to Amend the Caption and Reference to Plaintiff in The First Amended Complaint by Virtue of Name Change	Michael J Griffin
1/16/2013	ORDR	HENDRICKSO	Order Granting Plaintiffs Motion to Appear Telephonically at its Motion s Calendared for Hearing on January 31, 2013 at 10:30am	Michael J Griffin
	NOTC	HENDRICKSO	R.E. Loans, LLC's Notice of Intenet to Appear by Telephone [January 31st, 2013 Hearings]	Michael J Griffin
1/23/2013	NOTC	HENDRICKSO	Defendants Dan S, Jacobson, Sage Holdings, LLC and Steven G. Lazar's Notice of NonOpposition and Intent to Appear by Telephone - re: January 31, 2013 Hearing	Michael J Griffin
1/28/2013	RSPN	HENDRICKSO	Defendant North Idaho Resorts, LLC Response to Plaintiff's Motion to Amend the Caption and Reference to Plaintiff in the First Amended Complaint by Virtue of Name Change	Michael J Griffin
1/29/2013	MISC	HENDRICKSO	R.E. Loans, LLC's Notice of Non-Opposition [RE: January 31, 2013 Hearing]	Michael J Griffin

Case: CV-2011-0000135 Current Judge: Idaho Supreme Court
 MUFG Union Bank N.A. vs. Pend Oreille Bonner Development, LLC, etai.

Date	Code	User		Judge
1/29/2013	NOTC	HENDRICKSO	Defendant North Idaho Resorts, LLC's Notice of Intent to Appear Telephonically	Michael J Griffin
1/31/2013	CTLG	OPPELT	Court Log- From Grangeville, Idaho	Michael J Griffin
	DCHH	OPPELT	Hearing result for Motion scheduled on 01/31/2013 10:30 PM: District Court Hearing Held Court Reporter: Keith Evans Number of Transcript Pages for this hearing estimated: Attorney J. Miller and Plaintiff's By telephone / Defendant Attorney Weeks by telephone - Less Than 100 Pages Second Motion to Amend Caption and Reference to Plaintiff	Michael J Griffin
2/4/2013	ORDR	OPPELT	Order Scheduling Case for Trial	Michael J Griffin
	HRSC	OPPELT	Hearing Scheduled (Court Trial - 3 Days 10/30/2013 09:00 AM) In Bonner County	Michael J Griffin
	HRSC	OPPELT	Hearing Scheduled (Pretrial Conference 10/08/2013 09:00 AM) In Idaho County	Michael J Griffin
2/12/2013	NOTC	HENDRICKSO	Notice of Change of Address - Attorney Anderson	Michael J Griffin
3/18/2013	APED	BOWERS	Application For Entry Of Default Judgment as to Defendant Pend Oreille Bonner Development, LLC	Michael J Griffin
	AFFD	BOWERS	Affidavit of Kim Von Disterlo in Support of Request for Entry of Default Judgment as to Defendant Pend Oreille Bonner Development, LLC	Michael J Griffin
3/20/2013	NOHG	HENDRICKSO	Notice of Hearing re: Plaintiff's Motion for Partial Summary Judgments as to Defendants North Idaho Resorts, LLC and JV, LLC: RE Priority	Michael J Griffin
	HRSC	HENDRICKSO	Hearing Scheduled (Motion for Partial Summary Judgment 04/19/2013 11:00 AM)	Michael J Griffin
	MOTN	HENDRICKSO	Motion for Judgment on the Pleadings (IRCP 12(c)) by Defendant JV, LLC and Notice of Hearing	Michael J Griffin
	HRSC	HENDRICKSO	Hearing Scheduled (Motion 04/19/2013 11:00 AM) Bonner County	Michael J Griffin
	MEMO	HENDRICKSO	JV, LLC's Memorandum - In Support of its Motion for Judgment on the Pleadings (IRCP 12(c))	Michael J Griffin
3/21/2013	NOWD	BOWERS	Notice Of Withdrawal of Hearing Re Plaintiff's Motions for Partial Summary Judgments as to Defendants North Idaho Resorts, LLC and JV, LLC: Re Priority	Michael J Griffin
3/22/2013	NOFH	BOWERS	Notice Of Hearing Re Plaintiff's Motions for Partial Summary Judgments as to Defendants North Idaho Resorts, LLC and JV, LLC: Re Priority	Michael J Griffin

Date	Code	User		Judge
3/22/2013	HRSC	BOWERS	Hearing Scheduled (Motion for Partial Summary Judgment 04/19/2013 11:00 AM) Plaintiff's Motions for Partial Summary Judgments as to Defendants North Idaho Resorts, LLC and JV, LLC Re: Priority	Michael J Griffin
	HRVC	BOWERS	Hearing result for Motion for Partial Summary Judgment scheduled on 04/19/2013 11:00 AM: Hearing Vacated Plaintiff's Motions for Partial Summary Judgments as to Defendants North Idaho Resorts, LLC and JV, LLC Re: Priority	Michael J Griffin
4/1/2013	ORDR	JACKSON	Order for Default Judgment and Decree of Foreclosure as to Defendant Pend Oreille Bonner Development, LLC	Michael J Griffin
4/3/2013	MISC	JACKSON	Notice of Compliance / Disclosure of Plaintiff's Expert Witnesses	Michael J Griffin
4/4/2013	MEMO	JACKSON	JV, LLC'S Supplemental Memorandum - In Support of Its Motion for Judgment on the Pleadings and Correction to Paragraph VII, 5 and Waiver of Oral Argument	Michael J Griffin
	MISC	JACKSON	Supplemental Plaintiff's Expert Witness Disclosure	Michael J Griffin
4/8/2013	MEMO	BOWERS	Memorandum in Support of Plaintiff's Opposition to Motion for Judgment on the Pleadings by JV, LLC	Michael J Griffin
	AFFD	BOWERS	Affidavit of John E. Miller in Support of Opposition to JV, LLC's Motion for Judgment on the Pleadings	Michael J Griffin
	MOTN	BOWERS	Plaintiff's Motion to Allow the Parties to Appear Telephonically at JV, LLC's Motions Calendared for Hearing on April 19, 2013 at 11:00 AM	Michael J Griffin
4/9/2013	CDIS	BOWERS	Civil Disposition entered for: Pend Oreille Bonner Development, LLC, Defendant; Lazar, Steven G, Defendant; Union Bank, National Association, Plaintiff. Filing date: 4/9/2013	Michael J Griffin
	NOTC	JACKSON	North Idaho Resort's Notice of Intent to Participate by Telephone in Hearings on April 19, 2013	Michael J Griffin
4/10/2013	NOTC	BOWERS	Defendants Dan S. Jacobson, Sage Holdings, LLC, and Steven G. Lazar's Notice of Intent to Appear by Telephone Re: April 19, 2013 Hearing	Michael J Griffin
4/12/2013	AFFD	JACKSON	Affidavit of Terrilyn S. Baron in Support of Opposition to JV, LLC's Motion for Judgment on the Pleadings (hrg 4-19)	Michael J Griffin
	MISC	JACKSON	FAX sheet	Michael J Griffin
4/15/2013	MISC	JACKSON	FAX sheet - fax'd Order Granting Plaintiff's Motion re hearing	Michael J Griffin
	MISC	HENDRICKSO	R.E. Loans, LLC's Notice of Intent to Appear by Telephone	Michael J Griffin

Date	Code	User		Judge
4/16/2013	ORDR	HENDRICKSO	Order Granting Plaintiffs Motion to Appear Telephonically at JV,LLV's Motion Calendared for Hearing on April 19th, 2012 at 11:00 am	Michael J Griffin
4/18/2013	REPL	HENDRICKSO	JV, LLC's Reply to Plaintiff's Memorandum in Support of Plaintiff's Opposition to Motion for Judgment on the Pleadings by JV, LLC and.....	Michael J Griffin
	MOTN	HENDRICKSO	JV, LLC's Motion to Strike Bank's Memorandum and the Supporting Affidavit of Terrilyn S. Baron	Michael J Griffin
	MISC	HENDRICKSO	****END OF FILE #3****BEGIN FILE #4*****	Michael J Griffin
4/19/2013	CTLG	OPPELT	Court Log- From Idaho County - No CD Received	Michael J Griffin
	DCHH	OPPELT	Hearing result for Motion scheduled on 04/19/2013 11:00 AM: District Court Hearing Held Court Reporter: Keith Evans Number of Transcript Pages for this hearing estimated: Less Than 100 Pages	Michael J Griffin
	DCHH	OPPELT	Hearing result for Motion for Partial Summary Judgment scheduled on 04/19/2013 11:00 AM: District Court Hearing Held Court Reporter: Keith Evans Number of Transcript Pages for this hearing estimated: Attorney Miller by phone - Less Than 100 Pages	Michael J Griffin
4/26/2013	ANSW	HENDRICKSO	R.E. Loans, LLC's Answer to JV LLC's Cross-Claim	Michael J Griffin
4/29/2013		HENDRICKSO	Filing: K4 - Cross Claim (defendant v defendant or plaintiff v. plaintiff) This fee is in addition to any fee filed as a plaintiff to initiate the case or as a defendant appearing in the case Paid by: Meuleman Mollerup Receipt number: 0489878 Dated: 5/2/2013 Amount: \$14.00 (Check) For: R.E. Loans LLC, a California Limited Liability Co (defendant)	Michael J Griffin
	ANSW	HENDRICKSO	R.E. Loans, LLC's Answer to North Idaho Resorts, LLC's Cross-Claim and Cross-Claim Against North Idaho Resorts, LLC	Michael J Griffin
5/1/2013	ORDR	HUMRICH	Order Denying Motion for Judgment on the Pleadings	Michael J Griffin
5/2/2013	APPL	HENDRICKSO	Application for Entry of Default Judgment as to the Defaulted Defendants	Michael J Griffin
5/7/2013	NOSV	HENDRICKSO	Notice of Service of Discovery	Michael J Griffin
5/9/2013	ORDR	HENDRICKSO	Order for Default Judgment and Decree of Foreclosure as to Other Defaulted Defendants (6 pgs)	Michael J Griffin
5/14/2013	WITN	HENDRICKSO	R.E. Loans, LLC's Expert Witness Disclosure	Michael J Griffin
5/15/2013	NOSV	HENDRICKSO	Notice Of Service of Discovery	Michael J Griffin

Date	Code	User		Judge
5/17/2013	WITN	HENDRICKSO	North Idaho Resport's Expert Witness Disclosure	Michael J Griffin
5/28/2013	STIP	HENDRICKSO	Stipulation re: Priorities Between Union Bank, N.A. and ACI Northwest, Inc	Michael J Griffin
5/30/2013	NOTC	HENDRICKSO	Notice of Change of Address - Attorney J. E. Miller	Michael J Griffin
6/6/2013	NOHG	HENDRICKSO	Notice of Hearing re: Plaintiff's Motion for Partial Summary Judgments as to Defendants North Idaho Resorts, LLC and JV, LLC: RE Priority	Michael J Griffin
	HRSC	HENDRICKSO	Hearing Scheduled (Motion for Partial Summary Judgment 07/08/2013 09:00 AM) Attorney J. Miller by phone	Michael J Griffin
6/11/2013	NOHG	HENDRICKSO	Amended Notice of Hearing re: Plaintiff's Motion for Partial Summary Judgments as to Defendants North Idaho Resorts, LLC and JV, LLC: Re: Priority	Michael J Griffin
	CONT	HENDRICKSO	Continued (Motion for Partial Summary Judgment 07/29/2013 09:30 AM) Attorney J. Miller by phone	Michael J Griffin
6/17/2013	NOTC	HENDRICKSO	JV, LLC's Notice of Serving Answers to R.E. Loans, LLC's First Set of Discovery Requests to JV, LLC	Michael J Griffin
6/24/2013	NOSV	HENDRICKSO	Notice of Service Defendant North Idaho Resorts, LLC's Answer and Responses to R.E. Loans, LLC's First Set of Discovery Request to North Idaho Resorts, LLC	Michael J Griffin
	MISC	HENDRICKSO	*****END OF FILE #4*****BEGIN FILE #5***** EXPANDO #2	Michael J Griffin
7/1/2013	MOTN	OPPELT	Plaintiff's Motions for Partial Summary Judgments as to Defendants North Idaho Resorts, LLC and JV, LLC: Re Reformation and Priority	Michael J Griffin
	MEMO	OPPELT	Plaintiff's Memorandum in Support of Motions for Partial Summary Judgments as to Defendants North Idaho Resorts, LLC and JV, LLC: Re Reformation and Priority	Michael J Griffin
	AFFD	OPPELT	Affidavit of John E. Miller in Support of Motions for Partial Summary Judgment Re Reformation and Priority	Michael J Griffin
	AFFD	OPPELT	Affidavit of Terrilyn S. Baron in Support of Motions for Partial Summary Judgments as to Defendants North Idaho Resorts, LLC and JV, LLC: Re Reformation and Priority	Michael J Griffin
	AFFD	OPPELT	Affidavit of Rick Lynskey in Support of Motions for Partial Summary Judgments as to Defendants North Idaho Resorts, LLC and JV, LLC: Re Reformation and Priority	Michael J Griffin
	AFFD	OPPELT	Supplemental Affidavit of Rick Lynskey in Support of Motions for Partial Summary Judgments as to Defendants North Idaho Resorts, LLC and JV, LLC: Re Reformation and Priority	Michael J Griffin

Date	Code	User		Judge
7/1/2013	REQU	OPPELT	Request for Judicial Notice (Idaho Rules of Evidence, Rule 201(b)(d))	Michael J Griffin
	MOTN	OPPELT	Plaintiffs Motion to Allow the Parties to Appear Telephonically at Plaintiff's Motions for Partial Summary Judgment Calendared for Hearing on July 29, 2013 at 9:30 AM	Michael J Griffin
7/2/2013	MOTN	OPPELT	Corrected Plaintiffs Motion to Allow the Parties to Appear Telephonically at Plaintiff's Motions for Partial Summary Judgment Calendared for Hearing on July 29, 2013 at 9:30 AM	Michael J Griffin
	ORDR	OPPELT	Order Granting Plaintiffs Motion to Appear Telephonically at Plaintiff's Motions for Partial Summary Judgment Calendared for Hearing on July 29, 2013 at 9:30 AM	Michael J Griffin
7/15/2013	MISC	HENDRICKSO	R.E. Loans, LLC's Amended Cross-Claim Against North Idaho Resorts, LLC	Michael J Griffin
	MOTN	HENDRICKSO	Defendant North Idaho Resport, LLC's Motion for Enlargement of Time	Michael J Griffin
	AFFD	HENDRICKSO	JV, LLC's Affidavit of James W. Berry in Opposition to Plaintiff's Motion for Partial Summary Judgment	Michael J Griffin
	MEMO	HENDRICKSO	JV, LLC's Memorandum in Opposition to Plaintiff's Motion for Partial Summary Judgment	Michael J Griffin
	MEMO	HENDRICKSO	Defendant North Idaho Resort, LLC's Memorandum in Opposition to Plaintiff's Motion for Summary Judgment	Michael J Griffin
	AFFD	HENDRICKSO	Affidavit of Weeks in Opposition to Plaintiff's Motion for Summary Judgment	Michael J Griffin
	MISC	HENDRICKSO	*****END OF FILE #5*****BEGIN FILE #6*****	Michael J Griffin
7/16/2013	AFFD	HENDRICKSO	Affidavit of Richard Villelli in Opposition to Plaintiff's Motion for Summary Judgment	Michael J Griffin
7/18/2013	MOTN	OPPELT	R.E. Loans, LLC's Motion for Partial Summary Judgment Against North Idaho Resorts, LLC	Michael J Griffin
	MEMO	OPPELT	R.E. Loans, LLC's Memorandum in Support of Motion for Partial Summary Judgment	Michael J Griffin
	AFFD	OPPELT	Affidavit of Chad M. Nicholson in Support of R.E. Loans, LLC's Motion for Partial Summary Judgment Against North Idaho Resorts, LLC	Michael J Griffin
	NOTC	OPPELT	R.E. Loans, LLC's Request for Judicial Notice Pursuant to I.R.E. 201(b)	Michael J Griffin
	NOFH	OPPELT	Notice Of Telephonic Hearing on R.E. Loans, LLC's Motion for Partial Summary Judgment Against North Idaho Resorts, LLC	Michael J Griffin
	HRSC	OPPELT	Hearing Scheduled (Motion for Partial Summary Judgment 08/26/2013 03:00 PM) In Idaho County - Telephonic	Michael J Griffin

Date	Code	User		Judge
7/19/2013	NOTC	BOWERS	Defendants Dan S. Jacobson, Sage Holdings, LLC, and Steven G. Lazar's Notice of Intent to Appear by Telephone	Michael J Griffin
7/23/2013	REPL	BOWERS	Plaintiff's Reply Memorandum to Defendant JV, LLC's Opposition to Plaintiff's Motion for Partial Summary Judgment	Michael J Griffin
7/24/2013	REPL	BOWERS	Plaintiff's Reply Memorandum to Defendant North Idaho Resorts, LLC's Opposition to Plaintiff's Motion for Partial Summary Judgment	Michael J Griffin
	NOTC	BOWERS	R.E. Loans, LLC's Notice of Intent to Appear Telephonically	Michael J Griffin
7/25/2013	NOTC	OPPELT	Defendant's North Idaho Resort. LLC's Notice of Intent to Appear by Phone	Michael J Griffin
	MISC	HENDRICKSO	*****END OF FILE #6***BEGIN FILE #7*****	Michael J Griffin
7/29/2013	DCHH	HENDRICKSO	Hearing result for Motion for Partial Summary Judgment scheduled on 07/29/2013 09:30 AM: District Court Hearing Held Court Reporter: Keith Evans Number of Transcript Pages for this hearing estimated: (To be heard in Idaho County) - Susan Weeks telephonic	Michael J Griffin
8/7/2013	NOSV	HENDRICKSO	Notice of Service of Plaintiff's First Set of Interrogatories and Requests for Production to North Idaho Resorts	Michael J Griffin
8/12/2013	CERT	HENDRICKSO	Amended Certificate of Service re: Defendant North Idaho Resort, LLC's Memorandum in Opposition to RE Loans Motion for Partial Summary Judgment	Michael J Griffin
	NOSV	HENDRICKSO	Notice of Service of Plaintiff's First Set of Interrogatories and Requests for Production to JV, LLC	Michael J Griffin
	AFFD	HENDRICKSO	James W. Berry's Affidavit in Opposition to R.E. Loans's Motion for Partial Summary Judgment	Michael J Griffin
	MEMO	HENDRICKSO	Defendant North Idaho Resort, LLC's Memorandum in Opposition to R.E. Loan's Motion for Partial Summary Judgment	Michael J Griffin
8/13/2013	NOSV	HENDRICKSO	Notice of Service of Plaintiff's Second Set of Interrogatories and Requests for Production to JV, LLC	Michael J Griffin
8/20/2013	NOTC	HENDRICKSO	Notice Vacating Hearing on R.E. Loans, LLC's Motion for Partial Summary Judgment Against North Idaho Resorts, LLC	Michael J Griffin
	STIP	HENDRICKSO	Stipulation as to Claims of North Idaho Resorts, LLC Against R.E. Loans, LLC	Michael J Griffin
	MISC	HENDRICKSO	R.E. Loans, LLC Disclaimer of Interest In Trestle Creek	Michael J Griffin

Date	Code	User	Judge
8/22/2013	HRVC	HENDRICKSO	Hearing result for Motion for Partial Summary Judgment scheduled on 08/26/2013 03:00 PM: Hearing Vacated In Idaho County - Telephonic
	HRVC	HENDRICKSO	Hearing result for Motion for Partial Summary Judgment scheduled on 08/26/2013 03:00 PM: Hearing Vacated In Idaho County - Telephonic - Per Judge Griffin by phone 8-22-2013 / 924am
8/28/2013	MEMO	HENDRICKSO	Memorandum on Partial Summary Judgment RE JV, LLC
	ORDR	HENDRICKSO	Order Granting Partial Summary Judgment RE JV, LLC
	MEMO	HENDRICKSO	Memorandum on Partial Summary Judgment RE NIR
	ORDR	HENDRICKSO	Order Granting Partial Summary Judgment RE NIR in Part
	REQU	HENDRICKSO	JV, LLC's Request to Charles Reeves - For Docuemtns re: His Deposition of August 19, 13
9/3/2013	MISC	HENDRICKSO	M&M Court Reporting Service, Inc re: Deponent: James W. Berry
	MISC	HENDRICKSO	M&M Court Reporting Service, Inc re: Deponent: Gary A. Finney, Esq.
9/5/2013	MISC	HENDRICKSO	M&M Court Reporting Service, Inc re: Deponent: Charles Reeves
9/11/2013	STIP	HENDRICKSO	Stipulation as to Claims of JV, LLC Against R.E. Loans, LLC
	MISC	HENDRICKSO	M&M Court Reporting Service, Inc re: Deponent Richard A. Villelli
9/16/2013		BRACKETT	Miscellaneous Payment: For Making Copy Of Any File Or Record By The Clerk, Per Page Paid by: North Idaho Title Receipt number: 0496919 Dated: 9/16/2013 Amount: \$22.00 (Check)
		BRACKETT	Miscellaneous Payment: For Certifying The Same Additional Fee For Certificate And Seal Paid by: North Idaho Title Receipt number: 0496919 Dated: 9/16/2013 Amount: \$6.00 (Check)
9/18/2013		BOWERS	Miscellaneous Payment: For Making Copy Of Any File Or Record By The Clerk, Per Page Paid by: Bonner Comm Golf & Recreation Receipt number: 0497073 Dated: 9/18/2013 Amount: \$10.00 (Check)
9/19/2013	REQU	HENDRICKSO	R.E. Loans, LLC's Request for Documents form Deponent Clarkes Reeves [Re: August 19, 2013 Deposition]
	MOTN	HENDRICKSO	JV, LLC's Motion to Alter and Amend Order Granting Partial Summary Judgment RE: JV, LLC, and Motion to Reconsider
9/27/2013	STIP	HENDRICKSO	Stipulation to Continue Trial

Date	Code	User		Judge
9/30/2013	ORDR	HENDRICKSO	Order to Continue Trial - Granted	Michael J Griffin
	CONT	HENDRICKSO	Hearing result for Court Trial - 3 Days scheduled on 10/30/2013 09:00 AM: Continued In Bonner County - By Stipulated Order	Michael J Griffin
	MISC	HENDRICKSO	Plaintiff's Preliminary Opposition to Motion to Alter and Amend Order Granting Partial Summary Judgment and Motio to Reconsider by JV, LLC	Michael J Griffin
	CINF	HENDRICKSO	At the time the above Plaintiff's Preliminary Opposition was file, no notice of hearing filed. waiting for dec court calendar. email to Jane (Judge Griffin's clerk) to advise. I will contact her again on Monday 10-7	Michael J Griffin
10/1/2013	HRVC	HENDRICKSO	Hearing result for Pretrial Conference scheduled on 10/08/2013 09:00 AM: Hearing Vacated In Idaho County - Per Judge Griffin	Michael J Griffin
10/9/2013	HRSC	HENDRICKSO	Hearing Scheduled (Motion 12/20/2013 10:30 AM) Re: JV, LLC's Motion to Alter/Reconsider	Michael J Griffin
10/16/2013	NOSV	HENDRICKSO	Notice of Service of Defendant North Idaho Resorts, LLC's Answer and Responses to Plaintiff's First Set of Interrogatoeis and Requests for Production of Documents to North Idaho Resorts, LLC	Michael J Griffin
	RSPN	HENDRICKSO	Plaintiff's Response to Defendant's Objection and Reply in Support of Motion for Leave to Amend Complaint and Add Defendant's	Michael J Griffin
10/25/2013	NOSV	HENDRICKSO	JV, LLC's Notice of Serving Answers to Union Bank's First and Second Set of Discovery Requests to JV, LLC	Michael J Griffin
11/4/2013	MISC	HENDRICKSO	M&M Court Reporting Service, Inc Deponent: Charles Reeves	Michael J Griffin
	MISC	HENDRICKSO	M&M Cousrt Reporting Service, Inc Deponent: Richard A. Villelli	Michael J Griffin
11/21/2013	RQTS	HENDRICKSO	Request For Trial Setting	Michael J Griffin
11/27/2013	NOHG	HENDRICKSO	Second Amended Notice of Hearing on Motion to Enter Judgment	Michael J Griffin
12/2/2013	HRSC	HENDRICKSO	Hearing Scheduled (Hearing Scheduled 12/06/2013 11:00 AM) Telephone Conference	Michael J Griffin
		HENDRICKSO	Notice Of Hearing	Michael J Griffin
	RQTS	HENDRICKSO	R.E. Loans, LLC's Response to Request for Trial Setting	Michael J Griffin
12/4/2013	CONT	HENDRICKSO	Continued (Hearing Scheduled 12/06/2013 01:00 PM) Telephone Conference - Attorney's to contact court	Michael J Griffin
		HENDRICKSO	Amended Notice Of Hearing	Michael J Griffin

Date	Code	User		Judge
12/6/2013	DCHH	HENDRICKSO	Hearing result for Hearing Scheduled scheduled on 12/06/2013 01:00 PM: District Court Hearing Held Court Reporter: Keith Evans Number of Transcript Pages for this hearing estimated: Telephone Conference - Attorney's to contact court	Michael J Griffin
12/9/2013	ORDR	HENDRICKSO	Order for Hearing re: Trial Setting	Michael J Griffin
	ORDR	HENDRICKSO	Order for Hearing re: JV, LLC's Motion to Alter/Reconsider	Michael J Griffin
	HRSC	HENDRICKSO	Hearing Scheduled (Hearing Scheduled 12/09/2013 10:30 AM) re: Trial Setting	Michael J Griffin
	CONT	OPPELT	Hearing result for Hearing Scheduled scheduled on 12/09/2013 10:30 AM: Continued re: Trial Setting - To 12-20-13	Michael J Griffin
12/12/2013	MISC	HENDRICKSO	Acknowledgment Pursuant to Rule 16(k)(7) IRCP Regarding Case Status/Mediation - Mediation did not result in a resolution of the case	Michael J Griffin
12/13/2013	NOTC	HENDRICKSO	R.E. Loans, LLC's Notice re: Order for Hearing re: JV, LLC's Motion to Alter/Reconsider	Michael J Griffin
12/16/2013	OBJC	HENDRICKSO	Plaintiff's Written Objections to Presented Evidence by JV, LLC	Michael J Griffin
	MEMO	HENDRICKSO	Plaintiff's Memorandum in Opposition to Motin to Alter and Amend Order Granting Partial Summary Judgment and Motion to Reconsider by JV, LLC	Michael J Griffin
12/20/2013	CMIN	RASOR	Court Minutes Hearing type: Motion Hearing date: 12/20/2013 Time: 10:17 am Courtroom: Court reporter: Minutes Clerk: Sandra Rasor Tape Number: 1	Michael J Griffin
	DCHH	OPPELT	Hearing result for Motion scheduled on 12/20/2013 10:30 AM: District Court Hearing Held Court Reporter: None Number of Transcript Pages for this hearing estimated: Re: JV, LLC's Motion to Alter/Reconsider - More Than 100 Pages	Michael J Griffin
1/3/2014	FFCL	HENDRICKSO	Amended Finding and Conclusions	Michael J Griffin
	ORDR	HENDRICKSO	Order Affirming Partial Summary Judgment Re: JV, LLC	Michael J Griffin
1/14/2014	HRSC	OPPELT	Hearing Scheduled (Court Trial - 5 Days 05/12/2014 09:00 AM) In Bonner County	Michael J Griffin
		OPPELT	Amended Notice Of Trial	Michael J Griffin
1/21/2014	NSSC	HENDRICKSO	Notice of Substitution of Handling Attorney	Michael J Griffin

Date	Code	User		Judge
1/21/2014	APER	HENDRICKSO	Defendant: North Idaho Resorts LLC, an Idaho limited liability Appearance Susan P. Weeks	Michael J Griffin
1/23/2014	MOTN	HENDRICKSO	Plaintiff's Motion for Enlargement of Time for Filing of Affidavit in Support of Memorandum of Attorney's Fees and Costs as to Defendant JV, LLC	Michael J Griffin
	MEMO	HENDRICKSO	Plaintiff's Memorandum of Attorney's Fees and Costs as to Defendant JV, LLC	Michael J Griffin
1/24/2014	CINF	HENDRICKSO	Documents faxed to Judge Griffin	Michael J Griffin
1/30/2014	MOTN	HENDRICKSO	JV, LLC's Motion to Deny Plaintiff's Motion for Enlargement of Time, and JV, LLC's Objection and Motion to Disallow Plaintiff's Memorandum of Attorney's Fees and Costs as Related to JV, LLC	Michael J Griffin
2/7/2014	MEMO	HENDRICKSO	Plaintiff's Supplemental Memorandum of Attorney's Fees and Costs as to Defendant JV, LLC; and Reply to Opposition Submitted by JV, LLC	Michael J Griffin
	AFFD	HENDRICKSO	Affidavit of John E. Miller in Support of Plaintiff's Memorandum of Attorney's Fees and Costs as to Defendant JV, LLC	Michael J Griffin
2/18/2014	MOTN	OPPELT	JV, LLC's Motion to Deny Plaintiff's Supplemental Memorandum of Attorney's Fees and Costs as to Defendant, JV, LLC, and JV, LLS's Objection and Motion to Disallow Plaintiff's Supplemental Memorandum of Attorney's Fees and Costs as Related to JV, LLC	Michael J Griffin
2/20/2014	REPL	OPPELT	Plaintiff's Reply to Motion and Objection Submitted by JV, LLC on February 18, 2014 Request for Telephonic Hearing	Michael J Griffin
3/6/2014	NOFH	OPPELT	Notice Of Hearing	Michael J Griffin
	HRSC	OPPELT	Hearing Scheduled (Motion for Attorney fees and Costs 03/26/2014 09:00 AM) (Pacific Standard Time) - To be held in Idaho County	Michael J Griffin
3/7/2014	LETT	OPPELT	Letter From John E. Miller	Michael J Griffin
3/18/2014		KRAMES	Miscellaneous Payment: Tape/copy Time Fee Paid by: Finney, Finney & Finney Receipt number: 0004457 Dated: 3/18/2014 Amount: \$5.00 (Check)	Michael J Griffin
		KRAMES	Miscellaneous Payment: Court Tape Fee Paid by: Finney, Finney & Finney Receipt number: 0004457 Dated: 3/18/2014 Amount: \$1.25 (Check)	Michael J Griffin
		KRAMES	Miscellaneous Payment: Court Tape Sales Tax Paid by: Finney, Finney & Finney Receipt number: 0004457 Dated: 3/18/2014 Amount: \$.08 (Check)	Michael J Griffin

Date	Code	User	Judge
3/19/2014		HUMRICH	Miscellaneous Payment: For Making Copy Of Any File Or Record By The Clerk, Per Page Paid by: Finney, Finney & Finney Receipt number: 0004569 Dated: 3/19/2014 Amount: \$3.00 (Check)
	MOTN	HENDRICKSO	JV, LLC's Motion to Compel the Union Bank Plaintiff to Produce Docuemtns, Motion to Vacate and Continue Trial, and Request for Expedited Telephone Hearing
3/20/2014	MOTN	HENDRICKSO	JV, LLC's Supplement to Motion to Compel the Union Bank Plaintiff to Produce Documents (The Court Record of the Hearing 12-20-2013)
3/26/2014	DCHH	HENDRICKSO	Hearing result for Motion for Attorney fees and Costs scheduled on 03/26/2014 09:00 AM: District Court Hearing Held Court Reporter: Keith Evans Number of Transcript Pages for this hearing estimated: (Pacific Standard Time) - To be held in Idaho County
3/27/2014	MEMO	HENDRICKSO	Plaintiff's Memorandum in Opposition to Motion to Compel and to Vacate and Continue Trial by JV, LLC: and Motion for Proitective Order
	AFFD	HENDRICKSO	Affidavit of John E. Miller in Support of Opposition to JV, LLC's Motion to Compel and Continue Trial; and in Support of Motion For Protection Order
	MISC	HENDRICKSO	Errata Attachment to Affidavit of John E. Miller in Support of Opposition to JV, LLC's Moton to Compel and Continue Trial; and in Support of Motion for Protective Order
4/3/2014	REQU	HENDRICKSO	Plaintiff's Request for Pretrial Conference
	WITN	HENDRICKSO	Supplemental Plaintiff's Expert Witness Disclosure
	CINF	HENDRICKSO	Plaintiff's Request for Pretrial Conference faxed to Judge for review
4/7/2014	NOTC	HENDRICKSO	IRCP 30(b)(6) Notice of Taking Deposition Duces Tecum of Union Bank
4/8/2014	OBJC	HENDRICKSO	Plaintiff's Objection to North Idaho Resorts, LLC's Notice of Taking Deposition Duces Tecum of Union Bank
4/9/2014	ANSW	HENDRICKSO	Defendants Dan S. Jacobson, Sage Holdings, LLC, and Steven G. Lazar's Answer to North Idaho Resorts, LLC's Cross-Claim
4/17/2014	ORDR	HENDRICKSO	Order re: Discovery

Date	Code	User		Judge
4/22/2014	DCHH	HENDRICKSO	District Court Hearing Held Court Reporter: Christy Gering Number of Transcript Pages for this hearing estimated:	Michael J Griffin
	CTLG	HENDRICKSO	Court Log- Telephonic Final Pretrial Conference	Michael J Griffin
4/28/2014	CERT	HENDRICKSO	Amended Certificate of Service re: Defendant North Idaho Resort, LLC's Witness List and Exhibits List	Michael J Griffin
	EXHB	HENDRICKSO	Exhibit List (Defendant North Idaho Resort, LLC)	Michael J Griffin
	WITN	HENDRICKSO	Witness List (Defendant North Idaho Resort, LLC)	Michael J Griffin
4/29/2014	MEMO	HENDRICKSO	JV, LLC's Pre-Trial Memorandum Witnesses and Exhibits	Michael J Griffin
4/30/2014	EXHB	HENDRICKSO	JV, LLC's Amended Exhibit List	Michael J Griffin
	WITN	HENDRICKSO	Defendants Dan S. Jacobson, Sage Holdings, LLC and Steven G. Lazar's Designation of Witnesses and Exhibits	Michael J Griffin
	MISC	OPPELT	*****Begin File No. 8*****	Michael J Griffin
5/1/2014	MOTN	OPPELT	Plaintiff's Motion in Limine for Evidence Exclusion Order	Michael J Griffin
	HRSC	OPPELT	Hearing Scheduled (Motion in Limine 05/12/2014 09:00 AM)	Michael J Griffin
	EXHB	HENDRICKSO	Amendment to Mailing of JV, LLC's Exhibits	Michael J Griffin
	LETT	HENDRICKSO	Letter from Court to all Parties	Michael J Griffin
5/5/2014	MOTN	HENDRICKSO	Motion Approving Stipulation	Michael J Griffin
	CINF	HENDRICKSO	Docuemnts sent to Judge Griffin re: Motion Approving Stipulation Order Approving Stipulation Order in jo's pending no sase Original Motion to file	Michael J Griffin
		HUMRICH	Miscellaneous Payment: For Making Copy Of Any File Or Record By The Clerk, Per Page Paid by: Featherston Law Firm, CHTD. Receipt number: 0007265 Dated: 5/5/2014 Amount: \$41.00 (Check)	Michael J Griffin
5/6/2014	ORDR	HENDRICKSO	Order Approving Stipulation	Michael J Griffin
5/7/2014	MISC	HENDRICKSO	Original deposition transcript for the depositions of Richard Villelli of North Idaho Resors, LLC	Michael J Griffin
	EXHB	HENDRICKSO	Plaintiff's Exhibit List	Michael J Griffin
	NOTC	HENDRICKSO	IRCP 30(b)(6) Notice of Taking deposition DUCes Tecum of Union Bank	Michael J Griffin

Date	Code	User	Judge
5/8/2014		HUMRICH	Filing: 11 - Initial Appearance by persons other than the plaintiff or petitioner Paid by: Featherston Law Firm, CHTD Receipt number: 0007549 Dated: 5/8/2014 Amount: \$66.00 (Check) For: Pensco Trust Co. (defendant)
	APER	HENDRICKSO	Defendant: Pensco Trust Co. Appearance Brent Featherston
	APER	HENDRICKSO	Special Appearance on Behalf of Defendant Pensco Trust Co., Custodian FBO Barney NG
	MOTN	HENDRICKSO	Motion to Set Aside Default, Motion to Shorten Time and Notice of Hearing
	AFFD	HENDRICKSO	Affidavit of Counsel
	HRSC	HENDRICKSO	Hearing Scheduled (Motion to Set Aside Default 05/12/2014 09:00 AM) Defendant Pensco Trusts' Motion
	ANSW	HENDRICKSO	JV L.L.C. 'S Answer to North Idaho Resorts, LLC's Cross-Claim
	AFFD	HENDRICKSO	Affidavit of Barney NG
5/9/2014	OBJC	HENDRICKSO	JV LLC's Objection and Motionj to Set Aside the Court's Letter to Counsel, Dated April 30, 2014 and Motion to Reconsider
	REQU	HENDRICKSO	Request for Judicial Notice
5/12/2014	SUBP	HENDRICKSO	Trial Subpoena Duces Tecum - Rick Lynskey
	AFSV	HENDRICKSO	Affidavit Of Service - re: Trial Subpoena Duces Tecum served upon Rick Lynskey 5-08-2014
	REQU	HENDRICKSO	JV L.L.C. 'S Request for Clerk's Recording and Reporter's Typed Transcript of the District Court's Remarks and Rulings in Open Court on May 12, 2014 Prior to Actual Trial Commencement
	CMIN	AYERLE	Court Minutes Hearing type: Court Trial - Day 1 and Mtn Set Aside Default Hearing date: 5/12/2014 Time: 9:05 am Courtroom: Court reporter: Keith Evans Minutes Clerk: Susan Ayerle Tape Number: 1 PI Union Bank by Terrilyn Baron with John Miller Def North Idaho Resorts by Richard Vilelli with Susan Weeks Brent Featherston for Def Pensco Trust

Date	Code	User		Judge
5/12/2014	DCHH	OPPELT	Hearing result for Motion to Set Aside Default scheduled on 05/12/2014 09:00 AM: District Court Hearing Held Court Reporter: Keith Evans Number of Transcript Pages for this hearing estimated: Defendant Pensco Trusts' Motion - 375 Pages	Michael J Griffin
	DENY	OPPELT	Hearing result for Motion to Set Aside Default scheduled on 05/12/2014 09:00 AM: Motion Denied	Michael J Griffin
	HRVC	OPPELT	Hearing result for Motion in Limine scheduled on 05/12/2014 09:00 AM: Hearing Vacated - Not Addressed	Michael J Griffin
	CTST	OPPELT	Hearing result for Court Trial - 5 Days scheduled on 05/12/2014 09:00 AM: Court Trial Started (in Bonner County) Day 1	Michael J Griffin
	EXHB	OPPELT	Exhibit List - Norith Idaho Resort LLC's	Michael J Griffin
	EXHB	OPPELT	Exhibit List - Union Bank, N.A.	Michael J Griffin
	EXHB	OPPELT	Exhibit List - JV, LLC	Michael J Griffin
5/13/2014	CMIN	AYERLE	Court Minutes Hearing type: Court Trial - Day 2 Hearing date: 5/13/2014 Time: 9:01 am Courtroom: Court reporter: Keith Evans Minutes Clerk: Susan Ayerle Tape Number: 1 Pl Union Bank by Terrilyn Baron with John Miller Def North Idaho Resorts by Richard Villelli with Susan Weeks	Michael J Griffin
	DCHH	OPPELT	Hearing result for Court Trial (Day 2) scheduled on 05/13/2014 09:00 AM: District Court Hearing Held Court Reporter: Keith Evans Number of Transcript Pages for this hearing estimated: Day 2 - 375 Pages	Michael J Griffin
5/14/2014	CINF	HUMRICH	Clerk Information - Spoke w/ Tiffany @ Finney's regarding request for District Court transcript request. They have to go through court reporter	Michael J Griffin
6/3/2014	LETT	HENDRICKSO	Letter from Court to Parties	Michael J Griffin
	MISC	HENDRICKSO	Findings	Michael J Griffin
6/5/2014	RUDM	HENDRICKSO	Returned/undeliverable Mail - sent to correct address / (Findings) sent to Attorney J. Miller	Michael J Griffin

Date	Code	User	Judge
6/17/2014		HUMRICH	Miscellaneous Payment: For Making Copy Of Any File Or Record By The Clerk, Per Page Paid by: Sandpoint Title Insurance Receipt number: 0009962 Dated: 6/17/2014 Amount: \$5.00 (Cash)
6/19/2014	NOTC	KRAMES	Notice Of Change Of Address (John E. Miller)
6/25/2014	JDMT	CMOORE	Judgment and Decree of Foreclosure as to all Defendants (8 pages)
7/15/2014	MINE	OPPELT	Minute Entry - Regarding Clock in Date of Judgment
	ORDN	HENDRICKSO	Order Denying Attorney Fee
7/16/2014	MOTN	HENDRICKSO	Plaintiff's Motion for Enlargement of Time for Filing of Affidavit in Support of Memorandum of Attorney's Fees and Costs as to Defendant North Idaho Resorts, LLC
	MEMO	HENDRICKSO	Plaintiff's Memorandum of Attorney's Fees and Costs as to Defendant North Idaho Resorts, LLC
7/17/2014	MEMO	HENDRICKSO	Plaintiff's Supplemental Memorandum of Attorney's Fees and Costs as to Defendant North Idaho Resorts, LLC
	AFFD	HENDRICKSO	Affidavit of John E. Miller in Support of Plaintiff's Memorandum of Attorney's Fees and Costs as to Defendant North Idaho Resorts, LLC
7/18/2014	NOTC	HENDRICKSO	Notice of Change of Firm Affiliation
7/21/2014	RUDM	HENDRICKSO	Returned/undeliverable Mail - Conformed copy for Attorney J. Miller - re sent to correct address
7/23/2014	CINF	HENDRICKSO	Plaintiff's Motion for Enlargement of Time, Memorand of Attorney's Fees and Order emailed to Judge Griffin conforming copies in JO's pending. Doc's to file
	ORDG	HENDRICKSO	Order for Enlargement of Time for Filing of Affidavit in Support of Memorandum of Attorney's Fees and Costs as to Defendant North Idaho Resorts, LLC
7/30/2014	MOTN	HENDRICKSO	Defendant North Idaho Resort, LLC's Motion for Enlargment of Time
	OBJC	HENDRICKSO	Objection to Memrandum of Attorney's Fees and Costs Requested By Union Bank Against North Idaho Resorts, LLC and Motion for Enlargement of Time
	MEMO	HENDRICKSO	Memorandum Supporting Objection to Memorandum of Attorney's Fees and Costs Requested by Union Bank Against North Idaho Resorts, LLC and Motion for Enlargement of Time

Case: CV-2011-0000135 Current Judge: Idaho Supreme Court
 MUFG Union Bank N.A. vs. Pend Oreille Bonner Development, LLC, etai.

Date	Code	User	Judge
8/5/2014	REPL	HENDRICKSO	Plaintiff's Reply to Objection Submitted by North Idaho Resorts, LLC to Plaintiff's Memorandum of Fees/Costs
8/6/2014		HUMRICH	Filing: L4 - Appeal, Civil appeal or cross-appeal to Supreme Court Paid by: Weeks, Susan P. (attorney for North Idaho Resorts LLC, an Idaho limited liability) Receipt number: 0012834 Dated: 8/6/2014 Amount: \$129.00 (Check) For: North Idaho Resorts LLC, an Idaho limited liability (defendant)
	BNDL	HUMRICH	Bond Posted - Cash (Receipt 12835 Dated 8/6/2014 for 100.00)
	BNDL	HUMRICH	Bond Posted - Cash (Receipt 12836 Dated 8/6/2014 for 200.00)
	APSC	HUMRICH	Appealed To The Supreme Court
	NOTA	HUMRICH	NOTICE OF APPEAL (North Idaho Resort)
	CHJG	HUMRICH	Change Assigned Judge
8/8/2014		HUMRICH	Filing: L4 - Appeal, Civil appeal or cross-appeal to Supreme Court Paid by: Finney, Finney & Finney, PA Receipt number: 0012981 Dated: 8/8/2014 Amount: \$129.00 (Check) For: JV L.L.C. (defendant)
	BNDL	HUMRICH	Bond Posted - Cash (Receipt 12982 Dated 8/8/2014 for 100.00)
	BNDL	HUMRICH	Bond Posted - Cash (Receipt 12984 Dated 8/8/2014 for 200.00)
	NOTA	HUMRICH	NOTICE OF APPEAL - (JV LLC)
8/13/2014	NOHG	HENDRICKSO	Notice Of Hearing re: Plaintiff's Motion for Attorney Fees and Costs as to Defendant North Idaho Resorts, LLC and all Objection to be heard telephonically on September 8, 2014 08:30am
	HRSC	HENDRICKSO	Hearing Scheduled (Motion for Attorney fees and Costs 09/08/2014 08:30 AM) Plaintiff's Motion for Attorney Fees and Costs as to Defendant North Idaho Resorts, LLC and all objections will be heard telephonically
8/26/2014	NOTA	HUMRICH	First Amended Notice of Appeal - North Idaho Resorts, Inc.
8/27/2014	STIP	HENDRICKSO	Stipulation to Continue Hearing
9/5/2014	ORDR	BOWERS	Order to Continue Plaintiff's Motion for Attorney's Fees and Costs as to Defendant North Idaho Resorts, LLC

Date	Code	User		Judge
9/5/2014	CONT	BOWERS	Hearing result for Motion for Attorney fees and Costs scheduled on 09/08/2014 08:30 AM: Continued Plaintiff's Motion for Attorney Fees and Costs as to Defendant North Idaho Resorts, LLC and all objections will be heard telephonically	Michael J Griffin
9/8/2014	CCOA	HUMRICH	Clerk's Certificate Of Appeal	Idaho Supreme Court
9/9/2014	MOTN	HENDRICKSO	Plaintiff's Third Motion to Amend the Caption and Reference to Plaintiff in the First Amended Complaint by Virtue of Name	Idaho Supreme Court
	AFFD	HENDRICKSO	Affidavit of Counsel in Support of Plaintiff's Third Motion to Amend the Caption and Reference to Plaintiff in The First Amended Complaint and Subsequent Judgment by Virtue of Name Change	Idaho Supreme Court
	NOHG	HENDRICKSO	Notice of Hearing re: Plaintiff's Third Motion to Amend Caption and Reference to Plaintiff	Idaho Supreme Court
	HRSC	HENDRICKSO	Hearing Scheduled (Motion 09/29/2014 02:30 PM) Plaintiff's Thrid Motion to Amend Caption and Reference to Plaintiff	Michael J Griffin
	NOHG	HENDRICKSO	Corrected Notice of Hearing re: Plaintiff's Third Motion to Amend Caption and Reference to Plaintiff	Idaho Supreme Court
9/10/2014	ORDG	HENDRICKSO	Order Granting Plaintiffs Request for All Interested Parties to Appear Telephonically at its Motion Calendared for Hearing on September 29, 2014 230pm	Idaho Supreme Court
	RUDM	HENDRICKSO	Returned/undeliverable Mail - Order dated 9-10-14 for Attorney Anderson - resent to the correct address	Idaho Supreme Court
9/12/2014	NOTC	HENDRICKSO	Defendant North Idaho Resort's Notice of No Objection to Plaintiff's Third Motion to Amend the Caption and Reference to Plaintiff in the First Amended Complaint by Virtue of Name Change	Idaho Supreme Court
9/16/2014	MISC	HENDRICKSO	Fax cover sheet from Attorney Miller to all parties re: Hearing set for Septmeber 29, 2014	Idaho Supreme Court
9/17/2014	SCDF	HUMRICH	Supreme Court Document Filed- "ORDER CONDITIONALLY DISMISSING APPEAL"; rec'd via email from ISC	Idaho Supreme Court
9/19/2014	JDMT	HENDRICKSO	Summary Judgment as to JV, LLC Rule 54(b) Certificate	Idaho Supreme Court
	JDMT	HENDRICKSO	Judgment and Decree of Foreclosure as to North Idaho Resorts, LLC Rule 54(b) Certificate	Idaho Supreme Court
9/23/2014	OBJC	BOWERS	JV L.L.C.'s Objection to Plaintiff's Third Motion to Amend Caption and Reference To Plaintiff Based on District Court Lack of Jurisdiction	Idaho Supreme Court
9/29/2014	STMT	HENDRICKSO	Statement of No Objection	Idaho Supreme Court

Date	Code	User	Judge
9/29/2014	DCHH	HENDRICKSO	Hearing result for Motion scheduled on 09/29/2014 02:30 PM: District Court Hearing Held Court Reporter: Keith Evans Number of Transcript Pages for this hearing estimated: Parties to Appear Telephonically Plaintiff's Thrid Motion to Amend Caption and Reference to Plaintiff
	GRNT	HENDRICKSO	Hearing result for Motion scheduled on 09/29/2014 02:30 PM: Motion Granted Parties to Appear Telephonically Plaintiff's Thrid Motion to Amend Caption and Reference to Plaintiff
10/3/2014	NOFH	OPPELT	Notice Of Hearing
	HRSC	OPPELT	Hearing Scheduled (Motion for Attorney fees and Costs 10/20/2014 09:45 AM) Telephonic in Idaho County.
10/20/2014	DCHH	HENDRICKSO	Hearing result for Motion for Attorney fees and Costs scheduled on 10/20/2014 09:45 AM: District Court Hearing Held Court Reporter: none Number of Transcript Pages for this hearing estimated: Telephonic in Idaho County.
10/24/2014	ORDR	OPPELT	Order Denying Attorney Fees
	MISC	OPPELT	Findings
10/27/2014	SCDF	HUMRICH	Supreme Court Document Filed- "SECOND ORDER CONDITIONALLY DISMISSING APPEAL"
	JDMT	HENDRICKSO	Final Judgment as to JV, LLC Rule 54(b) Certificate
	CDIS	HENDRICKSO	Civil Disposition entered for: JV L.L.C., Defendant; Union Bank, National Association, Plaintiff. Filing date: 10/27/2014
10/31/2014	RUDM	OPPELT	Returned/undeliverable Mail - Findings and Order Denying Attorney Fees Sent to John Miller - Resent to Corrected Address on 11-4-14
11/3/2014		HUMRICH	Miscellaneous Payment: For Comparing And Conforming A Prepared Record, Per Page Paid by: Finney & Finney Receipt number: 0017476 Dated: 11/3/2014 Amount: \$2.00 (Check)
		HUMRICH	Miscellaneous Payment: For Certifying The Same Additional Fee For Certificate And Seal Paid by: Finney & Finney Receipt number: 0017476 Dated: 11/3/2014 Amount: \$1.00 (Check)
11/5/2014	NOTC	HENDRICKSO	JV's Notice of Obtaining Final Judgment from the District Court
11/10/2014	SCDF	HUMRICH	Supreme Court Document Filed- "JV's Notice of Obtaining Final Judgment from the District Court"; rec'd via email

Date	Code	User	Judge
11/10/2014	MISC	HUMRICH	Docket #42479-2014 - Clerk's Records due 1/12/2015
	MISC	HUMRICH	*****Begin File No. 9*****
11/17/2014	NOTA	HUMRICH	AMENDED NOTICE OF APPEAL
12/3/2014	ORDG	HENDRICKSO	Order Granting Third Motion to Amend the Caption and Reference to Plaintiff in the First Amended Complaint and Judgment by Virtue of Name Change
12/4/2014	JDMT	HENDRICKSO	Final Judgment as to Pend Oreille Bonner Development, LLC Rule 54(b) Certificate
12/5/2014	REQU	HENDRICKSO	Plaintiff's Request for Issuance of Rule 54(b) Certificate
12/8/2014	RUDM	HENDRICKSO	Returned/undeliverable Mail - re-sent to the correct address
12/11/2014	SCDF	HUMRICH	Supreme Court Document Filed- Amended Notice of Appeal (Due date remains for 1/12/2015)
12/19/2014	APPL	HENDRICKSO	Application and Affidavit for Writ of Execution -
	WRIT	HENDRICKSO	Writ of Execution - Mortgage Foreclosure - copy to file
12/24/2014		HENDRICKSO	Miscellaneous Payment: Writs Of Execution Paid by: The Law Office of John E Miller Receipt number: 0019877 Dated: 12/24/2014 Amount: \$2.00 (Check)
12/29/2014	SCDF	HUMRICH	Supreme Court Document Filed- (Docket #42467) ORDER GRANTING COURT REPORTER'S MOTION FOR EXTENSION OF TIME FOR TRANSCRIPT OVER 500 PAGES - RESET DUE DATES, DUE 2/24/2015
	SCDF	HUMRICH	Supreme Court Document Filed (Docket #42479) - ORDER GRANTING COURT REPORTER'S MOTION FOR EXTENSION OF TIME FOR TRANSCRIPT OVER 500 PAGES - RESET DUE DATES, DUE 2/24/2015
12/30/2014	SCDF	HUMRICH	Supreme Court Document Filed- Order Consolidating Appeals for Clerk's Record & Reporter's Transcript ONLY
1/5/2015	SCDF	HUMRICH	Supreme Court Document Filed- Court Reporter's Motion for time to File a Transcript Estimated to be over 500 Pages
1/8/2015	SCDF	HUMRICH	Supreme Court Document Filed- Notice of Appearance
	APER	HUMRICH	Notice of Appearance - Christopher Pooser for Union Bank, in appeal Docket #42467
	APER	HUMRICH	Plaintiff: MUFG Union Bank N.A. Appearance W Christopher Pooser

Case: CV-2011-0000135 Current Judge: Idaho Supreme Court
 MUG Union Bank N.A. vs. Pend Oreille Bonner Development, LLC, etal.

Date	Code	User		Judge
1/8/2015	APER	HUMRICH	Notice of Appearance - Christopher Pooser for Union Bank, in appeal Docket #42479	Idaho Supreme Court
	SCDF	HUMRICH	Supreme Court Document Filed- Notice of Appearance	Idaho Supreme Court
1/15/2015	SCDF	HUMRICH	Supreme Court Document Filed- Court Reporter's Motion for Time to File a Transcript Estimated to be over 500 Pages - Granted due 2/20/2015	Idaho Supreme Court
2/3/2015		ROSS	Miscellaneous Payment: Writs Of Execution Paid by: John Miller Receipt number: 0001565 Dated: 2/3/2015 Amount: \$2.00 (Check)	Idaho Supreme Court
	WRRT	HENDRICKSO	Writ of Execution Returned - Mortgage Foreclosur original to file	Idaho Supreme Court
	WRIT	HENDRICKSO	Writ of Execution Issued - Mortgage Foreclosure - copy to file	Idaho Supreme Court
3/3/2015	NOTC	HUMRICH	Notice of Lodging - by Keith Evans for transcripts of Motion Hearing held on 4/19/2013, Motion Hearing held on 7/29/2013, Motion Hearing held on 12/20/2013 and Court Trials held on 5/12-5/13/2014	Idaho Supreme Court
	MISC	HUMRICH	invoice dated 2/28/2015 from K & K Reporting for transcripts of Motion Hearing held on 4/19/2013, Motion Hearing held on 7/29/2013, Motion Hearing held on 12/20/2013 and Court Trials held on 5/12-5/13/2014 - \$1511.25	Idaho Supreme Court
	TRAN	HUMRICH	Transcript Filed - by Keith Evans Motion Hearing held on 4/19/2013, Motion Hearing held on 7/29/2013, Motion Hearing held on 12/20/2013 and Court Trials held on 5/12-5/13/2014	Idaho Supreme Court
	CINF	HUMRICH	Re: Invoice for transcripts from K & K Reporting - needs billed to JV, LLC \$1511.25	Idaho Supreme Court
3/4/2015	MISC	HUMRICH	Invoice dated 3/4/2015 from K & K Reporting for transcripts \$465	Idaho Supreme Court
3/13/2015	MISC	HUMRICH	Disclaimer	Idaho Supreme Court
3/16/2015	LETT	HUMRICH	Letter to Finney's Office - Balance due on transcripts for appeal \$1311.25	Idaho Supreme Court
	LETT	HUMRICH	Letter to Week's Office - Balance due on transcript for appeal \$265.00	Idaho Supreme Court
3/24/2015	BNDC	ROSS	Bond Posted - Cash (Receipt 4334 Dated 3/24/2015 for 1311.25)	Idaho Supreme Court
3/26/2015	BNDC	HUMRICH	Bond Posted - Cash (Receipt 4428 Dated 3/26/2015 for 265.00)	Idaho Supreme Court
	BNDV	HUMRICH	Bond Converted (Transaction number 423 dated 3/26/2015 amount 200.00)	Idaho Supreme Court
	BNDV	HUMRICH	Bond Converted (Transaction number 424 dated 3/26/2015 amount 1,311.25)	Idaho Supreme Court
	BNDV	HUMRICH	Bond Converted (Transaction number 425 dated 3/26/2015 amount 200.00) 063	Idaho Supreme Court

Date: 4/8/2015

First Judicial District Court - Bonner County

User: HUMRICH

Time: 03:16 PM

ROA Report

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MUFG Union Bank N.A. vs. Pend Oreille Bonner Development, LLC, etal.

Date	Code	User		Judge
3/26/2015	BNDV	HUMRICH	Bond Converted (Transaction number 426 dated 3/26/2015 amount 265.00)	Idaho Supreme Court

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CLERK OF COURT
_____ *ap*

John E. Miller, Idaho State Bar No. 4676
The Law Office of John E. Miller
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Attorney for Plaintiff

DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT
STATE OF IDAHO, COUNTY OF BONNER

PACIFIC CAPITAL BANK, N.A., a national
banking association

Plaintiff,

vs.

PEND OREILLE BONNER DEVELOPMENT,
LLC, a Nevada limited liability company, JV
L.L.C., an Idaho limited liability company,
DAN S. JACOBSON, an individual, SAGE
HOLDINGS LLC, an Idaho limited liability
company, TIMBERLINE INVESTMENTS,
LLC, an Idaho limited liability company,
STEVEN G. LAZAR, an individual, AMY
KORENGUT, an individual, HLT REAL
ESTATE LLC, PANHANDLE STATE BANK,
an Idaho corporation, R.E. LOANS, LLC, a
California limited liability company, WELLS
FARGO FOOTHILL, INC., a Delaware

) CASE NO. CV 2011- *0135*
)
) **COMPLAINT FOR MORTGAGE**
) **FORECLOSURE**
)

) Fee Category: A
) Filing Fee: \$88.00
)

**COMPLAINT FOR MORTGAGE
FORECLOSURE**

**ASSIGNED TO STEVE VERBY
DISTRICT JUDGE**

corporation, NORTH IDAHO RESORTS, LLC,)
an Idaho limited liability company, PEND)
OREILLE BONNER DEVELOPMENT)
HOLDINGS, INC., a Nevada corporation,)
PENSCO TRUST CO. custodian f/b/a Barney)
Ng, a California corporation, MORTGAGE)
FUND '08 LLC, a California limited liability)
company, B-K LIGHTING, INC., a California)
corporation, FREDERICK J. GRANT, an)
individual, CHRISTINE GRANT, an)
individual, RUSS CAPITAL GROUP, LLC, an)
Arizona limited liability company, JOSEPH)
DUSSICH, an individual, MOUNTAIN WEST)
BANK, an Idaho corporation, STATE OF)
IDAHO, Department of Revenue and Taxation,)
MONTAHENO INVESTMENTS LLC, a)
Nevada limited liability company, TOYON)
INVESTMENTS LLC, a Nevada limited)
liability company, CHARLES W. REEVES and)
ANN B. REEVES, husband and wife, ACI)
NORTHWEST, INC., an Idaho corporation,)
)
)
Defendants.)
)
)

COMES NOW the plaintiff, PACIFIC CAPITAL BANK, N.A., a national banking association (sometimes hereinafter referred to as the "Bank" or "plaintiff"), by and through its attorney of record, John E. Miller of *The Law Office of John E. Miller, A Professional Corporation*, and respectfully claims and alleges as follows:

PARTIES:

PLAINTIFF:

1. PACIFIC CAPITAL BANK, N.A., is a national banking institution duly organized and existing under the laws of the United States of America, with a principal place of business located in Santa Barbara County, State of California, and is qualified to do conduct business in the State of Idaho.

COMPLAINT FOR MORTGAGE FORECLOSURE

DEFENDANTS:

2. Pend Oreille Bonner Development, LLC is a Nevada limited liability company with a principal place of business in Bonner County, Idaho and may claim an interest in the real properties that are the subject of this Complaint.

[The following defendants claim, or may claim some interest in the real property that is the subject of this action, but the interest of said defendants are inferior and subordinate to the interest of plaintiff being foreclosed herein:]

3. JV L.L.C. is an Idaho limited liability company whose principal place of business is in Bonner County, Idaho and may claim an interest in the real properties that are the subject of this Complaint.

4. Dan Jacobson is an individual who, plaintiff is informed and believes and thereon alleges, resides and/or does business in Bonner County, Idaho, and may claim an interest in the real properties that are the subject of this Complaint.

5. Sage Holdings LLC is an Idaho limited liability company whose principal place of business is in Bonner County, Idaho and may claim an interest in the real properties that are the subject of this Complaint.

6. Timberline Investments, LLC is an Idaho limited liability company whose principal place of business is in Bonner County, Idaho and may claim an interest in the real properties that are the subject of this Complaint.

7. Steven Lazar is an individual who, plaintiff is informed and believes and thereon alleges, resides and/or does business in Bonner County, Idaho, and may claim an interest in the real properties that are the subject of this Complaint.

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**COMPLAINT FOR MORTGAGE
FORECLOSURE**

8. Amy Korengut is an individual who, plaintiff is informed and believes and thereon alleges, resides and/or does business in Bonner County, Idaho, and may claim an interest in the real properties that are the subject of this Complaint.

9. HLT Real Estate LLC is an Idaho limited liability company whose principal place of business is in Nampa, Idaho and may claim an interest in the real properties that are the subject of this Complaint.

10. Panhandle State Bank is an Idaho corporation with a principal place of business in Bonner County, Idaho and may claim an interest in the real properties that are the subject of this Complaint.

11. R.E. Loans, LLC is, upon information and belief, a California limited liability company doing business in Bonner County, Idaho, and may claim an interest in the real properties that are the subject of this Complaint.

12. Wells Fargo Foothill Inc. is a Delaware corporation and may claim an interest in the real properties that are the subject of this Complaint.

13. North Idaho Resorts, LLC, is an Idaho limited liability company with a principal place of business in Boundary County, Idaho, and may claim an interest in the real properties that are the subject of this Complaint.

14. Pend Oreille Bonner Development Holdings, Inc. is a Nevada corporation with a principal place of business in Reno, Nevada, and may claim an interest in the real properties that are the subject of this Complaint.

15. Pensco Trust Co., custodian fba Barney Ng, is, upon information and belief, a California corporation and may claim an interest in the real properties that are the subject of this Complaint.

**COMPLAINT FOR MORTGAGE
FORECLOSURE**

16. Mortgage Fund '08 LLC, is, upon information and belief, a California limited liability company and may claim an interest in the real properties that are the subject of this Complaint.

17. B-K Lighting, Inc. is, upon information and belief, a California corporation and may claim an interest in the real properties that are the subject of this Complaint.

18. Frederick J. Grant is an individual who, plaintiff is informed and believes and thereon alleges, resides and/or does business in Seattle, Washington, and may claim an interest in the real properties that are the subject of this Complaint.

19. Christine Grant is an individual who, plaintiff is informed and believes and thereon alleges, resides and/or does business in Seattle, Washington, and may claim an interest in the real properties that are the subject of this Complaint.

20. Russ Capital Group, LLC is, upon information and belief, an Arizona limited liability company doing business in Bonner County, Idaho, and may claim an interest in the real properties that are the subject of this Complaint.

21. Joseph Sussich is an individual who, plaintiff is informed and believes and thereon alleges, resides and/or does business in the State of Arizona, and may claim an interest in the real properties that are the subject of this Complaint.

22. Mountain West Bank is an Idaho corporation with a principal place of business in Bonner County, Idaho and may claim an interest in the real properties that are the subject of this Complaint.

23. State of Idaho, Department of Revenue and Taxation, may claim an interest or lien for over-due taxes in the real properties that are the subject of this Complaint.

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**COMPLAINT FOR MORTGAGE
FORECLOSURE**

24. Montaheno Investments LLC is, upon information and belief, a Nevada limited liability company doing business in Bonner County, Idaho, and may claim an interest in the real properties that are the subject of this Complaint.

25. Toyon Investments LLC is, upon information and belief, a Nevada limited liability company doing business in Bonner County, Idaho, and may claim an interest in the real properties that are the subject of this Complaint.

26. Charles W. Reeves and Ann B. Reeves, husband and wife, are individuals who, plaintiff is informed and believes and thereon alleges, resides and/or does business in Bonner County, Idaho, and may claim an interest in the real properties that are the subject of this Complaint.

27. Defendant ACI Northwest, Inc. is an Idaho corporation with a principal place of business in Kootenai County, Idaho and may claim an interest in the real properties that are the subject of this Complaint.

JURISDICTION AND VENUE:

28. This Court has jurisdiction over this action in accord with Idaho Code §§5-401(3) and 5-404 because it involves foreclosure of a mortgage on real property located within Bonner County, Idaho, and the defendants either reside within Bonner County, conduct business therein, or claim an interest in property in Bonner County, Idaho. Further, the actions of the nonresident defendants were for the purpose of doing business in Idaho or acquiring an interest in real property in Bonner County, Idaho.

29. All prerequisites to filing this cause of action have been completed.

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FACTUAL ALLEGATIONS:

30. On or about the 7th day of March 2008, defendant, Pend Oreille Bonner Development, LLC (hereinafter "POBD"), did execute and deliver to plaintiff a Revolving Term Note (herein the "Note"), a copy of which is attached hereto as Exhibit "A" and is, by this reference, incorporated herein as if set forth in full, in the face amount of \$5,000,000.00, due and payable on the maturity date of March 7, 2010. Said Note is subject to interest thereon at a per annum rate equal to the Wall Street Journal Prime Rate as defined therein but limited by the floor minimum interest rate of 6% per annum.

31. On or about the 7th day of March 2008, in consideration of the Note and in order to secure the Note, POBD granted to the Bank a mortgage and executed and delivered to plaintiff a Commercial Mortgage, Security Agreement, and Assignment of Leases and Rents (herein the "Mortgage") securing the payment of, inter alia, the principal and interest of the above-described Note. Said Mortgage was recorded March 25, 2008, as Instrument Nos. 748379 and 748380, records of Bonner County, State of Idaho. A true and correct copy of said Mortgage is attached hereto as Exhibit "B" and is, by this reference, incorporated herein as if set forth in full. The real property granted as security for said Note is legally described as: SEE THE ATTACHED Exhibit "C" which is incorporated herein as though set forth at length. This description mirrors the legal description attached to the Mortgage as its Exhibit "A". The Mortgage has never been satisfied nor discharged.

32. The Note reached maturity on March 7, 2010. Defendant, POBD, defaulted on its obligated payments to plaintiff and has not paid the balance of the Note at maturity despite repeated demands by the Bank. On or about January 7, 2011, plaintiff recorded in the records of

**COMPLAINT FOR MORTGAGE
FORECLOSURE**

Bonner County its Notice of Default, a true and correct copy of which is attached hereto as Exhibit "D". On or about January 13, 2011, plaintiff mailed to all interested parties a true and correct copy of its Notice of Default.

33. After application of all payments made by or on behalf of POBD, there is currently due and owing by said defendant to the Bank pursuant to the Note and Mortgage the following:

- a) the principal sum of \$4,952,475.59;
- b) interest thereon calculated to December 14, 2010 in the amount of \$534,034.15;
- c) accumulating per diem interest from and after December 14, 2010 in accordance with proof;
- d) late charges in accordance with proof;
- e) advances allowed to December 14, 2010 in the amount of \$29,444.42 and any future advances in accordance with proof;
- f) legal fees and costs in accordance with proof;
- g) foreclosure fees and costs, in accordance with proof; and
- h) all interest, title fees, attorney fees, appraisal fees, and costs in accordance with proof as provided for in the contracts and/or at law.

34. Pursuant to Note, the POBD agreed to pay collection costs, including attorney fees, in the event of a default on the Note. Plaintiff has been required to retain the services of *The Law Office of John E. Miller, A Professional Corporation*, to prosecute this action; plaintiff has agreed to pay for said legal services the sum of \$10,000.00 if this case is uncontested, or such attorney fees as set by the Court if this matter is contested. By reason of the foregoing, POBD is

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liable to plaintiff in the sum of \$10,000.00 as and for attorney fees necessitated in an uncontested action or attorney fees as may be set by the Court if this matter is contested.

35. As the subject real property is basically vacant land with some previously used but apparently abandoned improvements, the reasonable rental value for said real property during any period prior to or after foreclosure and/or during any period of redemption is subject to question and will require determination.

36. Plaintiff has no adequate remedy at law.

OTHER DEFENDANTS' INTERESTS SUBJECT TO FORECLOSURE:

37. JV L.L.C. claims an interest in the real properties that are the subject of this Complaint pursuant to a mortgage recorded June 19, 2006, as Instrument number 706470. This document, or portions thereof, may be impacted, and the rights related thereto foreclosed by Plaintiff.

38. Dan Jacobson and Sage Holdings LLC claim an interest in the real properties that are the subject of the Complaint pursuant to a mortgage recorded April 22, 2008, as Instrument number 750016, and further pursuant to lies pendent recorded November 10, 2010 as Instrument No. 801790. This document, or portions thereof, may be impacted, and the rights related thereto foreclosed by Plaintiff.

39. Steven Lazar, Amy Korengut and HLT Real Estate LLC claim an interest in the real properties that are the subject of the Complaint pursuant to a mortgage recorded April 22, 2008, as Instrument number 750016, and further pursuant to assignment recorded April 23, 2008 as Instrument No. 750083. These documents, or portions thereof, may be impacted, and the rights related thereto foreclosed by Plaintiff.

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**COMPLAINT FOR MORTGAGE
FORECLOSURE**

40. Panhandle State Bank claims an interest in the real properties that are the subject of this Complaint pursuant to a mortgage recorded April 22, 2008, as Instrument number 750016, and further pursuant to partial assignment of such interests recorded November 24, 2009 as Instrument No. 783748 and re-recorded December 3, 2009 as Instrument No. 784149. These documents, or portions thereof, may be impacted, and the rights related thereto foreclosed by Plaintiff.

41. R.E. Loans, LLC and Wells Fargo Foothill Inc. claim an interest in the properties that are the subject of the Complaint pursuant to a mortgage recorded March 15, 2007 as Instrument Nos. 724829 and 724834 and a Financing Statement recorded March 15, 2007, as Instrument Number 724830. These documents, or portions thereof, may be impacted, and the rights related thereto foreclosed, by Plaintiff.

42. North Idaho Resorts, LLC, and Pend Oreille Bonner Development Holdings, Inc., entered into a Memorandum of Real Property Purchase and Sale Agreement dated June 19, 2008, as Instrument Number 706475. This document, or portions thereof, may be impacted, and the rights related thereto foreclosed, by Plaintiff.

43. Pensco Trust Co., custodian fba Barney Ng claims an interest in the real properties that are the subject of the Complaint pursuant to a mortgage recorded August 6, 2008, as Instrument numbers 756394, 756395 and 756396. This document, or portions thereof, may be impacted, and the rights related thereto foreclosed by Plaintiff.

44. Mortgage Fund '08 LLC claims an interest in the properties that are the subject of the Complaint pursuant to a mortgage recorded August 1, 2008 as Instrument Nos. 756397, 756398 and 756399 and a Financing Statement recorded August 6, 2008, as Instrument Number 756400.

**COMPLAINT FOR MORTGAGE
FORECLOSURE**

These documents, or portions thereof, may be impacted, and the rights related thereto foreclosed, by Plaintiff.

45. B-K Lighting, Inc. may claim an interest in the real properties subject to this Complaint pursuant to a Memorandum of Agreement recorded September 25, 2009, as Instrument Number 780376. This document may be impacted, and the rights related thereto foreclosed, by Plaintiff.

46. Frederick J. Grant and Christine Grant may claim an interest in the real property subject to this Complaint pursuant to a lien recorded January 6, 2010 as Instrument No. 785811. This document may be impacted, and the rights related thereto foreclosed by the plaintiff.

47. Russ Capital Group, LLC and Joseph Sussich may claim an interest in the real property subject to this Complaint pursuant to a lien recorded January 20, 2010 as Instrument No786729. This document may be impacted, and the rights related thereto foreclosed by the plaintiff.

48. Mountain West Bank may claim an interest in the real property subject to this Complaint pursuant to a mortgage recorded March 26, 2010 as Instrument Nos. 789923 and 789924. This document may be impacted, and the rights related thereto foreclosed by the plaintiff.

49. State of Idaho, Department of Revenue and Taxation, may claim interests or liens for over-due taxes recorded as Lien Nos. 463508, 482578 and 488712.

50. Montaheno Investments LLC and Toyon Investments LLC may each claim an undivided 50% interest in the real property subject to this Complaint pursuant to a mortgage recorded June 15, 2010 as Instrument No. 793916. This document may be impacted, and the rights related thereto foreclosed by the plaintiff.

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**COMPLAINT FOR MORTGAGE
FORECLOSURE**

51. Charles W. Reeves and Ann B. Reeves may claim an interest in the real property subject to this Complaint pursuant to a mortgage recorded June 15, 2010 as Instrument No. 793917. This document may be impacted, and the rights related thereto foreclosed by the plaintiff.

52. ACI Northwest, Inc. filed two claims of lien dated April 25, 2008, and September 19, 2008, as Instrument Numbers 750247 and 758929, respectively, for labor and materials. A Notice of Pendency of Action related to such liens was recorded December 9, 2010 as Instrument No. 802894. The amount claimed is believed to be \$39,602.64. These liens may be foreclosed by plaintiff.

WHEREFORE, plaintiff prays for Judgment, Order and Decree against defendants as follows:

1. For a determination that Pend Oreille Bonner Development, LLC, is liable to plaintiff for the following amounts, all as allowed in the Note:
 - a. the principal amount of \$4,952,475.59;
 - b. interest accrued through December 10, 2010, in the amount of \$534,034.15, and accumulating at a per diem rate thereafter in accordance with proof;
 - c. late charges in accordance with proof;
 - d. advances allowed to December 14, 2010 in the amount of \$29,444.42 and any future advances in accordance with proof;
 - e. legal fees and costs of not less than \$10,000.00 and in accordance with proof;
 - f. foreclosure fees and costs, in accordance with proof; and
 - g. all interest, title fees, attorney fees, appraisal fees, and costs in accordance with proof as provided for in the contracts and/or at law;
2. For a determination that the lien created by the Note and Mortgage is valid, enforceable and existing as against the Defendants and the property described herein, and for a decree of foreclosure;
3. For the real property described herein to be sold by the Sheriff of Bonner County according to law of the State of Idaho and the practice of this Court in an order to be determined by plaintiff; that plaintiff is allowed to credit bid at the sale(s); that the proceeds be brought to the Court to be applied to the obligations of defendant, Pend Oreille Bonner Development, LLC; that the buyer at such sale have a certificate of sale; that by such foreclosure and sale the rights of each of the defendants and persons claiming by, though or under them be adjudged inferior and subordinate to the lien of plaintiff and forever foreclosed, except for the statutory rights of redemption allowed by law;

**COMPLAINT FOR MORTGAGE
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4. After expiration of the redemption period, that the purchaser of said real property at Sheriff's sale receive a deed thereto conveying title to the purchaser thereof; free and clear of any claim by any defendant;

5. In the event the proceeds of sale are insufficient to satisfy the liabilities of defendant Pend Oreille Bonner Development, LLC, to plaintiff, then the plaintiff have a deficiency judgment against it;

6. For such other and further relief as the Court may deem proper and equitable.

DATED: January 28 2011

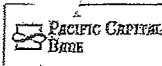
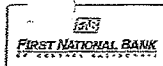
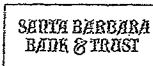
The Law Office of John E. Miller
A Professional Corporation

By: 

John E. Miller

Attorney for Plaintiff

**COMPLAINT FOR MORTGAGE
FORECLOSURE**



Loan No. 101764389

REVOLVING TERM NOTE

March 7, 2008

\$5,000,000.00

For value received, the undersigned **Pend Oreille Bonner Development, LLC**, a Nevada limited liability company, with an address of **6900 S. McCarran Blvd., #1010, Reno, Nevada 89509** (the "Borrower"), promises to pay to the order of Pacific Capital Bank, N.A., a national banking association, doing business as First National Bank of Central California with an address of c/o Loan Services, PO Box 60654, Santa Barbara, California 93160-0654 (together with its successors and assigns, the "Bank"), the principal amount of **Five Million Dollars and Zero Cents (\$5,000,000.00)**, or, if less, such amount as may be the aggregate unpaid principal amount of all loans or advances made by the Bank to the Borrower pursuant hereto, on or before **March 7, 2010** (the "Maturity Date"), together with interest from the date hereof on the unpaid principal balance from time to time outstanding until paid in full. The aggregate principal balance outstanding shall bear interest thereon at a per annum rate equal to the Wall Street Journal Prime Rate (as hereinafter defined). All accrued and unpaid interest shall be payable monthly in arrears on the **7th day** of each month, commencing on **April 7, 2008**.

Notwithstanding anything to the contrary in this Note, the interest rate on this Note is limited by a floor as follows: the minimum interest rate (i.e. floor) is **6.00%** per annum.

Wall Street Journal Prime Rate means the rate published from time to time by the Wall Street Journal as the U.S. Prime Rate, or, in the event the Wall Street Journal ceases publication of Prime Rates, the base, reference or other rate then designated by the Bank, in its sole discretion, for general commercial loan reference purposes, it being understood that such rate is a reference rate, not necessarily the lowest, established from time to time, which serves as the basis upon which effective interest rates are calculated for loans making reference thereto.

The effective interest rate applicable to the Borrower's loans evidenced hereby shall change on the date of each change in the Wall Street Journal Prime Rate.

Principal and interest shall be payable at the Bank's main office or at such other place as the Bank may designate in writing in immediately available funds in lawful money of the United States of America without set-off, deduction or counterclaim. Interest shall be calculated on the basis of actual number of days elapsed and a 360-day year.

Borrower authorizes the Bank to place **\$344,308.90** of the Principal Amount as an interest reserve, which is an estimate of the interest due on the Note ("Interest Reserve"). All interest payments shall be paid from the Interest Reserve. The Bank may automatically deduct accrued unpaid interest from the Interest Reserve. Interest will accrue, as described in this Note, on amounts deducted from the Interest Reserve. In the event the interest due under this Note exceeds the Interest Reserve, Borrower will pay the accrued unpaid interest when due according to the terms of this Note. Upon maturity, the Bank will not advance or disburse the remaining Interest Reserve, if any, to Borrower. The principal due upon maturity will not include any remaining Interest Reserve.

This Note is a revolving note and, subject to the foregoing and in accordance with the provisions hereof and of any and all other agreements between the Borrower and the Bank related hereto, the Borrower may, at its option, borrow, pay, prepay and reborrow hereunder at any time prior to the Maturity Date or such earlier date as the obligations of the Borrower to the Bank under this Note, and any other agreements between the Bank and the Borrower related hereto, shall become due and payable, or the obligation of the Bank to extend financial accommodations to the Borrower shall terminate; provided, however, that in any event the principal balance outstanding hereunder, shall at no time exceed the face

amount of this Note. This Note shall continue in full force and effect until all obligations and liabilities evidenced by this Note are paid in full and the Bank is no longer obligated to extend financial accommodations to the Borrower, even if, from time to time, there are no amounts outstanding respecting this Note.

At the option of the Bank, this Note shall become immediately due and payable without notice or demand upon the occurrence at any time of any of the following events of default (each, an "Event of Default"): (1) default of any liability, obligation, covenant or undertaking of the Borrower or any guarantor hereof to the Bank, hereunder or otherwise, including, without limitation, failure to pay in full and when due any installment of principal or interest or default of the Borrower or any guarantor hereof under any other loan document delivered by the Borrower or any guarantor, or in connection with the loan evidenced by this Note or any other agreement by the Borrower or any guarantor with the Bank continuing for 10 days with respect to the payment of money or continuing for 30 days with respect to any other default; (2) failure of the Borrower or any guarantor hereof to maintain aggregate collateral security value satisfactory to the Bank continuing for 30 days; (3) default of any material liability, obligation or undertaking of the Borrower or any guarantor hereof to any other party continuing for 30 days; (4) if any statement, representation or warranty heretofore, now or hereafter made by the Borrower or any guarantor hereof in connection with the loan evidenced by this Note or in any supporting financial statement of the Borrower or any guarantor hereof shall be determined by the Bank to have been false or misleading in any material respect when made; (5) if the Borrower or any guarantor hereof is a corporation, trust, partnership or limited liability company, the liquidation, termination or dissolution of any such organization, or the merger or consolidation of such organization into another entity, or its ceasing to carry on actively its present business or the appointment of a receiver for its property; (6) the death of the Borrower or any guarantor hereof and, if the Borrower or any guarantor hereof is a partnership or limited liability company, the death of any partner or member; (7) the institution by or against the Borrower or any guarantor hereof of any proceedings under the Bankruptcy Code 11 USC §101 *et seq.* or any other law in which the Borrower or any guarantor hereof is alleged to be insolvent or unable to pay its debts as they mature, or the making by the Borrower or any guarantor hereof of an assignment for the benefit of creditors or the granting by the Borrower or any guarantor hereof of a trust mortgage for the benefit of creditors; (8) the service upon the Bank of a writ in which the Bank is named as trustee of the Borrower or any guarantor hereof; (9) a judgment or judgments for the payment of money shall be rendered against the Borrower or any guarantor hereof, and any such judgment shall remain unsatisfied and in effect for any period of thirty (30) consecutive days without a stay of execution; (10) any levy, lien (including mechanics lien) except as permitted under any of the other loan documents between the Bank and the Borrower, seizure, attachment, execution or similar process shall be issued or levied on any of the property of the Borrower or any guarantor hereof; (11) the termination or revocation of any guaranty hereof; or (12) the occurrence of such a change in the condition or affairs (financial or otherwise) of the Borrower or any guarantor hereof, or the occurrence of any other event or circumstance, such that the Bank, in its sole discretion, deems that it is insecure or that the prospects for timely or full payment or performance of any obligation of the Borrower or any guarantor hereof to the Bank has been or may be impaired.

Any payments received by the Bank on account of this Note shall, at the Bank's option, be applied first, to accrued and unpaid interest; second, to the unpaid principal balance hereof; third to any costs, expenses or charges then owed to the Bank by the Borrower; and the balance to escrows, if any. Notwithstanding the foregoing, any payments received after the occurrence and during the continuance of an Event of Default shall be applied in such manner as the Bank may determine. The Borrower hereby authorizes the Bank to charge any deposit account which the Borrower may maintain with the Bank for any payment required hereunder without prior notice to the Borrower.

If pursuant to the terms of this Note, the Borrower is at any time obligated to pay interest on the principal balance at a rate in excess of the maximum interest rate permitted by applicable law for the loan evidenced by this Note, the applicable interest rate shall be immediately reduced to such maximum rate and all previous payments in excess of the maximum rate shall be deemed to have been payments in reduction of principal and not on account of the interest due hereunder. More specifically, if from any circumstances whatsoever, fulfillment of any provision of this Note or any other loan document excuted and delivered in connection with this Note, at the time performance of such provision becomes due, would

exceed the limit on interest then permitted by any applicable usury statute or any other applicable law, the Bank may, at its option (a) reduce the obligations to be fulfilled to such limit on interest, or (b) apply the amount in excess of such limit on interest to the reduction of the outstanding principal balance of the obligations, and not to the payment of interest, with the same force and effect as though Borrower had specifically designated such sums to be so applied to principal and Bank had agreed to accept such extra payments(s) as a premium-free prepayment, so that in no event shall any exaction be possible under this Note or any other loan document that is in excess of the applicable limit on interest. It is the intention of Borrower and Bank that the total liability for payments in the nature of interest shall not exceed the limits imposed by any applicable state or federal interest rate laws. The provisions of this paragraph shall control every other provision of this Note, and any provision of any other loan document in conflict with this paragraph.

The Borrower represents to the Bank that the proceeds of this Note will not be used for personal, family or household purposes or for the purpose of purchasing or carrying margin stock or margin securities within the meaning of Regulations U and X of the Board of Governors of the Federal Reserve System, 12 C.F.R. Parts 221 and 224.

The Borrower and each guarantor hereof grant to the Bank a continuing lien on and security interest in any and all deposits or other sums at any time credited by or due from the Bank to the Borrower and/or each guarantor hereof and any cash, securities, instruments or other property of the Borrower and each guarantor hereof in the possession of the Bank, whether for safekeeping or otherwise, or in transit to or from the Bank (regardless of the reason the Bank had received the same or whether the Bank has conditionally released the same) as security for the full and punctual payment and performance of all of the liabilities and obligations of the Borrower and/or any guarantor hereof to the Bank and such deposits and other sums may be applied or set off against such liabilities and obligations of the Borrower or any guarantor hereof to the Bank at any time, whether or not such are then due, whether or not demand has been made and whether or not other collateral is then available to the Bank.

No delay or omission on the part of the Bank in exercising any right hereunder shall operate as a waiver of such right or of any other right of the Bank, nor shall any delay, omission or waiver on any one occasion be deemed a bar to or waiver of the same or any other right on any future occasion. The Borrower and every guarantor of this Note, regardless of the time, order or place of signing, waives presentment, demand, protest, notice of intent to accelerate, notice of acceleration and all other notices of every kind in connection with the delivery, acceptance, performance or enforcement of this Note and assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of collateral, and to the addition or release of any other party or person primarily or secondarily liable and waives all recourse to suretyship and guarantor defenses generally, including any defense based on impairment of collateral.

The Borrower and each guarantor of this Note shall indemnify, defend and hold the Bank and its directors, officers, employees, agents and attorneys (each an "Indemnitee") harmless against any claim brought or threatened against any Indemnitee by the Borrower, by any guarantor, or by any other person (as well as from attorneys' reasonable fees and expenses in connection therewith) on account of the Bank's relationship with the Borrower or any guarantor hereof (each of which may be defended, compromised, settled or pursued by the Bank with counsel of the Bank's selection, but at the expense of the Borrower and any guarantor), except for any claim arising out of the gross negligence or willful misconduct of the Bank.

The Borrower and each guarantor of this Note agree to pay, upon demand, costs of collection of all amounts under this Note including, without limitation, principal and interest, or in connection with the enforcement of, or realization on, any security for this Note, including, without limitation, to the extent permitted by applicable law, reasonable attorneys' fees and expenses. Upon the occurrence and during the continuance of an Event of Default, interest shall accrue at a rate per annum equal to the aggregate of 3.0% plus the rate provided for herein. If any payment due under this Note is unpaid for 15 days or more, the Borrower shall pay, in addition to any other sums due under this Note (and without limiting the Bank's other remedies on account thereof), a late charge equal to the greater of \$10.00 or 10.0% of such

unpaid amount.

This Note shall be binding upon the Borrower and each guarantor hereof and upon their respective heirs, successors, assigns and legal representatives, and shall inure to the benefit of the Bank and its successors, endorsees and assigns.

The Borrower and each guarantor, if any, hereby waive presentment, demand, protest, notice of dishonor, notice of protest and all other notices and demands of every kind, and all suretyship defenses of any kind, in each case that would otherwise be available in connection with this Note including, without limitation, any right (whether now or hereafter existing) to require the holder hereof to first proceed against the Borrower, or any guarantor, for any security.

The Borrower and each guarantor, if any, further waive to the extent permitted by law any and all rights and defenses that each may have because the debt evidenced by this Note is secured by real property: this means, among other things, that: (1) the Bank may collect from the Borrower and any guarantor, without first foreclosing on any real or personal property, collateral pledged by the Borrower and any guarantor; and (2) if the Bank forecloses on any real property collateral pledged by the Borrower or any guarantor, then (A) the amount of the debt may be reduced only by the price for which that collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price, and (B) the Bank may collect from the Borrower even if the Bank, by foreclosing on the real property collateral, has destroyed any right the Borrower may have to collect from the underlying debtor. The foregoing sentence is an unconditional and irrevocable waiver of any rights and defenses the Borrower may have because the underlying debt is secured by real property. These rights and defenses being waived by the Borrower include, but are not limited to, any rights or defenses based upon Sections 580a, 580b, 580d or 726 of the California Code of Civil Procedure. Without limiting the generality of the foregoing or any other provision hereof, the Borrower further expressly waives to the extent permitted by law any and all rights and defenses, including without limitation any rights of subrogation, reimbursement, indemnification and contribution, which might otherwise be available to the Borrower under California Civil Code Sections 2822, 2787 to 2855, inclusive, 2899 and 3433, or under California Code of Civil Procedure Sections 580a, 580b, 580d and 726, or any such section.

In the event that at any time, a surety is liable upon only a portion of the Borrower's or any guarantor's obligations under this Note and the Borrower provides partial satisfaction of any such obligation(s), each of the Borrower and each guarantor hereof, if any, hereby waives any right it would otherwise have, under Section 2822 of the California Civil Code, to designate the portion of the obligations to be satisfied. The designation of the portion of the obligation to be satisfied shall, to the extent not expressly made by the terms of this Note, be made by the Bank rather than Borrower.

The liabilities of the Borrower and any guarantor of this Note are joint and several; provided, however, the release by the Bank of the Borrower or any one or more guarantors shall not release any other person obligated on account of this Note. Any and all present and future debts of the Borrower to any guarantor of this Note are subordinated to the full payment and performance of all present and future debts and obligations of the Borrower to the Bank. Each reference in this Note to the Borrower, and any guarantor, is to such person individually and also to all such persons jointly. No person obligated on account of this Note may seek contribution from any other person also obligated, unless and until all liabilities, obligations and indebtedness to the Bank of the person from whom contribution is sought have been irrevocably satisfied in full. The release or compromise by the Bank of any collateral shall not release any person obligated on account of this Note.

The Borrower and each guarantor hereof each authorizes the Bank to complete this Note if delivered incomplete in any respect. A photographic or other reproduction of this Note may be made by the Bank, and any such reproduction shall be admissible in evidence with the same effect as the original itself in any judicial or administrative proceeding, whether or not the original is in existence.

The Borrower will from time to time execute and deliver to the Bank such documents, and take or cause to be taken, all such other further action, as the Bank may request in order to effect and confirm or

vest more securely in the Bank all rights contemplated by this Note or any other loan documents related thereto (including, without limitation, to correct clerical errors) or to vest more fully in or assure to the Bank the security interest in any collateral securing this Note or to comply with applicable statute or law.

This Note is delivered to the Bank at one of its offices in California and shall be governed by the laws of the State of California.

Any notices under or pursuant to this Note shall be deemed duly received and effective if delivered in hand to any officer or agent of the Borrower or Bank, or if mailed by registered or certified mail, return receipt requested, addressed to the Borrower or Bank at the address set forth in this Note or as any party may from time to time designate by written notice to the other party.

The Borrower and each guarantor of this Note acknowledges that the Bank is entitled to a minimum interest charge of \$75.00.

The Borrower and each guarantor of this Note each irrevocably submits to the nonexclusive jurisdiction of any Federal or state court sitting in California, over any suit, action or proceeding arising out of or relating to this Note. Each of the Borrower and each guarantor irrevocably waives, to the fullest extent it may effectively do so under applicable law, any objection it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that the same has been brought in an inconvenient forum. Each of the Borrower and each guarantor hereby consents to any and all process which may be served in any such suit, action or proceeding, (i) by mailing a copy thereof by registered and certified mail, postage prepaid, return receipt requested, to the Borrower's or guarantor's address shown below or as notified to the Bank and (ii) by serving the same upon the Borrower(s) or guarantor(s) in any other manner otherwise permitted by law, and agrees that such service shall in every respect be deemed effective service upon the Borrower or such guarantor.

THE PARTIES AGREE TO ATTEMPT IN GOOD FAITH TO RESOLVE ANY DISPUTES WHICH MAY ARISE AMONG THEM IN CONNECTION WITH THE INTERPRETATION OR ENFORCEMENT OF THE PROVISIONS OF THIS AGREEMENT, OR THE APPLICATION OR VALIDITY THEREOF. IN THE EVENT THAT ANY DISPUTE CANNOT BE SO RESOLVED, AND UNLESS THE RELIEF SOUGHT REQUIRES THE EXERCISE OF THE EQUITY POWERS OF A COURT OF COMPETENT JURISDICTION, SUCH DISPUTE SHALL BE SUBMITTED TO ARBITRATION. SUCH ARBITRATION PROCEEDINGS SHALL BE HELD IN THE COUNTY OF SANTA BARBARA, CALIFORNIA, IN ACCORDANCE WITH THE ARBITRATION PROVISIONS OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. THIS AGREEMENT TO ARBITRATE SHALL BE SPECIFICALLY ENFORCEABLE. ANY AWARD RENDERED IN ANY SUCH ARBITRATION PROCEEDINGS SHALL BE FINAL AND BINDING ON EACH OF THE PARTIES HERETO, AND JUDGEMENT MAY BE ENTERED THEREON IN ANY COURT OF COMPETENT JURISDICTION. THE FOREGOING AGREEMENT TO ARBITRATE DOES NOT LIMIT THE RIGHT OF ANY PARTY TO (I) FORECLOSE AGAINST REAL OR PERSONAL PROPERTY COLLATERAL; (II) EXERCISE SELF-HELP REMEDIES RELATING TO COLLATERAL OR PROCEEDS OF COLLATERAL SUCH AS SETOFF OR REPOSSESSION; OR (III) OBTAIN PROVISIONAL OR ANCILLARY REMEDIES SUCH AS REPLEVIN, INJUNCTIVE RELIEF, ATTACHMENT OR THE APPOINTMENT OF A RECEIVER, BEFORE DURING OR AFTER THE PENDENCY OF ANY ARBITRATION PROCEEDING. THIS EXCLUSION DOES NOT CONSTITUTE A WAIVER OF THE RIGHT OR OBLIGATION OF ANY PARTY TO SUBMIT ANY DISPUTE TO ARBITRATION HEREUNDER, INCLUDING THOSE ARISING FROM THE EXERCISE OF THE ACTIONS DETAILED IN THE FOREGOING CLAUSES (I), (II) AND (III).

Due on Sale or Transfer. Bank may, at its option, declare immediately due and payable all sums secured by one or more deed of trusts provided by Borrower to secure this Note upon the sale or transfer, without Bank's prior written consent, of all or any part of the real property covered by any such deed of trust, or any interest in such real property. A "sale or transfer" means the conveyance of the such real property or any right, title or interest therein; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, option contract, or by sale, assignment or transfer of any beneficial interest in or to any land trust holding

title to such real property, or by any other method of conveyance of a real property interest. If Borrower is a corporation, partnership or limited liability company, transfer also includes any change in ownership of more than 20% of the voting stock, partnership interests or limited liability company interest, as the case may be, of Borrower. This option shall not be exercised by Bank if such exercise is prohibited by applicable law.

Executed as of **March 7, 2008**.

Borrower:

Pend Oreille Bonner Development, LLC

By: Pend Oreille Bonner Development Holdings, Inc.,
Manager

By: 
Charles W. Reeves, President

6900 S. McCarran Blvd., #1010
Reno, Nevada
89509

FAYCO
329121

RECORDING REQUESTED BY:

Pacific Capital Bank, N.A.

AND WHEN RECORDED MAIL TO:

Pacific Capital Bank, N.A.
c/o Loan Services, PO Box 60654
Santa Barbara, California 93160-0654

FILED BY
First American Title
2008 MAR 25 P 2:48
4800

MARIE SCOTT
BONNER COUNTY RECORDER
DEPUTY

748379 748380

FILED BY
First American Title
2008 MAR 25 P 2:49
4800

MARIE SCOTT
BONNER COUNTY RECORDER
DEPUTY

SPACE ABOVE THE LINE FOR RECORDER'S USE

COMMERCIAL MORTGAGE, SECURITY AGREEMENT AND ASSIGNMENT OF LEASES AND RENTS

This COMMERCIAL MORTGAGE, SECURITY AGREEMENT AND ASSIGNMENT OF LEASES AND RENTS (this "Mortgage") is entered into as of March 7, 2008, between Pend Oreille Bonner Development, LLC, a Nevada limited liability company, with an address of 6900 S. McCarran Blvd., #1010, Reno, Nevada 89509 (the "Mortgagor") and Pacific Capital Bank, N.A., a national banking association, doing business as First National Bank of Central California, with an address of c/o Loan Services, PO Box 60654, Santa Barbara, California 93160-0654 (the "Bank").

The real property which is the subject matter of this Mortgage has the following address(es): NNA, Highway 200, Sandpoint, Idaho 83864 (the "Address(es)") RP57N01E66160A, RP57N01E213750A, RP57N01E179000A & RP57N01E166200A.

1. MORTGAGE, OBLIGATIONS AND FUTURE ADVANCES

1.1 Mortgage. For valuable consideration paid and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Mortgagor hereby irrevocably and unconditionally mortgages, grants, bargains, transfers, sells, conveys, sets over and assigns to the Bank and its successors and assigns forever, all of Mortgagor's right, title and interest in and to the "Property" described below, to secure the prompt payment and performance of the Obligations (as hereinafter defined), including without limitation, all amounts due and owing to the Bank and all obligations respecting that certain Revolving Term Note, dated March 7, 2008, by Pend Oreille Bonner Development, LLC in favor of the Bank in the original principal amount of \$5,000,000.00 (the "Note"; and collectively, along with all other agreements, documents, certificates and instruments delivered in connection therewith, the "Loan Documents"), and any substitutions, modifications, extensions or amendments to any of the Loan Documents.

The amount of principal obligations outstanding and evidenced by the Loan Documents and secured by this Mortgage total \$5,000,000.00 as of the date of this Mortgage (the "Amount"), but this Mortgage shall nevertheless secure payment and performance of all Obligations, including, without limitation, any other liabilities and future advances, direct or indirect, absolute or contingent, now existing or hereafter arising from Mortgagor to Bank.

1.2 Security Interest in Property. As continuing security for the Obligations the Mortgagor hereby pledges, assigns and grants to the Bank, and its successors and assigns, a security interest in any of the

Property (as hereinafter defined) constituting personal property or fixtures. This Mortgage is and shall be deemed to be a security agreement and financing statement pursuant to the terms of the Uniform Commercial Code of Idaho (the "Uniform Commercial Code") as to any and all personal property and fixtures and as to all such property the Bank shall have the rights and remedies of a secured party under the Uniform Commercial Code in addition to its rights hereunder. This Mortgage constitutes a financing statement filed as a fixture filing under Section 28-9-502(c) of the Uniform Commercial Code covering any Property which now is or later may become a fixture.

1.3 Collateral Assignment of Leases and Rents. The Mortgagor hereby irrevocably and unconditionally assigns to the Bank, and its successors and assigns, as collateral security for the Obligations all of the Mortgagor's rights and benefits under any and all Leases (as hereinafter defined) and any and all rents and other amounts now or hereafter owing with respect to the Leases or the use or occupancy of the Property. This collateral assignment shall be absolute and effective immediately, but the Mortgagor shall have a license, revocable by the Bank, to continue to collect rents owing under the Leases until an Event of Default (as hereinafter defined) occurs and the Bank exercises its rights and remedies to collect such rents as set forth herein.

1.4 Conditions to Grant. The Bank shall have and hold the above granted Property unto and to the use and benefit of the Bank, and its successors and assigns, forever; provided, however, the conveyances, grants and assignments contained in this Mortgage are upon the express condition that, if Mortgagor shall irrevocably pay and perform the Obligations in full, including, without limitation, all principal, interest and premium thereon and other charges, if applicable, in accordance with the terms and conditions in the Loan Documents and this Mortgage, shall pay and perform all other Obligations as set forth in this Mortgage and shall abide by and comply with each and every covenant and condition set forth herein and in the Loan Documents, the conveyances, grants and assignments contained in this Mortgage shall be appropriately released and discharged.

1.5 Property. The term "Property," as used in this Mortgage, shall mean that certain parcel of land and the fixtures, structures and improvements and all personal property constituting fixtures, as that term is defined in the Uniform Commercial Code, now or hereafter thereon located at the Address(es), as more particularly described in Exhibit A attached hereto, together with: (i) all rights now or hereafter existing, belonging, pertaining or appurtenant thereto; (ii) the following categories of assets as defined in the Uniform Commercial Code: goods (including inventory, equipment and any accessions thereto), instruments (including promissory notes), documents, accounts (including health-care-insurance receivables), chattel paper (whether tangible or electronic), deposit accounts, letter-of-credit rights (whether or not the letter of credit is evidenced by a writing), commercial tort claims, securities and all other investment property, general intangibles (including payment intangibles and software), supporting obligations and any and all proceeds of any thereof, whether now owned or hereafter acquired, that are located on or used in connection with, or that arise in whole or in part out of the Mortgagor's use of or business conducted on or respecting, the Property and any substitutions, replacements, accessions and proceeds of any of the foregoing; (iii) all judgments, awards of damages and settlements hereafter made as a result or in lieu of any Taking, as hereinafter defined; (iv) all of the rights and benefits of the Mortgagor under any present or future leases and agreements relating to the Property, including, without limitation, rents, issues and profits, or the use or occupancy thereof together with any extensions and renewals thereof, specifically excluding all duties or obligations of the Mortgagor of any kind arising thereunder (the "Leases"); and (v) all contracts, permits and licenses respecting the use, operation or maintenance of the Property.

1.6 Obligations. The term "Obligation(s)," as used in this Mortgage, shall mean without limitation all loans, advances, indebtedness, notes, liabilities, rate swap transactions, basis swaps, forward rate transactions, commodity swaps, commodity options, equity or equity index swaps, equity or equity index options, bond options, interest rate options, foreign exchange transactions, cap transactions, floor transactions, collar transactions, forward transactions, currency swap transactions, cross-currency rate swap transactions, currency options and amounts, liquidated or unliquidated, now or hereafter owing by the Mortgagor to the Bank at any time, of each and every kind, nature and description, whether arising under this Mortgage or otherwise, and whether secured or unsecured, direct or indirect (that is, whether

the same are due directly by the Mortgagor to the Bank; or are due indirectly by the Mortgagor to the Bank as endorser, guarantor or other surety, or as obligor of obligations due third persons which have been endorsed or assigned to the Bank, or otherwise), absolute or contingent, due or to become due, now existing or hereafter contracted, including, without limitation, payment of all amounts outstanding when due pursuant to the terms of any of the Loan Documents. Said term shall also include all interest and other charges chargeable to the Mortgagor or due from the Mortgagor to the Bank from time to time and all advances, costs and expenses referred to in this Mortgage, including without limitation the costs and expenses (including reasonable attorney's fees) of enforcement of the Bank's rights hereunder or pursuant to any document or instrument executed in connection herewith.

1.7 Cross-Collateral and Future Advances. It is the express intention of the Mortgagor that this Mortgage secure payment and performance of all of the Obligations, whether now existing or hereinafter incurred by reason of future advances by the Bank or otherwise, and regardless of whether such Obligations are or were contemplated by the parties at the time of the granting of this Mortgage. Notice of the continuing grant of this Mortgage shall not be required to be stated on the face of any document evidencing any of the Obligations, nor shall such documents be required to otherwise specify that they are secured hereby.

2. REPRESENTATIONS, WARRANTIES, COVENANTS

2.1 Representations and Warranties. The Mortgagor represents and warrants that:

- (a) This Mortgage has been duly executed and delivered by the Mortgagor and is the legal, valid and binding obligation of the Mortgagor enforceable in accordance with its terms, except as limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally;
- (b) The Mortgagor is the sole legal owner of the Property, holding good and marketable fee simple title to the Property, subject to no liens, encumbrances, leases, security interests or rights of others, other than as set forth in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, the Bank in connection with this Deed of Trust (the "Permitted Encumbrances");
- (c) The Mortgagor is the sole legal owner of the entire lessor's interest in Leases, if any, with full power and authority to encumber the Property in the manner set forth herein, and the Mortgagor has not executed any other assignment of Leases or any of the rights or rents arising thereunder;
- (d) As of the date hereof, there are no Hazardous Substances (as hereinafter defined) in, on or under the Property, except as disclosed in writing to and acknowledged by the Bank; and
- (e) Each Obligation is a commercial obligation and does not represent a loan used for personal, family or household purposes and is not a consumer transaction.

2.2 Recording; Further Assurances. The Mortgagor covenants that it shall, at its sole cost and expense and upon the request of the Bank, cause this Mortgage, and each amendment, modification or supplement hereto, to be recorded and filed in such manner and in such places, and shall at all times comply with all such statutes and regulations as may be required by law in order to establish, preserve and protect the interest of the Bank in the Property and the rights of the Bank under this Mortgage. Mortgagor will from time to time execute and deliver to the Bank such documents, and take or cause to be taken, all such other or further action, as the Bank may request in order to effect and confirm or vest more securely in the Bank all rights contemplated by this Mortgage (including, without limitation, to correct clerical errors) or to vest more fully in, or assure to the Bank the security interest in, the Property or to comply with applicable statute or law. To the extent permitted by applicable law, Mortgagor authorizes the Bank to file financing statements, continuation statements or amendments, and any such financing

statements, continuation statements or amendments may be filed at any time in any jurisdiction. The Bank may at any time and from time to time file financing statements, continuation statements and amendments thereto that describe the Property as defined in this Mortgage and which contain any other information required by Article 9 of the Uniform Commercial Code for the sufficiency or filing office acceptance of any financing statement, continuation statement or amendment, including whether Mortgagor is an organization, the type of organization and any organization identification number issued to Mortgagor; Mortgagor also authorizes the Bank to file financing statements describing any agricultural liens or other statutory liens held by the Bank. Mortgagor agrees to furnish any such information to the Bank promptly upon request. In addition, Mortgagor shall at any time and from time to time, take such steps as the Bank may reasonably request for the Bank (i) to obtain an acknowledgment, in form and substance satisfactory to the Bank, of any bailee having possession of any of the Property that the bailee holds such Property for the Bank, and (ii) otherwise to insure the continued perfection and priority of the Bank's security interest in any of the Property and the preservation of its rights therein. Mortgagor hereby constitutes the Bank its attorney-in-fact to execute and file all filings required or so requested for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; and such power, being coupled with an interest, shall be irrevocable until this Mortgage terminates in accordance with its terms, all Obligations are paid in full and the Property is released.

2.3 Restrictions on the Mortgagor. The Mortgagor covenants that it will not, nor will it permit any other person to, directly or indirectly, without the prior written approval of the Bank in each instance:

- (a) Sell, convey, assign, transfer, mortgage, pledge, hypothecate, lease or dispose of all or any part of any legal or beneficial interest in the Mortgagor or the Property or any part thereof or permit any of the foregoing, except as expressly permitted by the terms of this Mortgage;
- (b) Permit the use, generation, treatment, storage, release or disposition of any oil or other material or substance constituting hazardous waste or hazardous materials or substances under any applicable Federal or state law, regulation or rule ("Hazardous Substances"); or
- (c) Permit to be created or suffer to exist any mortgage, lien, security interest, attachment or other encumbrance or charge on the Property or any part thereof or interest therein (except for the Permitted Encumbrances), including, without limitation, (i) any lien arising under any Federal, state or local statute, rule, regulation or law pertaining to the release or cleanup of Hazardous Substances and (ii) any mechanics' or materialmen's lien. The Mortgagor further agrees to give the Bank prompt written notice of the imposition, or notice, of any lien referred to in this Section and to take any action necessary to secure the prompt discharge or release of the same. The Mortgagor agrees to defend its title to the Property and the Bank's interest therein against the claims of all persons and, unless the Bank requests otherwise, to appear in and diligently contest, at the Mortgagor's sole cost and expense, any action or proceeding that purports to affect the Mortgagor's title to the Property or the priority or validity of this Mortgage or the Bank's interest hereunder.

2.4 Operation of Property. The Mortgagor covenants and agrees as follows:

- (a) The Mortgagor will not permit the Property to be used for any unlawful or improper purpose, will at all times comply with all Federal, state and local laws, ordinances and regulations, and the provisions of any Lease, easement or other agreement affecting all or any part of the Property, and will obtain and maintain all governmental or other approvals relating to the Mortgagor, the Property or the use thereof, including without limitation, any applicable zoning or building codes or regulations and any laws or regulations relating to the handling, storage, release or cleanup of Hazardous Substances, and will give prompt written notice to the Bank of (i) any violation of any such law, ordinance or regulation by the Mortgagor or relating to the Property, (ii) receipt of notice from any Federal, state or local authority alleging any such violation and (iii) the presence or release on the Property of any Hazardous Substances;

- (b) The Mortgagor will at all times keep the Property insured for such losses or damage, in such amounts and by such companies as may be required by law and which the Bank may require, provided that, in any case, the Mortgagor shall maintain: (i) physical hazard insurance on an "all risks" basis in an amount not less than 100% of the full replacement cost of the Property; (ii) flood insurance if and as required by applicable Federal law and as otherwise required by the Bank; (iii) comprehensive commercial general liability insurance; (iv) rent loss and business interruption insurance; and (v) such other insurance as the Bank may require from time to time, including builder's risk insurance in the case of construction loans. All policies regarding such insurance shall be issued by companies licensed to do business in the state where the policy is issued and also in the state where the Property is located, be otherwise acceptable to the Bank, provide deductible amounts acceptable to the Bank, name the Bank as mortgagee, loss payee and additional insured, and provide that no cancellation or material modification of such policies shall occur without at least Thirty (30) days prior written notice to the Bank. Such policies shall include (i) a mortgage endorsement determined by the Bank in good faith to be equivalent to the "standard" mortgage endorsement so that the insurance, as to the interest of the Bank, shall not be invalidated by any act or neglect of the Mortgagor or the owner of the Property, any foreclosure or other proceedings or notice of sale relating to the Property, any change in the title to or ownership of the Property, or the occupation or use of the Property for purposes more hazardous than are permitted at the date of inception of such insurance policies; (ii) a replacement cost endorsement; (iii) an agreed amount endorsement; (iv) a contingent liability from operation endorsement; and (v) such other endorsements as the Bank may request. The Mortgagor will furnish to the Bank upon request such original policies, certificates of insurance or other evidence of the foregoing as are acceptable to the Bank. The terms of all insurance policies shall be such that no coinsurance provisions apply, or if a policy does contain a coinsurance provision, the Mortgagor shall insure the Property in an amount sufficient to prevent the application of the coinsurance provisions;
- (c) Mortgagor will not enter into or modify the Leases in any material respect without the prior written consent of the Bank, execute any assignment of the Leases except in favor of the Bank, or accept any rentals under any Lease for more than one month in advance and will at all times perform and fulfill every term and condition of the Leases;
- (d) Mortgagor will at all times (i) maintain complete and accurate records and books regarding the Property in accordance with generally accepted accounting principles and (ii) permit the Bank and the Bank's agents, employees and representatives, at such reasonable times as the Bank may request, to enter and inspect the Property and such books and records; and
- (e) Mortgagor will at all times keep the Property in good and first-rate repair and condition (damage from casualty not excepted) and will not commit or permit any strip, waste, impairment, deterioration or alteration of the Property or any part thereof.

2.5 Payments. The Mortgagor covenants to pay when due: all Federal, state, municipal, real property and other taxes, betterment and improvement assessments and other governmental levies, water rates, sewer charges, insurance premiums and other charges on the Property, this Mortgage or any Obligation secured hereby that could, if unpaid, result in a lien on the Property or on any interest therein. If and when requested by the Bank, the Mortgagor shall deposit from time to time with the Bank sums determined by the Bank to be sufficient to pay when due the amounts referred to in this Section. The Mortgagor shall have the right to contest any notice, lien, encumbrance, claim, tax, charge, betterment assessment or premium filed or asserted against or relating to the Property; provided that it contests the same diligently and in good faith and by proper proceedings and, at the Bank's request, provides the Bank with adequate cash security, in the Bank's reasonable judgment, against the enforcement thereof. The Mortgagor shall furnish to the Bank the receipted real estate tax bills or other evidence of payment of real estate taxes for the Property within thirty (30) days prior to the date from which interest or penalty would accrue for nonpayment thereof. The Mortgagor shall also furnish to the Bank evidence of all other payments referred to above within fifteen (15) days after written request therefor by the Bank. If Mortgagor shall fail to pay such sums, the Bank may, but shall not be obligated to, advance such sums.

Any sums so advanced by the Bank shall be added to the Obligations, shall bear interest at the highest rate specified in any note evidencing the Obligations, and shall be secured by the lien of this Mortgage.

2.6 Notices; Notice of Default. The Mortgagor will deliver to the Bank, promptly upon receipt of the same, copies of all notices or other documents it receives that affect the Property or its use, or claim that the Mortgagor is in default in the performance or observance of any of the terms hereof or that the Mortgagor or any tenant is in default of any terms of the Leases. The Mortgagor further agrees to deliver to the Bank written notice promptly upon the occurrence of any Event of Default hereunder or event that with the giving of notice or lapse of time, or both, would constitute an Event of Default hereunder.

2.7 Takings. In case of any condemnation or expropriation for public use of, or any damage by reason of the action of any public or governmental entity or authority to, all or any part of the Property (a "Taking"), or the commencement of any proceedings or negotiations that might result in a Taking, the Mortgagor shall immediately give written notice to the Bank, describing the nature and extent thereof. The Bank may, at its option, appear in any proceeding for a Taking or any negotiations relating to a Taking and the Mortgagor shall immediately give to the Bank copies of all notices, pleadings, determinations and other papers relating thereto. The Mortgagor shall in good faith and with due diligence and by proper proceedings file and prosecute its claims for any award or payment on account of any Taking. The Mortgagor shall not settle any such claim without the Bank's prior written consent. The Mortgagor shall hold any amounts received with respect to such awards or claims, by settlement, judicial decree or otherwise, in trust for the Bank and immediately pay the same to the Bank. The Mortgagor authorizes any award or settlement due in connection with a Taking to be paid directly to the Bank in amounts not exceeding the Obligations. The Bank may apply such amounts to the Obligations in such order as the Bank may determine.

2.8 Insurance Proceeds. The proceeds of any insurance resulting from any loss with respect to the Property shall be paid to the Bank and, at the option of the Bank, be applied to the Obligations in such order as the Bank may determine; provided, however, that if the Bank shall require repair of the Property, the Bank may release all or any portion of such proceeds to the Mortgagor for such purpose. Any insurance proceeds paid to the Mortgagor shall be held in trust for the Bank and promptly paid to it.

3. CERTAIN RIGHTS OF THE BANK

3.1 Legal Proceedings. The Bank shall have the right, but not the duty, to intervene or otherwise participate in any legal or equitable proceeding that, in the Bank's reasonable judgment, might affect the Property or any of the rights created or secured by this Mortgage. The Bank shall have such right whether or not there shall have occurred an Event of Default hereunder.

3.2 Appraisals/Assessments. The Bank shall have the right, at the Mortgagor's sole cost and expense, to obtain appraisals, environmental site assessments or other inspections of the portions of the Property that are real estate at such times as the Bank deems necessary or as may be required by applicable law, or its prevailing credit or underwriting policies.

3.3 Financial Statements. The Bank shall have the right, at the Mortgagor's sole cost and expense, to require delivery of financial statements in form and substance acceptable to the Bank from the Mortgagor or any guarantor of any of the Obligations and the Mortgagor hereby agrees to deliver such financial statements and/or cause any such guarantor to so deliver any such financial statement when required by the Bank.

3.4 Leases and Rent Roll. The Mortgagor shall deliver to the Bank (i) during each calendar year and at such other times as the Bank shall request a rent roll for the Property, in form acceptable to the Bank, listing all tenants and occupants and describing all of the Leases; and (ii) at such times as the Bank shall request executed copies of all the Leases.

4. DEFAULTS AND REMEDIES

4.1 Events of Default. Event of Default shall mean the occurrence of any one or more of the following events:

- (a) default of any liability, obligation, covenant or undertaking of the Mortgagor or any guarantor of the Obligations to the Bank, hereunder or otherwise, including, without limitation, failure to pay in full and when due any installment of principal or interest or default of the Mortgagor or any guarantor of the Obligations under any other Loan Document or any other agreement with the Bank continuing for 10 days with respect to the payment of money or continuing for 30 days with respect to any other default;
- (b) failure by the Mortgagor or any guarantor of the Obligations to perform, observe or comply with any of the covenants, agreements, terms or conditions set forth in this Mortgage or the Loan Documents continuing for 30 days;
- (c) the (i) occurrence of any material loss, theft, damage or destruction of, or (ii) issuance or making of any levy, seizure, attachment, execution or similar process on a material portion of the Property;
- (d) failure of the Mortgagor or any guarantor of the Obligations to maintain aggregate collateral security value satisfactory to the Bank continuing for 30 days;
- (e) default of any material liability, obligation or undertaking of the Mortgagor or any guarantor of the Obligations to any other party continuing for 30 days;
- (f) if any statement, representation or warranty heretofore, now or hereafter made by the Mortgagor or any guarantor of the Obligations in connection with this Mortgage or in any supporting financial statement of the Mortgagor or any guarantor of the Obligations shall be determined by the Bank to have been false or misleading in any material respect when made;
- (g) if the Mortgagor or any guarantor of the Obligations is a corporation, trust, partnership or limited liability company, the liquidation, termination or dissolution of any such organization, or the merger or consolidation of such organization into another entity, or its ceasing to carry on actively its present business or the appointment of a receiver for its property;
- (h) the death of the Mortgagor or any guarantor of the Obligations and, if the Mortgagor or any guarantor of the Obligations is a partnership or limited liability company, the death of any partner or member;
- (i) the institution by or against the Mortgagor or any guarantor of the Obligations of any proceedings under the Bankruptcy Code 11 USC §101 *et seq.* or any other law in which the Mortgagor or any guarantor of the Obligations is alleged to be insolvent or unable to pay its debts as they mature, or the making by the Mortgagor or any guarantor of the Obligations of an assignment for the benefit of creditors or the granting by the Mortgagor or any guarantor of the Obligations of a trust mortgage for the benefit of creditors;
- (j) the service upon the Bank of a writ in which the Bank is named as trustee of the Mortgagor or any guarantor of the Obligations;
- (k) a judgment or judgments for the payment of money shall be rendered against the Mortgagor or any guarantor of the Obligations, and any such judgment shall remain unsatisfied and in effect for any period of thirty (30) consecutive days without a stay of execution;

- (l) any levy, lien (including mechanics lien), seizure, attachment, execution or similar process shall be issued or levied on any of the property of the Mortgagor or any guarantor of the Obligations;
- (m) the termination or revocation of any guaranty of the Obligations; or
- (n) the occurrence of such a change in the condition or affairs (financial or otherwise) of the Mortgagor or any guarantor of the Obligations, or the occurrence of any other event or circumstance, such that the Bank, in its sole discretion, deems that it is insecure or that the prospects for timely or full payment or performance of any obligation of the Mortgagor or any guarantor of the Obligations to the Bank has been or may be impaired.

4.2 Remedies. On the occurrence of any Event of Default the Bank may, at any time thereafter, at its option and, to the extent permitted by applicable law, without notice, exercise any or all of the following remedies:

- (a) Declare the Obligations due and payable, and the Obligations shall thereupon become immediately due and payable, without presentment, protest, demand or notice of any kind, all of which are hereby expressly waived by the Mortgagor except for Obligations due and payable on demand, which shall be due and payable on demand whether or not an event of default has occurred hereunder;
- (b) Enter, take possession of, manage and operate the Property (including all personal property and all records and documents pertaining thereto) and any part thereof and exclude the Mortgagor therefrom, take all actions it deems necessary or proper to preserve the Property and operate the Property as a mortgagee in possession with all the powers as could be exercised by a receiver or as otherwise provided herein or by applicable law; provided, however, the entry by the Bank upon the Property for any reason shall not cause the Bank to be a mortgagee in possession, except upon the express written declaration of the Bank;
- (c) With or without taking possession, receive and collect all rents, income, issues and profits ("Rents") from the Property (including all real estate and personal property and whether past due or thereafter accruing), including as may arise under the Leases, and the Mortgagor appoints the Bank as its true and lawful attorney with the power for the Bank in its own name and capacity to demand and collect Rents and take any action that the Mortgagor is authorized to take under the Leases. The Bank shall (after payment of all costs and expenses incurred) apply any Rents received by it to the Obligations in such order as the Bank determines, or in accordance with any applicable statute, and the Mortgagor agrees that exercise of such rights and disposition of such funds shall not be deemed to cure any default or constitute a waiver of any foreclosure once commenced nor preclude the later commencement of foreclosure for breach thereof. The Bank shall be liable to account only for such Rents actually received by the Bank. Lessees under the Leases are hereby authorized and directed, following notice from the Bank, to pay all amounts due the Mortgagor under the Leases to the Bank, whereupon such lessees shall be relieved of any and all duty and obligation to the Mortgagor with respect to such payments so made;
- (d) In addition to any other remedies, to sell the Property or any part thereof or interest therein at public auction on terms and conditions as the Bank may determine, or otherwise foreclose this Mortgage in any manner permitted by law, and upon such sale the Mortgagor shall execute and deliver such instruments as the Bank may request in order to convey and transfer all of the Mortgagor's interest in the Property, and the same shall operate to divest all rights, title and interest of the Mortgagor in and to the Property. In the event this Mortgage shall include more than one parcel of property or subdivision (each hereinafter called a "portion"), the Bank shall, in its sole and exclusive discretion and to the extent permitted by applicable law, be empowered to foreclose upon any such portion without impairing its right to foreclose

subsequently upon any other portion or the entirety of the Property from time to time thereafter. In addition, the Bank may in its discretion subordinate this Mortgage to one or more Leases for the sole purpose of preserving any such Lease in the event of a foreclosure;

- (e) Cause one or more environmental assessments to be taken, arrange for the cleanup of any Hazardous Substances or otherwise cure the Mortgagor's failure to comply with any statute, regulation or ordinance relating to the presence or cleanup of Hazardous Substances, and the Mortgagor shall provide the Bank or its agents with access to the Property for such purposes; provided that the exercise of any of such remedies shall not be deemed to have relieved the Mortgagor from any responsibility therefor or given the Bank "control" over the Property or cause the Bank to be considered to be a mortgagee in possession, "owner" or "operator" of the Property for purposes of any applicable law, rule or regulation pertaining to Hazardous Substances; and
- (f) Take such other actions or proceedings as the Bank deems necessary or advisable to protect its interest in the Property and ensure payment and performance of the Obligations, including, without limitation, appointment of a receiver (and the Mortgagor hereby waives any right to object to such appointment) and exercise of any of the Bank's remedies provided herein or in any other document evidencing, securing or relating to any of the Obligations or available to a secured party under the Uniform Commercial Code or under other applicable law.

In addition, the Bank shall have all other remedies provided by applicable law, including, without limitation, the right to pursue a judicial sale of the Property or any portion thereof by deed, assignment or otherwise.

The Mortgagor agrees and acknowledges that the acceptance by the Bank of any payments from either the Mortgagor or any guarantor after the occurrence of any Event of Default, the exercise by the Bank of any remedy set forth herein or the commencement, discontinuance or abandonment of foreclosure proceedings against the Property shall not waive the Bank's subsequent or concurrent right to foreclose or operate as a bar or estoppel to the exercise of any other rights or remedies of the Bank. The Mortgagor agrees and acknowledges that the Bank, by making payments or incurring costs described herein, shall be subrogated to any right of the Mortgagor to seek reimbursement from any third parties, including, without limitation, any predecessor in interest to the Mortgagor's title or other party who may be responsible under any law, regulation or ordinance relating to the presence or cleanup of Hazardous Substances.

4.3 Advances. If the Mortgagor fails to pay or perform any of its obligations respecting the Property, the Bank may in its sole discretion do so without waiving or releasing Mortgagor from any such obligation. Any such payments may include, but are not limited to, payments for taxes, assessments and other governmental levies, water rates, insurance premiums, maintenance, repairs or improvements constituting part of the Property. Any amounts paid by the Bank hereunder shall be, until reimbursed by the Mortgagor, part of the Obligations and secured by this Mortgage, and shall be due and payable to the Bank, on demand, together with interest thereon to the extent permitted by applicable law, at the highest rate permitted under any of the notes evidencing the Obligations.

4.4 Cumulative Rights and Remedies. All of the foregoing rights, remedies and options (including without limitation the right to enter and take possession of the Property, the right to manage and operate the same, and the right to collect Rents, in each case whether by a receiver or otherwise) are cumulative and in addition to any rights the Bank might otherwise have, whether at law or by agreement, and may be exercised separately or concurrently and none of which shall be exclusive of any other. The Mortgagor further agrees that the Bank may exercise any or all of its rights or remedies set forth herein without having to pay the Mortgagor any sums for use or occupancy of the Property.

4.5 Mortgagor's Waiver of Certain Rights. To the extent permitted by applicable law, the Mortgagor hereby waives the benefit of all present and future laws (i) providing for any appraisal before sale of all or

any portion of the Property or (ii) in any way extending the time for the enforcement of the collection of the Obligations or creating or extending a period of redemption from any sale made hereunder.

5. MISCELLANEOUS

5.1 Costs and Expenses. To the extent permitted by applicable law, the Mortgagor shall pay to the Bank, on demand, all reasonable expenses (including attorneys' fees and expenses and reasonable consulting, accounting, appraisal, brokerage and similar professional fees and charges) incurred by the Bank in connection with the Bank's interpretation, recordation of this Mortgage, exercise, preservation or enforcement of any of its rights, remedies and options set forth in this Mortgage and in connection with any litigation, proceeding or dispute whether arising hereunder or otherwise relating to the Obligations, together with interest thereon to the extent permitted by applicable law, until paid in full by the Mortgagor at the highest rate set forth in any of the notes evidencing the Obligations. Any amounts owed by the Mortgagor hereunder shall be, until paid, part of the Obligations and secured by this Mortgage, and the Bank shall be entitled, to the extent permitted by law, to receive and retain such amounts in any action for a deficiency against or redemption by the Mortgagor, or any accounting for the proceeds of a foreclosure sale or of insurance proceeds.

5.2 Indemnification Regarding Leases. The Mortgagor hereby agrees to defend, and does hereby indemnify and hold the Bank and each of its directors, officers, employees, agents and attorneys (each an "Indemnitee") harmless from all losses, damages, claims, costs or expenses (including attorneys' fees and expenses) resulting from the assignment of the Leases and from all demands that may be asserted against such Indemnitees arising from any undertakings on the part of the Bank to perform any obligations under the Leases. It is understood that the assignment of the Leases shall not operate to place responsibility for the control or management of the Property upon the Bank or any Indemnitee or make them liable for performance of any of the obligations of the Mortgagor under Leases, respecting any condition of the Property or any other agreement or arrangement, written or oral, or applicable law.

5.3 Indemnification Regarding Hazardous Substances. The Mortgagor hereby agrees to defend, and does hereby indemnify and hold harmless each Indemnitee from and against any and all losses, damages, claims, costs or expenses, including, without limitation, litigation costs and attorneys' fees and expenses and fees or expenses of any environmental engineering or cleanup firm incurred by such Indemnitee and arising out of or in connection with the Property or resulting from the application of any current or future law, regulation or ordinance relating to the presence or cleanup of Hazardous Substances on or affecting the Property. The Mortgagor agrees its obligations hereunder shall be continuous and shall survive termination or discharge of this Mortgage and/or the repayment of all debts to the Bank including repayment of all Obligations.

5.4 Indemnitee's Expenses. If any Indemnitee is made a party defendant to any litigation or any claim is threatened or brought against such Indemnitee concerning this Mortgage or the Property or any part thereof or therein or concerning the construction, maintenance, operation or the occupancy or use thereof by the Mortgagor or other person or entity, then the Mortgagor shall indemnify, defend and hold each Indemnitee harmless from and against all liability by reason of said litigation or claims, including attorneys' fees and expenses incurred by such Indemnitee in connection with any such litigation or claim, whether or not any such litigation or claim is prosecuted to judgment. The within indemnification shall survive payment of the Obligations, and/or any termination, release or discharge executed by the Bank in favor of the Mortgagor.

5.5 Waivers. The Mortgagor waives notice of nonpayment, demand, presentment, protest or notice of protest of the Obligations and all other notices, consents to any renewals or extensions of time of payment thereof, and generally waives any and all suretyship defenses and defenses in the nature thereof. No delay or omission of the Bank in exercising or enforcing any of its rights, powers, privileges, remedies, immunities or discretion (all of which are hereinafter collectively referred to as "the Bank's rights and remedies") hereunder shall constitute a waiver thereof; and no waiver by the Bank of any default of the Mortgagor hereunder or of any demand shall operate as a waiver of any other default

hereunder or of any other demand. No term or provision hereof shall be waived, altered or modified except with the prior written consent of the Bank, which consent makes explicit reference to this Mortgage. Except as provided in the preceding sentence, no other agreement or transaction, of whatsoever nature, entered into between the Bank and the Mortgagor at any time (whether before, during or after the effective date or term of this Mortgage) shall be construed as a waiver, modification or limitation of any of the Bank's rights and remedies under this Mortgage (nor shall anything in this Mortgage be construed as a waiver, modification or limitation of any of the Bank's rights and remedies under any such other agreement or transaction) but all the Bank's rights and remedies not only under the provisions of this Mortgage but also under any such other agreement or transaction shall be cumulative and not alternative or exclusive, and may be exercised by the Bank at such time or times and in such order of preference as the Bank in its sole discretion may determine.

5.6 Joint and Several. If there is more than one Mortgagor, each of them shall be jointly and severally liable for payment and/or performance of all obligations secured by this Mortgage and the term "Mortgagor" shall include each as well as all of them.

5.7 Severability. If any provision of this Mortgage or portion of such provision or the application thereof to any person or circumstance shall to any extent be held invalid or unenforceable, the remainder of this Mortgage (or the remainder of such provision) and the application thereof to other persons or circumstances shall not be affected thereby.

5.8 Complete Agreement. This Mortgage and the other Loan Documents constitute the entire agreement and understanding between and among the parties hereto relating to the subject matter hereof, and supersedes all prior proposals, negotiations, agreements and understandings among the parties hereto with respect to such subject matter.

5.9 Binding Effect of Agreement. This Mortgage shall run with the land and be binding upon and inure to the benefit of the respective heirs, executors, administrators, legal representatives, successors and assigns of the parties hereto, and shall remain in full force and effect (and the Bank shall be entitled to rely thereon) until all Obligations are fully and indefeasibly paid. The Bank may transfer and assign this Mortgage and deliver any collateral to the assignee, who shall thereupon have all of the rights of the Bank; and the Bank shall then be relieved and discharged of any responsibility or liability with respect to this Mortgage and such collateral. Except as expressly provided herein or in the other Loan Documents, nothing, expressed or implied, is intended to confer upon any party, other than the parties hereto, any rights, remedies, obligations or liabilities under or by reason of this Mortgage or the other Loan Documents.

5.10 Notices. Any notices under or pursuant to this Mortgage shall be deemed duly received and effective if delivered in hand to any officer or agent of the Mortgagor or Bank, or if mailed by registered or certified mail, return receipt requested, addressed to the Mortgagor or Bank at the address set forth in this Mortgage or as any party may from time to time designate by written notice to the other party.

5.11 Governing Law. This Mortgage shall be governed by Idaho law.

5.12 Reproductions. This Mortgage and all documents which have been or may be hereinafter furnished by the Mortgagor to the Bank may be reproduced by the Bank by any photographic, photostatic, microfilm, xerographic or similar process, and any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made in the regular course of business).

5.13 Jurisdiction and Venue. The Mortgagor irrevocably submits to the nonexclusive jurisdiction of any Federal or state court sitting in California and any Federal or state court sitting in Idaho, over any suit, action or proceeding arising out of or relating to this Mortgage. The Mortgagor irrevocably waives, to the fullest extent it may effectively do so under applicable law, any objection it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim

that the same has been brought in an inconvenient forum. The Mortgagor hereby consents to process being served in any such suit, action or proceeding (i) by the mailing of a copy thereof by registered or certified mail, postage prepaid, return receipt requested, to the Mortgagor's address set forth herein or such other address as has been provided in writing to the Bank and (ii) in any other manner permitted by law, and agrees that such service shall in every respect be deemed effective service upon the Mortgagor.

5.14 **Arbitration.** THE PARTIES AGREE TO ATTEMPT IN GOOD FAITH TO RESOLVE ANY DISPUTES WHICH MAY ARISE AMONG THEM IN CONNECTION WITH THE INTERPRETATION OR ENFORCEMENT OF THE PROVISIONS OF THIS AGREEMENT, OR THE APPLICATION OR VALIDITY THEREOF. IN THE EVENT THAT ANY DISPUTE CANNOT BE SO RESOLVED, AND UNLESS THE RELIEF SOUGHT REQUIRES THE EXERCISE OF THE EQUITY POWERS OF A COURT OF COMPETENT JURISDICTION, SUCH DISPUTE SHALL BE SUBMITTED TO ARBITRATION. SUCH ARBITRATION PROCEEDINGS SHALL BE HELD IN THE COUNTY OF SANTA BARBARA, CALIFORNIA, IN ACCORDANCE WITH THE ARBITRATION PROVISIONS OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. THIS AGREEMENT TO ARBITRATE SHALL BE SPECIFICALLY ENFORCEABLE. ANY AWARD RENDERED IN ANY SUCH ARBITRATION PROCEEDINGS SHALL BE FINAL AND BINDING ON EACH OF THE PARTIES HERETO, AND JUDGEMENT MAY BE ENTERED THEREON IN ANY COURT OF COMPETENT JURISDICTION. THE FOREGOING AGREEMENT TO ARBITRATE DOES NOT LIMIT THE RIGHT OF ANY PARTY TO (I) FORECLOSE AGAINST REAL OR PERSONAL PROPERTY COLLATERAL; (II) EXERCISE SELF-HELP REMEDIES RELATING TO COLLATERAL OR PROCEEDS OF COLLATERAL SUCH AS SETOFF OR REPOSSESSION; OR (III) OBTAIN PROVISIONAL OR ANCILLARY REMEDIES SUCH AS REPLEVIN, INJUNCTIVE RELIEF, ATTACHMENT OR THE APPOINTMENT OF A RECEIVER, BEFORE DURING OR AFTER THE PENDENCY OF ANY ARBITRATION PROCEEDING. THIS EXCLUSION DOES NOT CONSTITUTE A WAIVER OF THE RIGHT OR OBLIGATION OF ANY PARTY TO SUBMIT ANY DISPUTE TO ARBITRATION HEREUNDER, INCLUDING THOSE ARISING FROM THE EXERCISE OF THE ACTIONS DETAILED IN THE FOREGOING CLAUSES (I), (II) AND (III).

EXECUTED as of the date first above written.

Mortgagor:

Pend Oreille Bonner Development, LLC

By: Pend Oreille Bonner Development Holdings, Inc.,
Manager

By:


Charles W. Reeves, President

STATE OF IDAHO)

) SS

COUNTY OF BONNER)

On MARCH 21, 2018 before me, BETTY J. FALETTO, personally appeared Charles W. Reeves, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Betty J. Falitto

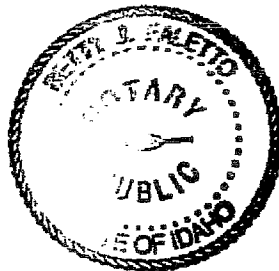


EXHIBIT "A"

Property Description

Real property in the County of Bonner, State of Idaho, described as follows:

PARCEL 1:

That portion of the Southwest quarter of the Southwest quarter of Section 16, Township 57 North, Range 1 East, Boise Meridian, lying West of the State Highway No. 200 right of way and East of the Northern Pacific Railway right of way and lying North of the North line of the following described tract:

Beginning at a point where the Section line between Sections 16 and 21, Township 57 North, Range 1 West, Boise Meridian, intersects the State Highway on the Westerly side as it now exists; thence in a Northwesterly direction along the Westerly side of said Highway, 752 feet; thence in a Southwesterly direction, 97 feet; thence in a Southeasterly direction 672 feet to the Section line between Sections 16 and 21; thence East on said Section line between said Sections 16 and 21, 104.25 feet, more or less, to the place of beginning.

Said parcel is now described as follows:

A tract of land situated in the Southwest quarter of the Southwest quarter of Section 16, Township 57 North, Range 1 East of the Boise Meridian, Bonner County, Idaho, lying Southwest of the right of way of State Highway No. 200 and Northeast of the right of way of Montana Rail Link Railway, being a portion of that property described as Parcel 1 of Instrument No. 168846 and more particularly described as follows:

Commencing at the intersection of the South line of the Southwest quarter of the Southwest quarter of Section 16 and the Northeasterly right of way of Montana Rail Link Railway which is South 88° 10' 56" East, 944.95 feet from the Southwest corner of Section 16; thence leaving said South line and along said right of way North 23° 38' 59" West, 672.00 feet to the true point of beginning; thence continuing along said right of way North 23° 38' 59" West, 786.99 feet to the intersection with the North line of the Southwest quarter of the Southwest quarter; thence leaving said right of way and along said North line South 88° 43' 23" East, 241.38 feet to the Westerly right of way of State Highway No. 200; thence leaving said North line and along said right of way the following four (4) courses:

on a non-tangential curve to the right having a central angle of 01° 19' 25" (radial bearing = South 73° 15' 16" West), a radius of 768.50 feet, for an arc length of 17.75 feet (chord = South 16° 06' 41" East, 17.75 feet); thence along a line offset 50.00 feet Westerly of and parallel to a spiral curve (centerline is = 200 feet, a = 3.5, S = 7°) for a chord of South 10° 43' 01" East, 193.87 feet); thence South 08° 25' 19" East, 86.06 feet; thence on a curve to the left having a central angle of 13° 56' 48", a radius of 1482.53 feet, for an arc length of 360.87 feet (chord = South 15° 23' 43" East, 359.98 feet);

thence leaving said right of way South 44° 37' 10" West, 106.45 feet (record = "Southwesterly 97 feet") to the true point of beginning.

PARCEL 2:

That part of the Southwest quarter of the Southwest quarter in Section 16, Township 57 North, Range 1 East of the Boise Meridian, lying South and West of the Burlington Northern Inc. Railway right of way and Government Lot 5 in Section 17, Township 57 North, Range 1 East of the Boise Meridian, save and excepting therefrom:

The South 350 feet of Government Lot 5 in said Section 17, and also that part of the Southwest quarter of the Southwest quarter in said Section 16 lying Westerly of said Burlington Northern Inc. right of way as now in use and described as follows:

Beginning at the Southwest corner of said Section 16; thence North along the West Section

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line 350 feet; thence East to the centerline of Trestle Creek; thence Southeasterly along said centerline to the South line of Section 16; thence West along the Section line 720 feet, more or less, to the point of beginning.

Said parcel is now described as follows:

A tract of land situated in the Southwest quarter of the Southwest quarter of Section 16, lying Southwest of Montana Rail Link Railroad right of way and Government Lot 5 of Section 17, all in Township 57 North, Range 1 East, of the Boise Meridian, Bonner County, Idaho, being a portion of that property described as Parcel 2 of Instrument No. 168846 and more particularly described as follows:

Beginning at the intersection of the South line of the Southwest quarter of the Southwest quarter of Section 16 and the Southwesterly right of way of Montana Rail Link Railway which is South $88^{\circ} 10' 56''$ East, 834.19 feet from the Southwest corner of Section 16; thence leaving said South line and along said right of way North $23^{\circ} 38' 59''$ West, 1457.84 feet to the intersection with the North line of the Southwest quarter of the Southwest quarter; thence leaving said right of way and along the North line of the Southwest quarter of the Southwest quarter, North $88^{\circ} 43' 23''$ West, 243.71 feet to the Northwest corner of the Southwest quarter of the Southwest quarter; thence along the North line of Government Lot 5 in Section 17, North $89^{\circ} 23' 45''$ West, 1223.84 feet to the meander line of Lake Pend Oreille, as defined by the original GLO Survey; thence leaving said North line and along said meander line the following two (2) courses:

South $52^{\circ} 55' 48''$ East, 561.00 feet; thence South $37^{\circ} 55' 48''$ East, 798.96 feet to a point on a line lying 350.00 feet North of and parallel to the South line of the Southwest quarter of the Southwest quarter of Section 16;

thence along said parallel line, South $88^{\circ} 10' 56''$ East, 281.27 feet to the West line of the said Southwest quarter of the Southwest quarter; thence continuing South $88^{\circ} 10' 56''$ East, 159.02 feet to the intersection with the centerline of Trestle Creek; thence along the centerline of Trestle Creek the following eight (8) courses:

South $52^{\circ} 54' 34''$ East, 63.58 feet; thence South $44^{\circ} 37' 26''$ East, 117.83 feet; thence South $42^{\circ} 08' 45''$ East, 77.28 feet; thence South $80^{\circ} 05' 07''$ East, 145.49 feet; thence South $55^{\circ} 15' 32''$ East, 86.34 feet thence South $46^{\circ} 56' 31''$ East, 113.98 feet; thence South $75^{\circ} 43' 10''$ East, 58.83 feet; thence South $37^{\circ} 48' 28''$ East, 27.37 feet to the intersection with the South line of the Southwest quarter of the Southwest quarter;

thence leaving said creek centerline and along said South line South $88^{\circ} 10' 56''$ East, 116.80 feet to the true point of beginning.

PARCEL 3:

A portion of the Northeast quarter of the Northwest quarter and Government Lot 1 in Section 21, Township 57 North, Range 1 East, Boise Meridian, Bonner County, Idaho, described as follows:

Beginning at a point where the South line of the Northeast quarter of the Northwest quarter of Section 21, Township 57 North, Range 1 East, Boise Meridian, Bonner County, Idaho, intersects the West line of the Northern Pacific Railroad Company right-of-way; thence 600 feet Northerly along said railroad right-of-way; thence West to the meander line of the lake; thence 600 feet Southerly to the the South line of Lot 1 of said Section 21; thence East to the Point of Beginning.

Said parcel is now described as follows:

A tract of land situated in the Northeast quarter of the Northwest quarter and Government Lot 1 of Section 21, Township 57 North, Range 1 East of the Boise Meridian, Bonner County,

Idaho, more particularly described as follows:

Beginning at the intersection of the South line of the Northeast quarter of the Northwest quarter of Section 21 and the Westerly right of way of Montana Rail Link Railroad which is South 88° 55' 48" East, 139.54 feet from the Southwest corner of said Northeast quarter of the Northwest quarter; thence leaving said South line and along said right of way the following two (2) courses:

on a non-tangential curve to the left having a central angle of 10° 44' 25" (radial bearing = South 65° 01' 49" West) a radius of 2664.79 feet, for an arc length of 499.53 feet (chord = North 30° 20' 24" West, 498.80 feet); thence North 25° 10' 12" West, 100.47 feet;

thence leaving said right of way and parallel to the South line of Government Lot 1, North 88° 55' 48" West, 936.05 feet to the meander line of Lake Pend Oreille as defined in the original GLO Survey; thence along said meander line the following two (2) courses:

South 14° 25' 48" East, 271.54 feet; thence South 46° 40' 48" East, 378.00 feet to the intersection with the South line of Government Lot 1;

thence along said South line South 88° 55' 48" East, 748.52 feet to the Southeast corner of Government Lot 1; thence along the South line of the Northeast quarter of the Northwest quarter, South 88° 55' 48" East, 139.54 feet to the true point of beginning.

Commonly known as: NNA, Sandpoint, ID 83864



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~~EXHIBIT 2A~~

Property Description

Real property in the County of Bonner, State of Idaho, described as follows:

PARCEL 1:

That portion of the Southwest quarter of the Southwest quarter of Section 16, Township 57 North, Range 1 East, Boise Meridian, lying West of the State Highway No. 200 right of way and East of the Northern Pacific Railway right of way and lying North of the North line of the following described tract:

Beginning at a point where the Section line between Sections 16 and 21, Township 57 North, Range 1 West, Boise Meridian, intersects the State Highway on the Westerly side as it now exists; thence in a Northwesterly direction along the Westerly side of said Highway, 752 feet; thence in a Southwesterly direction, 97 feet; thence in a Southeasterly direction 672 feet to the Section line between Sections 16 and 21; thence East on said Section line between said Sections 16 and 21, 104.25 feet, more or less, to the place of beginning.

Said parcel is now described as follows:

A tract of land situated in the Southwest quarter of the Southwest quarter of Section 16, Township 57 North, Range 1 East of the Boise Meridian, Bonner County, Idaho, lying Southwest of the right of way of State Highway No. 200 and Northeast of the right of way of Montana Rail Link Railway, being a portion of that property described as Parcel 1 of Instrument No. 168846 and more particularly described as follows:

Commencing at the intersection of the South line of the Southwest quarter of the Southwest quarter of Section 16 and the Northeasterly right of way of Montana Rail Link Railway which is South 88° 10' 56" East, 944.95 feet from the Southwest corner of Section 16; thence leaving said South line and along said right of way North 23° 38' 59" West, 672.00 feet to the true point of beginning; thence continuing along said right of way North 23° 38' 59" West, 786.99 feet to the intersection with the North line of the Southwest quarter of the Southwest quarter; thence leaving said right of way and along said North line South 88° 43' 23" East, 241.38 feet to the Westerly right of way of State Highway No. 200; thence leaving said North line and along said right of way the following four (4) courses:

on a non-tangential curve to the right having a central angle of 01° 19' 25" (radial bearing = South 73° 15' 16" West), a radius of 768.50 feet, for an arc length of 17.75 feet (chord = South 16° 06' 41" East, 17.75 feet); thence along a line offset 50.00 feet Westerly of and parallel to a spiral curve (centerline is = 200 feet, a = 3.5, S = 7°) for a chord of South 10° 43' 01" East, 193.87 feet); thence South 08° 25' 19" East, 86.06 feet; thence on a curve to the left having a central angle of 13° 56' 48", a radius of 1482.53 feet, for an arc length of 360.87 feet (chord = South 15° 23' 43" East, 359.98 feet);

thence leaving said right of way South 44° 37' 10" West, 106.45 feet (record = "Southwesterly 97 feet") to the true point of beginning.

PARCEL 2:

That part of the Southwest quarter of the Southwest quarter in Section 16, Township 57 North, Range 1 East of the Boise Meridian, lying South and West of the Burlington Northern Inc. Railway right of way and Government Lot 5 in Section 17, Township 57 North, Range 1 East of the Boise Meridian, save and excepting therefrom:

The South 350 feet of Government Lot 5 in said Section 17, and also that part of the Southwest quarter of the Southwest quarter in said Section 16 lying Westerly of said Burlington Northern Inc. right of way as now in use and described as follows:

Beginning at the Southwest corner of said Section 16; thence North along the West Section

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line 350 feet; thence East to the centerline of Trestle Creek; thence Southeasterly along said centerline to the South line of Section 16; thence West along the Section line 720 feet, more or less, to the point of beginning.

Said parcel is now described as follows:

A tract of land situated in the Southwest quarter of the Southwest quarter of Section 16, lying Southwest of Montana Rail Link Railroad right of way and Government Lot 5 of Section 17, all in Township 57 North, Range 1 East, of the Boise Meridian, Bonner County, Idaho, being a portion of that property described as Parcel 2 of Instrument No. 168846 and more particularly described as follows:

Beginning at the intersection of the South line of the Southwest quarter of the Southwest quarter of Section 16 and the Southwesterly right of way of Montana Rail Link Railway which is South $88^{\circ} 10' 56''$ East, 834.19 feet from the Southwest corner of Section 16; thence leaving said South line and along said right of way North $23^{\circ} 38' 59''$ West, 1457.84 feet to the intersection with the North line of the Southwest quarter of the Southwest quarter; thence leaving said right of way and along the North line of the Southwest quarter of the Southwest quarter, North $88^{\circ} 43' 23''$ West, 243.71 feet to the Northwest corner of the Southwest quarter of the Southwest quarter; thence along the North line of Government Lot 5 in Section 17, North $89^{\circ} 23' 45''$ West, 1223.84 feet to the meander line of Lake Pend Oreille, as defined by the original GLO Survey; thence leaving said North line and along said meander line the following two (2) courses:

South $52^{\circ} 55' 48''$ East, 561.00 feet; thence South $37^{\circ} 55' 48''$ East, 798.96 feet to a point on a line lying 350.00 feet North of and parallel to the South line of the Southwest quarter of the Southwest quarter of Section 16;

thence along said parallel line, South $88^{\circ} 10' 56''$ East, 281.27 feet to the West line of the said Southwest quarter of the Southwest quarter; thence continuing South $88^{\circ} 10' 56''$ East, 159.02 feet to the intersection with the centerline of Trestle Creek; thence along the centerline of Trestle Creek the following eight (8) courses:

South $52^{\circ} 54' 34''$ East, 63.58 feet; thence South $44^{\circ} 37' 26''$ East, 117.83 feet; thence South $42^{\circ} 08' 45''$ East, 77.28 feet; thence South $80^{\circ} 05' 07''$ East, 145.49 feet; thence South $55^{\circ} 15' 32''$ East, 86.34 feet thence South $46^{\circ} 56' 31''$ East, 113.98 feet; thence South $75^{\circ} 43' 10''$ East, 58.83 feet; thence South $37^{\circ} 48' 28''$ East, 27.37 feet to the intersection with the South line of the Southwest quarter of the Southwest quarter;

thence leaving said creek centerline and along said South line South $88^{\circ} 10' 56''$ East, 116.80 feet to the true point of beginning.

PARCEL 3:

A portion of the Northeast quarter of the Northwest quarter and Government Lot 1 in Section 21, Township 57 North, Range 1 East, Boise Meridian, Bonner County, Idaho, described as follows:

Beginning at a point where the South line of the Northeast quarter of the Northwest quarter of Section 21, Township 57 North, Range 1 East, Boise Meridian, Bonner County, Idaho, intersects the West line of the Northern Pacific Railroad Company right-of-way; thence 600 feet Northerly along said railroad right-of-way; thence West to the meander line of the lake; thence 600 feet Southerly to the the South line of Lot 1 of said Section 21; thence East to the Point of Beginning.

Said parcel is now described as follows:

A tract of land situated in the Northeast quarter of the Northwest quarter and Government Lot 1 of Section 21, Township 57 North, Range 1 East of the Boise Meridian, Bonner County,

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Idaho, more particularly described as follows:

Beginning at the intersection of the South line of the Northeast quarter of the Northwest quarter of Section 21 and the Westerly right of way of Montana Rail Link Railroad which is South 88° 55' 48" East, 139.54 feet from the Southwest corner of said Northeast quarter of the Northwest quarter; thence leaving said South line and along said right of way the following two (2) courses:

on a non-tangential curve to the left having a central angle of 10° 44' 25" (radial bearing = South 65° 01' 49" West) a radius of 2664.79 feet, for an arc length of 499.53 feet (chord = North 30° 20' 24" West, 498.80 feet); thence North 25° 10' 12" West, 100.47 feet;

thence leaving said right of way and parallel to the South line of Government Lot 1, North 88° 55' 48" West, 936.05 feet to the meander line of Lake Pend Oreille as defined in the original GLO Survey; thence along said meander line the following two (2) courses:

South 14° 25' 48" East, 271.54 feet; thence South 46° 40' 48" East, 378.00 feet to the intersection with the South line of Government Lot 1;

thence along said South line South 88° 55' 48" East, 748.52 feet to the Southeast corner of Government Lot 1; thence along the South line of the Northeast quarter of the Northwest quarter, South 88° 55' 48" East, 139.54 feet to the true point of beginning.

Commonly known as: NNA, Sandpoint, ID 83864



Recording Requested By:

And When Recorded Mail To:
Fidelity National Title Insurance Company
135 Main St. Ste.1900
San Francisco, CA 94105

CERTIFIED A TRUE COPY OF THE ORIGINAL
Document Recorded 1/7/2011
Recorder's Serial No. 204174
Bonner County Recorder

DEFAULT RESOLUTION NETWORK
By Brenda Spake

Loan No.: 101764389/Idaho Club//FRBC #100395.0012
T.S. No.: 10 -01616-4.

NOTICE OF DEFAULT UNDER MORTGAGE INSTRUMENT

NOTICE IS HEREBY GIVEN THAT **Pacific Capital Bank, N.A., a national banking association doing business as First National Bank of Central California** is the Mortgagee under a Mortgage executed by **Pend Oreille Bonner Development, LLC, a Nevada limited liability company, as Mortgagor, and dated March 7, 2008 to secure certain obligations in the amount of \$5,000,000.00, in favor of Pacific Capital Bank, N.A., a national banking association, doing business as First National Bank of Central California, as Mortgagee, recorded March 25, 2008, as Instrument No. 748379/748380, of the official records of Bonner County, Idaho describing land therein as follows:**

See Exhibit "A" attached hereto and made a part hereof.

Mortgagee hereby elects to conduct a unified foreclosure sale pursuant to the provisions of Idaho Code, Title 28, Section 28-9-604 and to include in the foreclosure of the estate described in this Notice of Default all of the personal property and fixtures described in the Mortgage and in any other instruments in favor of Mortgagee. Mortgagee reserves the right to revoke its election as to some or all of said personal property and/or fixtures, or to add additional personal property and/or fixtures to the election herein expressed, at Mortgagee's sole election, from time to time and at any time until the consummation of the mortgagee's sale to be conducted pursuant to the Mortgage and this Notice of Default, and that

There is a default by the Grantor or other person owing an obligation, the performance of which is secured by said Mortgage, or by their successor in interest, with respect to provisions therein which authorize sale in the event of default of such provision, to wit: **failed to pay the balance of the principal sum which became due; together with interest due thereon; failed to pay advances made by the Mortgagee; failed to pay attorneys' fees and expenses;**

By reason of such Default, the Mortgagee under said Mortgage has executed and a written declaration of default and demand for sale, and has deposited with said Mortgagee such Mortgage and all documents evidencing obligations secured thereby and has declared and does hereby declare all sums secured thereby immediately due and payable and has elected to cause the trust property to be sold. Said sums being the following:

The unpaid principal balance of \$4,952,475.59 together with interest thereon at the current rate of 6.00000% per annum from 03/07/2009 until paid, plus all accrued late charges, escrow advances, trustee fees and costs, legal fees and costs, and any other sums incurred or advanced by the Mortgagee pursuant to the terms and conditions of said Mortgage.

To find out the amount you must pay, or to arrange for payment to stop foreclosure, or if property is in foreclosure for any other reason, contact:

Pacific Capital Bank, N.A., dba First National Bank of Central California
c/o FIDELITY NATIONAL TITLE INSURANCE COMPANY
135 Main St. Ste. 1900
San Francisco, CA 94105
415-247-2450

Dated: January 3, 2011

By: FIDELITY NATIONAL TITLE INSURANCE COMPANY, agent to the Mortgagee



Julie Wagner, Authorized Signature

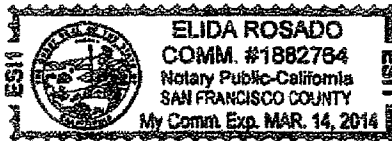
State of California }ss.
County of San Francisco }ss

On January 3, 2011, before me, Elida Rosado, personally appeared Julie Wagner, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.


Elida Rosado # 1882764
My Commission Expires March 14, 2014



(Seal)

D 2 2

an Idaho limited liability company, PEND)
 OREILLE BONNER DEVELOPMENT)
 HOLDINGS, INC., a Nevada corporation,)
 PENSICO TRUST CO. custodian f/b/a Barney)
 Ng, a California corporation, MORTGAGE)
 FUND '08 LLC, a California limited liability)
 company, B-K LIGHTING, INC., a California)
 corporation, FREDERICK J. GRANT, an)
 individual, CHRISTINE GRANT, an)
 individual, RUSS CAPITAL GROUP, LLC, an)
 Arizona limited liability company, JOSEPH)
 DUSSICH, an individual, MOUNTAIN WEST)
 BANK, an Idaho corporation, STATE OF)
 IDAHO, Department of Revenue and Taxation,)
 MONTAHENO INVESTMENTS LLC, a)
 Nevada limited liability company, TOYON)
 INVESTMENTS LLC, a Nevada limited)
 liability company, CHARLES W. REEVES and ...))
 ANN B. REEVES, husband and wife, ACI)
 NORTHWEST, INC., an Idaho corporation,)
)
 Defendants.)
)
 _____)

TO: DEFENDANTS NAMED ABOVE, AND TO EACH OF YOU:

NOTICE: YOU HAVE BEEN SUED BY THE ABOVE-NAMED PLAINTIFF. THE COURT MAY ENTER JUDGMENT AGAINST YOU WITHOUT FURTHER NOTICE UNLESS YOU RESPOND WITHIN 20 DAYS. READ THE INFORMATION BELOW.

YOU ARE HEREBY NOTIFIED that in order to defend this lawsuit, an appropriate written response must be filed with the above designated court within 20 days after service of this Summons on you. If you fail to so respond the court may enter judgment against you as demanded by the plaintiffs in the Complaint.

A copy of the Complaint is served with this Summons. If you wish to seek the advice of or representation by an attorney in this matter, you should do so promptly so that your written response, if any, may be filed in time and other legal rights protected.

An appropriate written response requires compliance with Rule 10(a)(1) and other Idaho Rules of Civil Procedure and shall also include:

1. The title and number of this case.

SUMMONS

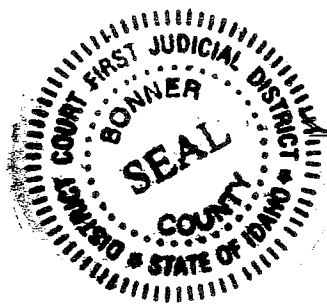
2. In your response and Answer to the Complaint, it must contain admissions or denials of the separate allegations of the Complaint and other defense you may claim.

3. Your signature, mailing address and telephone number, or the signature, mailing address and telephone number of your attorney.

4. Proof of mailing or delivery of a copy of your response to the plaintiffs' attorney, as designated above.

To determine whether you must pay a filing fee with your response, contact the Clerk of the above-named court.

DATED this 28 day of January 2011.



Lacey B
CLERK

STATE OF IDAHO
COUNTY OF BONNER
FIRST JUDICIAL DIST.

2011 FEB -2 P 3:57

MARIE SCOTT
CLERK DISTRICT COURT

John E. Miller, Idaho State Bar No. 4676
The Law Office of John E. Miller
A Professional Corporation
206 Indiana Avenue, Suite 200
Coeur d'Alene, ID 83814
Telephone: (208) 665-9464
Facsimile: (208) 665-9176
Email: jmillerlaw@cda.twcbc.com

Attorney for Plaintiff

DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT

STATE OF IDAHO, COUNTY OF BONNER

PACIFIC CAPITAL BANK, N.A., a national	)	CASE NO. CV 2011-0135
banking association)	
)	
Plaintiff,)	
	)	EX PARTE MOTION FOR ORDER
vs.	)	ALLOWING OUT OF STATE SERVICE
)	
PEND OREILLE BONNER DEVELOPMENT,)	
LLC, a Nevada limited liability company, et al)	
)	
Defendants.)	

COMES NOW the plaintiff, PACIFIC CAPITAL BANK, N.A., and moves the Clerk of this Court pursuant to Idaho Code §§ 5-514 and 5-515, for an Order for Out Of State Service of Summons upon the defendants R.E. LOANS, LLC, PENSCO TRUST CO., custodian fba Barney Ng,

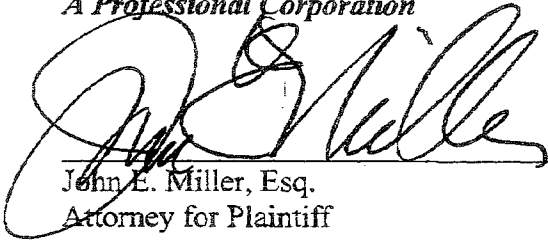
EX PARTE MOTION FOR ORDER ALLOWING OUT OF STATE SERVICE OF SUMMONS AND NOTICE OF MOTION

MORTGAGE FUND '08 LLC, MONTAHENO INVESTMENT, LLC, TOYON INVESTMENTS, LLC, and WELLS FARGO FOOTHILL, LLC.

This Motion is based upon Idaho Code §§ 5-514 and 5-515, the supporting affidavit of John E. Miller, and further upon the pleadings and records on file herein which pleadings are verified and state a cause or causes of action against said defendants making each of them necessary parties to this suit.

DATED this 1 day of February 2011.

*The Law Office of John E. Miller
A Professional Corporation*



John E. Miller, Esq.
Attorney for Plaintiff

EX PARTE MOTION FOR ORDER ALLOWING OUT
OF STATE SERVICE OF SUMMONS
AND NOTICE OF MOTION

STATE OF IDAHO
COUNTY OF BONNER
FIRST JUDICIAL DIST.

2011 FEB - 8 AM 9:59

MARIE SCOTT
CLERK DISTRICT COURT

John E. Miller, Idaho State Bar No. 4676
The Law Office of John E. Miller
A Professional Corporation
206 Indiana Avenue, Suite 200
Coeur d'Alene, ID 83814
Telephone: (208) 665-9464
Facsimile: (208) 665-9176
Email: jmillerlaw@cda.twcbc.com

Attorney for Plaintiff

DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT

STATE OF IDAHO, COUNTY OF BONNER

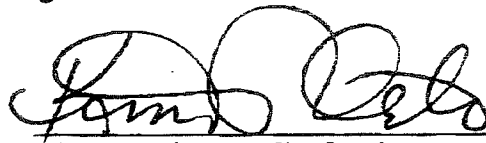
PACIFIC CAPITAL BANK, N.A., a national banking association	)	CASE NO. CV 2011-0135
)	
Plaintiff,)	
	)	AFFIDAVIT RE
vs.	)	VERIFICATION OF COMPLAINT FOR
	)	MORTGAGE FORECLOSURE
)	
PEND OREILLE BONNER DEVELOPMENT, LLC, a Nevada limited liability company, et al)	
)	
Defendants.)	
)	

STATE OF CALIFORNIA)
): ss
County of Ventura)

Kim von Disterlo, being first duly sworn upon oath, deposes and says:

803249.1
VERIFICATION OF COMPLAINT FOR
MORTGAGE FORECLOSURE

I am an officer of the Plaintiff named above and I am authorized by it to provide Verification of the facts alleged in the Complaint for Mortgage Foreclosure filed in this action. I have personal knowledge of the matter. I have read the Complaint, I know the contents thereof, and I state the same to be true and correct to the best of my knowledge.



Kim von Disterlo, Vice President
For Pacific Capital Bank, N.A.

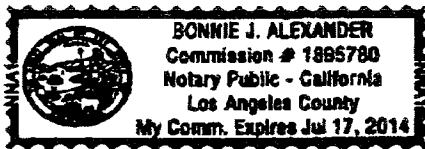
SUBSCRIBED AND SWORN to before me this 7th day of February 2011.

Bonnie J. Alexander

NOTARY PUBLIC for California

Residing at 24737 Calle Altamira Calabasas CA

Commission Expires: 7-17-14



STATE OF IDAHO
COUNTY OF BONNER
FIRST JUDICIAL DIST.

2011 FEB -9 P 2:30

MARIE SCOTT
CLERK DISTRICT COURT

[Signature]
CLERK

John E. Miller, Idaho State Bar No. 4676
The Law Office of John E. Miller
A Professional Corporation
206 Indiana Avenue, Suite 200
Coeur d'Alene, ID 83814
Telephone: (208) 665-9464
Facsimile: (208) 665-9176
Email: jmillerlaw@cda.twcbc.com

Attorney for Plaintiff

DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT
STATE OF IDAHO, COUNTY OF BONNER

PACIFIC CAPITAL BANK, N.A., a national banking association	)	CASE NO. CV 2011-0135
)	
)	
Plaintiff,)	
	)	ORDER ALLOWING OUT OF STATE
vs.	)	SERVICE OF SUMMONS
)	
PEND OREILLE BONNER DEVELOPMENT, LLC, a Nevada limited liability company, et al)	
)	
Defendants.)	
)	

IT APPEARS to the satisfaction of the Clerk of this Court upon reading the Ex Parte Motion for Order for Out of State Service, the supporting Affidavit, and the Complaint filed in this action, that a cause of action exists as to defendants R.E. LOANS, LLC, PENSICO TRUST CO., custodian fba Barney Ng, MORTGAGE FUND '08 LLC, MONTAHENO INVESTMENT, LLC, TOYON INVESTMENTS,

ORDER ALLOWING OUT
OF STATE SERVICE OF SUMMONS

LLC, and WELLS FARGO FOOTHILL, LLC., and that said defendants are necessary and proper parties to the action. It further appears that said defendants are currently unavailable for service within the State of Idaho .

NOW THEREFORE,

IT IS HEREBY ORDERED, that service of the Summons and Complaint may be personally made upon each of the said defendants outside the state of Idaho, and where ever they may be found.

DATED this 9th day of February 2011.

Steve Verkey

ORDER ALLOWING OUT
OF STATE SERVICE OF SUMMONS

Mailed to John E Miller Feb 11 AM PAGE -2-

CLERK OF DISTRICT COURT
COUNTY OF BONNER
2011 FEB 23 A 10:34
CLERK OF DISTRICT COURT
COUNTY OF BONNER
2011 FEB 23 A 10:34
CLERK OF DISTRICT COURT
COUNTY OF BONNER
2011 FEB 23 A 10:34

Steven C. Wetzel, ISB # 2988
Kevin P. Holt, ISB #7196
WETZEL, WETZEL & HOLT P.L.L.C.
618 N 4th Street, Suite 2
Coeur d'Alene, Idaho 83814-3021
Telephone: (208) 667-3400
Facsimile: (208) 664-6741

Attorneys for Vilelli

IN THE DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF **BONNER**

PACIFIC CAPITAL BANK, N.A., a national
banking association,

Plaintiff,

vs.

PEND OREILLE BONNER
DEVELOPMENT, LLC a Nevada limited
liability company, JV L.L.C., an Idaho
limited liability company, DAN
JACOBSON, an individual, SAGE
HOLDINGS LLC, an Idaho limited liability
company, TIMBERLINE
INVESTMENTS, LLC, an Idaho limited
liability company, STEVEN G. LAZAR, an
individual, AMY KORENGUT, an
individual, HLT REAL ESTATE LLC,
PANHANDLE STATE BANK, an Idaho
corporation, R.E. LOANS, LLC, a California
limited liability company, WELLS FARGO
FOOTHILL, INC., a Delaware corporation,
NORTH IDAHO RESORTS, LLC, an Idaho
limited liability company, PEND OREILLE
BONNER DEVELOPMENT HOLDINGS,
INC., a Nevada corporation, PENSCO
TRUST CO. custodian f/b/a Barney Ng, a
California corporation, MORTGAGE FUND
'08 LLC, a California limited liability
company, B-K LIGHTING, INC., a
California corporation, FREDERICK J.

Case No. CV-2011-0135

NOTICE OF APPEARANCE

Fee: \$58.00


GRANT, an individual, CHRISTINE
GRANT, an individual, RUSS CAPITAL
GROUP, LLC, an Arizona limited liability
company, JOSEPH DUSSICH, an individual,
MOUNTAIN WEST BANK, an Idaho
corporation, STATE OF IDAHO,
Department of Revenue and Taxation,
MONTAHENO INVESTMENTS LLC, a
Nevada limited liability company, TOYON
INVESTMENTS LLC, a Nevada limited
liability company, CHARLES W. REEVES
and ANN B. REEVES, husband and wife,
ACI NORTHWEST, INC., an Idaho
corporation,

Defendants.

YOU ARE HEREBY NOTIFIED that the firm of WETZEL, WETZEL & HOLT,
P.L.L.C., Attorneys at Law, 618 N 4th Street, Suite 2, Coeur d'Alene, Idaho, 83814, does hereby
appear as attorneys of record for NORTH IDAHO RESORTS, LLC, an Idaho limited liability
company.

DATED this 22nd day of February, 2011.

WETZEL, WETZEL & HOLT, P.L.L.C.

By: 
Steven C. Wetzel
Attorneys for North Idaho Resorts, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on the following persons in the manner indicated this 22 day of February, 2011:

U.S. Mail, Postage Prepaid
 Hand Delivered
 Overnight Mail
 Facsimile: 208-665-9176
 jmillerlaw@cda.twcbc.com

John E. Miller
The Law Office of John E. Miller
A Professional Corporation
206 Indiana Avenue, Suite 200
Coeur d'Alene, ID 83814

Attorneys for Pacific Capital Bank, N.A.

U.S. Mail, Postage Prepaid
 Hand Delivered
 Overnight Mail
 Facsimile: 208-263-8211

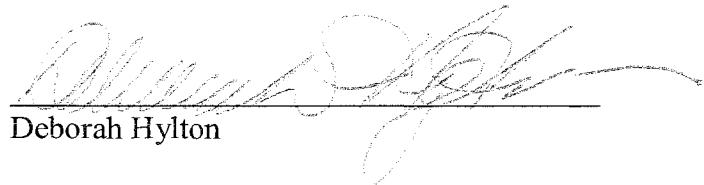
Gary A. Finney
FINNEY FINEY & FINNEY, PA
120 E Lake St., Ste. 317
Sandpoint, ID 83864

Attorneys for JV L.L.C.

U.S. Mail, Postage Prepaid
 Hand Delivered
 Overnight Mail
 Facsimile: 208-263-8211

John A. Finney
FINNEY FINEY & FINNEY, PA
120 E Lake St., Ste. 317
Sandpoint, ID 83864

Attorneys for ACI Northwest, Inc.


Deborah Hylton

STATE OF IDAHO
COUNTY OF BONNER
FIRST JUDICIAL DIST.

2011 MAR 14 A 11:54

MARIE SCOTT
CLERK DISTRICT COURT

ap
DEPT. CLERK

John E. Miller – ISB #4676
The Law Office of John E. Miller
A Professional Corporation
206 E. Indiana Avenue, Suite 200
Coeur d’Alene, ID 83814
Telephone: (208) 665-9464
Facsimile: (208) 665-9176

Attorney for Plaintiff

DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT

STATE OF IDAHO, COUNTY OF BONNER

PACIFIC CAPITAL BANK, N.A., a	)	CASE NO. CV-2011-0135
national banking association)	
)	
Plaintiff,	)	ORDER FOR ENTRY OF DEFAULT
)	
vs.)	
)	
PEND OREILLE BONNER)	
DEVELOPMENT, LLC, a Nevada limited)	
liability company, et al)	
)	
Defendants.)	
)	

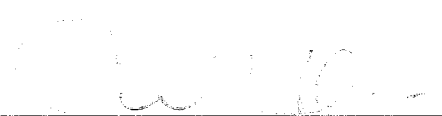
UPON THE REQUEST of the plaintiff, PACIFIC CAPITAL BANK, N.A., by and through its attorney of record, John E. Miller of *The Law Office of John E. Miller, A Professional Corporation*; and

GOOD CAUSE APPEARING, IT IS HEREBY ORDERED that:

Default is hereby entered against defendants, PEND OREILLE BONNER DEVELOPMENT, LLC, a Nevada limited liability company; PEND OREILLE BONNER

DEVELOPMENT HOLDINGS, INC., a Nevada corporation, MONTAHENO INVESTMENTS LLC, a Nevada limited liability company, TOYON INVESTMENTS LLC, a Nevada limited liability company, CHARLES W. REEVES and ANN B. REEVES, for failure to timely defend despite due and proper demand for formal answer or other response to the Summons and Complaint following Notice of Appearance made by counsel for and on behalf of each of these defendants by John R. Layman, Esq and Patti Jo Foster, Esq. of the firm Layman, Layman & Robinson, PLLP.

DATED: March 14 2011



Steve Verby
District Judge

CLERK'S CERTIFICATE OF SERVICE

I hereby certify that I caused the foregoing document to be:

mailed postage prepaid
 facsimile transmitted to

to the following addressES on this 14 day of March 2011:

John R. Layman, Esq.
Patti Jo Foster, Esq.
LAYMAN, LAYMAN & ROBINSON, PLLP
601 s. Division Street
Spokane, WA 99202

Facsimile No.: (509) 624-2902

And to:

John E. Miller, Esq.
The Law Office of John E. Miller
A Professional Corporation
206 E. Indiana Avenue, Suite 200
Coeur d'Alene, ID 83814

Facsimile: (208) 665-9176

A. Phillips
Deputy Clerk

WILLIAM A. von TAGEN
 DEPUTY ATTORNEY GENERAL
 STATE OF IDAHO
 P. O. BOX 36
 BOISE, IDAHO 83722
 (208) 334-7530
 [ISB NO. 2671]

STATE OF IDAHO
 COUNTY OF BONNER
 FIRST JUDICIAL DIST.

2011 MAR 16 10:19

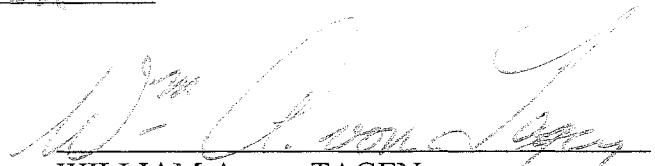
MARIE S. ...
 CLERK DISTRICT COURT
 DEPUTY

IN THE DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT
 OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF BONNER

PACIFIC CAPITAL BANK, N.A., a national)	
banking association,	)	Case No. CV 2011-0135
)	
Plaintiff,)	
	)	DISCLAIMER
vs.)	
)	
PEND OREILLE BONNER DEVELOPMENT,)	
LLC, et al.,)	
)	
Defendants,)	
)	

COMES NOW the Defendant, the State Tax Commission of the state of Idaho, by and through its attorney, William A. von Tagen, Deputy Attorney General, and hereby disclaims any interest that the Idaho State Tax Commission may have in that particular real property described in Exhibit A attached to the Plaintiff's Complaint by reason of the state tax liens filed by the Idaho State Tax Commission identified in Paragraph 49 of the Plaintiff's Complaint. This Disclaimer does not affect a claim, if any, of any other state of Idaho agency, and is made pursuant to Idaho Code § 5-328 with the understanding that court costs, including attorney fees, will not be awarded against the State Tax Commission.

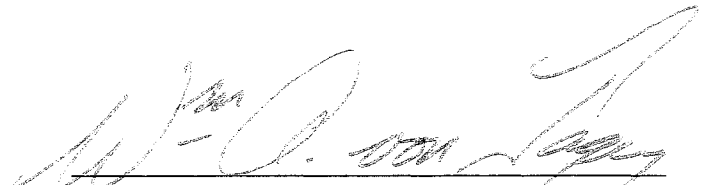
DATED this 14th day of March 2011.


WILLIAM A. von TAGEN
DEPUTY ATTORNEY GENERAL

CERTIFICATE OF SERVICE

I hereby certify that on this 14th day of March 2011, a copy of the within and foregoing DISCLAIMER was served by sending the same by United States mail, postage prepaid, in an envelope addressed to:

JOHN E MILLER
206 INDIANA AVE SUITE 200
COEUR D'ALENE ID 83814


WILLIAM A. von TAGEN
DEPUTY ATTORNEY GENERAL

DISTRICT COURT
 COUNTY OF BONNER
 COEUR D'ALENE, IDAHO
 JAN 17 AM 9:53
 BRUCE SCOTT
 CLERK DISTRICT COURT
ap

John E. Miller, Idaho State Bar No. 4676
The Law Office of John E. Miller
A Professional Corporation
 206 Indiana Avenue, Suite 200
 Coeur d'Alene, ID 83814
 Telephone: (208) 665-9464
 Facsimile: (208) 665-9176
 Email: jmillerlaw@oda.twobc.com

Attorney for Plaintiff

DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT
 STATE OF IDAHO, COUNTY OF BONNER

PACIFIC CAPITAL BANK, N.A., a national
 banking association)
)
) Plaintiff,)
)
 vs.)
)
)
 PEND OREILLE BONNER DEVELOPMENT,)
 LLC, a Nevada limited liability company, JV)
 L.L.C., an Idaho limited liability company,)
 DAN S. JACOBSON, an individual, SAGE)
 HOLDINGS LLC, an Idaho limited liability)
 company, TIMBERLINE INVESTMENTS,)
 LLC, an Idaho limited liability company,)
 STEVEN G. LAZAR, an individual, AMY)
 KORENGUT, an individual, HLT REAL)
 ESTATE LLC, an Idaho limited liability)
 company, PANHANDLE STATE BANK, an)
 Idaho corporation, R.E. LOANS, LLC, a)

CASE NO. CV 2011-0135
FIRST AMENDED COMPLAINT FOR:

**1. REFORMATION OF LEGAL
 DESCRIPTION CONTAINED IN
 MORTGAGE (SCRIVENER'S
 ERROR); and**

2. MORTGAGE FORECLOSURE.

**FIRST AMENDED COMPLAINT
 REFORMATION AND,
 MORTGAGE FORECLOSURE**

California limited liability company, WELLS)
 FARGO CAPITAL FINANCE, LLC, a)
 Delaware limited liability company, NORTH)
 IDAHO RESORTS, LLC, an Idaho limited)
 liability company, PEND OREILLE BONNER)
 DEVELOPMENT HOLDINGS, INC., a)
 Nevada corporation, PENSCO TRUST CO.)
 custodian f/b/a Barney Ng, a California)
 corporation, MORTGAGE FUND '08 LLC, a)
 California limited liability company, B-K)
 LIGHTING, INC., a California corporation,)
 FREDERICK J. GRANT, an individual,)
 CHRISTINE GRANT, an individual, RUSS)
 CAPITAL GROUP, LLC, an Arizona limited)
 liability company, JOSEPH DUSSICH, an)
 individual, MOUNTAIN WEST BANK, an)
 Idaho corporation, STATE OF IDAHO,)
 Department of Revenue and Taxation,)
 MONTAHENO INVESTMENTS LLC, a)
 Nevada limited liability company, TOYON)
 INVESTMENTS LLC, a Nevada limited)
 liability company, CHARLES W. REEVES and)
 ANN B. REEVES, husband and wife, ACI)
 NORTHWEST, INC., an Idaho corporation,)
 DOES 1 through 20 inclusive.)
)
)
 Defendants.)
)

COMES NOW the plaintiff, PACIFIC CAPITAL BANK, N.A., a national banking association (sometimes hereinafter referred to as the “Bank” or “plaintiff”), by and through its attorney of record, John E. Miller of *The Law Office of John E. Miller, A Professional Corporation*, and respectfully claims and alleges as follows:

PARTIES:

PLAINTIFF:

**FIRST AMENDED COMPLAINT
 REFORMATION AND,
 MORTGAGE FORECLOSURE**

1. PACIFIC CAPITAL BANK, N.A., is a national banking institution duly organized and existing under the laws of the United States of America, with a principal place of business located in Santa Barbara County, State of California, and is qualified to do conduct business in the State of Idaho.

DEFENDANTS:

2. Pend Oreille Bonner Development, LLC is a Nevada limited liability company with a principal place of business in Bonner County, Idaho and may claim an interest in the real properties that are the subject of this Complaint.

[The following defendants claim, or may claim some interest in the real property that is the subject of this action, but the interest of said defendants are inferior and subordinate to the interest of plaintiff being foreclosed herein:]

3. JV L.L.C. is an Idaho limited liability company whose principal place of business is in Bonner County, Idaho and may claim an interest in the real properties that are the subject of this Complaint.

4. Dan S. Jacobson is an individual who, plaintiff is informed and believes and thereon alleges, resides and/or does business in Bonner County, Idaho, and may claim an interest in the real properties that are the subject of this Complaint.

5. Sage Holdings LLC is an Idaho limited liability company whose principal place of business is in Bonner County, Idaho and may claim an interest in the real properties that are the subject of this Complaint.

6. Timberline Investments, LLC is an Idaho limited liability company whose principal place of business is in Bonner County, Idaho and may claim an interest in the real properties that are the subject of this Complaint.

**FIRST AMENDED COMPLAINT
REFORMATION AND,
MORTGAGE FORECLOSURE**

7. Steven Lazar is an individual who, plaintiff is informed and believes and thereon alleges, resides and/or does business in Bonner County, Idaho, and may claim an interest in the real properties that are the subject of this Complaint.

8. Amy Korengut is an individual who, plaintiff is informed and believes and thereon alleges, resides and/or does business in Bonner County, Idaho, and may claim an interest in the real properties that are the subject of this Complaint.

9. HLT Real Estate LLC is an Idaho limited liability company whose principal place of business is in Nampa, Idaho and may claim an interest in the real properties that are the subject of this Complaint.

10. Panhandle State Bank is an Idaho corporation with a principal place of business in Bonner County, Idaho and may claim an interest in the real properties that are the subject of this Complaint.

11. R.E. Loans, LLC is, upon information and belief, a California limited liability company doing business in Bonner County, Idaho, and may claim an interest in the real properties that are the subject of this Complaint.

12. Wells Fargo Capital Finance, LLC. is a Delaware limited liability company and may claim an interest in the real properties that are the subject of this Complaint. Plaintiff is informed and believes, and thereon alleges, that this entity is or may be a successor in interest to the interests of R.E. Loans, LLC. and/or Wells Fargo Foothill, LLC.

13. North Idaho Resorts, LLC, is an Idaho limited liability company with a principal place of business in Boundary County, Idaho, and may claim an interest in the real properties that are the subject of this Complaint.

14. Pend Oreille Bonner Development Holdings, Inc. is a Nevada corporation with a principal place of business in Reno, Nevada, and may claim an interest in the real properties that are the subject of this Complaint.

15. Pensco Trust Co., custodian fba Barney Ng, is, upon information and belief, a California corporation and may claim an interest in the real properties that are the subject of this Complaint.

16. Mortgage Fund '08 LLC, is, upon information and belief, a California limited liability company and may claim an interest in the real properties that are the subject of this Complaint.

17. B-K Lighting, Inc. is, upon information and belief, a California corporation and may claim an interest in the real properties that are the subject of this Complaint.

18. Frederick J. Grant is an individual who, plaintiff is informed and believes and thereon alleges, resides and/or does business in Seattle, Washington, and may claim an interest in the real properties that are the subject of this Complaint.

19. Christine Grant is an individual who, plaintiff is informed and believes and thereon alleges, resides and/or does business in Seattle, Washington, and may claim an interest in the real properties that are the subject of this Complaint.

20. Russ Capital Group, LLC is, upon information and belief, an Arizona limited liability company doing business in Bonner County, Idaho, and may claim an interest in the real properties that are the subject of this Complaint.

21. Joseph Dussich is an individual who, plaintiff is informed and believes and thereon alleges, resides and/or does business in the State of Arizona, and may claim an interest in the real properties that are the subject of this Complaint.

///

22. Mountain West Bank is an Idaho corporation with a principal place of business in Bonner County, Idaho and may claim an interest in the real properties that are the subject of this Complaint.

23. State of Idaho, Department of Revenue and Taxation, may claim an interest or lien for over-due taxes in the real properties that are the subject of this Complaint.

24. Montaheno Investments LLC is, upon information and belief, a Nevada limited liability company doing business in Bonner County, Idaho, and may claim an interest in the real properties that are the subject of this Complaint.

25. Toyon Investments LLC is, upon information and belief, a Nevada limited liability company doing business in Bonner County, Idaho, and may claim an interest in the real properties that are the subject of this Complaint.

26. Charles W. Reeves and Ann B. Reeves, husband and wife, are individuals who, plaintiff is informed and believes and thereon alleges, resides and/or does business in Bonner County, Idaho, and may claim an interest in the real properties that are the subject of this Complaint.

27. Defendant ACI Northwest, Inc. is an Idaho corporation with a principal place of business in Kootenai County, Idaho and may claim an interest in the real properties that are the subject of this Complaint.

28. Plaintiff is ignorant of the true names and capacities of DOES 1 through 20, inclusive, and therefore sues these defendants by such fictitious names. Plaintiff will seek leave of this Court to amend its complaint to allege their true names and capacities when ascertained. Plaintiff is further informed and believes, and thereon alleges, that said DOE defendants claim some right, title, or interest in the real property which is the subject of this action.

JURISDICTION AND VENUE:

29. This Court has jurisdiction over this action in accord with Idaho Code §§5-401(3) and 5-404 because it involves foreclosure of a mortgage on real property located within Bonner County, Idaho, and the defendants either reside within Bonner County, conduct business therein, or claim an interest in property in Bonner County, Idaho. Further, the actions of the nonresident defendants were for the purpose of doing business in Idaho or acquiring an interest in real property in Bonner County, Idaho.

30. All prerequisites to filing this cause of action have been completed.

FACTUAL ALLEGATIONS:

31. On or about the 7th day of March 2008, defendant, Pend Oreille Bonner Development, LLC (hereinafter "POBD"), did execute and deliver to plaintiff a Revolving Term Note (herein the "Note"), a copy of which is attached hereto as Exhibit "A" and is, by this reference, incorporated herein as if set forth in full, in the face amount of \$5,000,000.00, due and payable on the maturity date of March 7, 2010. Said Note is subject to interest thereon at a per annum rate equal to the Wall Street Journal Prime Rate as defined therein but limited by the floor minimum interest rate of 6% per annum.

32. On or about the 7th day of March 2008, in consideration of the Note and in order to secure the Note, POBD granted to the Bank a mortgage and executed and delivered to plaintiff a Commercial Mortgage, Security Agreement, and Assignment of Leases and Rents (herein the "Mortgage") securing the payment of, inter alia, the principal and interest of the above-described Note. Said Mortgage was recorded March 25, 2008, as Instrument Nos. 748379 and 748380, records of Bonner County, State of Idaho. A true and correct copy of said Mortgage is attached

hereto as Exhibit "B" and is, by this reference, incorporated herein as if set forth in full. The real property granted as security for said Note is legally described as: SEE THE ATTACHED Exhibit "C" which is incorporated herein as though set forth at length. This description mirrors the legal description attached to the Mortgage as its Exhibit "A". The Mortgage has never been satisfied nor discharged.

FIRST CLAIM FOR RELIEF

(REFORMATION OF LEGAL DESCRIPTION CONTAINED IN MORTGAGE)

(SCRIVENER'S ERROR)

33. Plaintiff repeats and realleges the allegations of paragraphs 1 through 32, inclusive, of this Complaint, and by reference thereto incorporates said paragraphs herein as though set forth at length.

34. At the time of execution and delivery of the Mortgage to the Bank, the parties thereto intended that the legal description of the real estate granted as collateral to the Bank, Exhibit "A" to the Mortgage, was an accurate legal description of all of the parcels granted. Title insurance was purchased and the legal description utilized in preparation of the Mortgage was obtained from said entity. A scrivener's error contained within said Exhibit "A" was not discovered by the parties until after the commencement of this action. The error is quite simple, to wit: the use of the word "West" instead of "East". Within the legal description for Parcel 1 at page 1 of Exhibit "A" to the Mortgage at the second line of the second paragraph, the document reads:

"Beginning at a point where the Section line between Sections 16 and 21, Township 57 North, Range 1 West, Boise Meridian, intersects"

In fact the line should have been typed to read:

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“Beginning at a point where the Section line between Sections 16 and 21, Township 57 North, Range 1 East, Boise Meridian, intersects

35. The Mortgage executed by the defendant, POBD, was delivered to and accepted by the Bank with the intent and assumption that the legal description was accurate. Accordingly, the Mortgage, particularly its Exhibit “A” legal description, should be reformed to correctly describe the real estate granted as collateral.

36. Plaintiff’s Mortgage is senior and superior to the interests of any of the defendants named in this action and the Mortgage should also be reformed as to each and every defendant. Plaintiff’s senior and superior interests should be quieted as against each and every defendant.

SECOND CLAIM FOR RELIEF

(MORTGAGE FORECLOSURE)

37. Plaintiff repeats and realleges the allegations of paragraphs 1 through 36, inclusive, of this Complaint, and by reference thereto incorporates said paragraphs herein as though set forth at length

38. The Note reached maturity on March 7, 2010. Defendant, POBD, defaulted on its obligated payments to plaintiff and has not paid the balance of the Note at maturity despite repeated demands by the Bank. On or about January 7, 2011, plaintiff recorded in the records of Bonner County its Notice of Default, a true and correct copy of which is attached hereto as Exhibit “D”. On or about January 13, 2011, plaintiff mailed to all interested parties a true and correct copy of its Notice of Default.

39. After application of all payments made by or on behalf of POBD, there is currently due and owing by said defendant to the Bank pursuant to the Note and Mortgage the following:

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- a) the principal sum of \$4,952,475.59;
- b) interest thereon calculated to December 14, 2010 in the amount of \$534,034.15;
- c) accumulating per diem interest from and after December 14, 2010 in accordance with proof;
- d) late charges in accordance with proof;
- e) advances allowed to December 14, 2010 in the amount of \$29,444.42 and any future advances in accordance with proof;
- f) legal fees and costs in accordance with proof;
- g) foreclosure fees and costs, in accordance with proof; and
- h) all interest, title fees, attorney fees, appraisal fees, and costs in accordance with proof as provided for in the contracts and/or at law.

40. Pursuant to Note, the POBD agreed to pay collection costs, including attorney fees, in the event of a default on the Note. Plaintiff has been required to retain the services of *The Law Office of John E. Miller, A Professional Corporation*, to prosecute this action; plaintiff has agreed to pay for said legal services the sum of \$10,000.00 if this case is uncontested, or such attorney fees as set by the Court if this matter is contested. By reason of the foregoing, POBD is liable to plaintiff in the sum of \$10,000.00 as and for attorney fees necessitated in an uncontested action or attorney fees as may be set by the Court if this matter is contested.

41. As the subject real property is basically vacant land with some previously used but apparently abandoned improvements, the reasonable rental value for said real property during any period prior to or after foreclosure and/or during any period of redemption is subject to question and will require determination.

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42. Plaintiff has no adequate remedy at law.

OTHER DEFENDANTS' INTERESTS SUBJECT TO FORECLOSURE:

43. JV L.L.C. claims an interest in the real properties that are the subject of this Complaint pursuant to a mortgage recorded June 19, 2006, as Instrument number 706470. This document, or portions thereof, may be impacted, and the rights related thereto foreclosed by Plaintiff.

44. Dan Jacobson and Sage Holdings LLC claim an interest in the real properties that are the subject of the Complaint pursuant to a mortgage recorded April 22, 2008, as Instrument number 750016, and further pursuant to lies pendent recorded November 10, 2010 as Instrument No. 801790. This document, or portions thereof, may be impacted, and the rights related thereto foreclosed by Plaintiff.

45. Steven Lazar, Amy Korengut and HLT Real Estate LLC claim an interest in the real properties that are the subject of the Complaint pursuant to a mortgage recorded April 22, 2008, as Instrument number 750016, and further pursuant to assignment recorded April 23, 2008 as Instrument No. 750083. These documents, or portions thereof, may be impacted, and the rights related thereto foreclosed by Plaintiff.

46. Panhandle State Bank claims an interest in the real properties that are the subject of this Complaint pursuant to a mortgage recorded April 22, 2008, as Instrument number 750016, and further pursuant to partial assignment of such interests recorded November 24, 2009 as Instrument No. 783748 and re-recorded December 3, 2009 as Instrument No. 784149. These documents, or portions thereof, may be impacted, and the rights related thereto foreclosed by Plaintiff.

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47. R.E. Loans, LLC and Wells Fargo Capital Finance, LLC. claim an interest in the properties that are the subject of the Complaint pursuant to a mortgage recorded March 15, 2007 as Instrument Nos. 724829 and 724834 and a Financing Statement recorded March 15, 2007, as Instrument Number 724830. These documents, or portions thereof, may be impacted, and the rights related thereto foreclosed, by Plaintiff.

48. North Idaho Resorts, LLC, and Pend Oreille Bonner Development Holdings, Inc., entered into a Memorandum of Real Property Purchase and Sale Agreement dated June 19, 2008, as Instrument Number 706475. This document, or portions thereof, may be impacted, and the rights related thereto foreclosed, by Plaintiff.

49. Pensco Trust Co., custodian fba Barney Ng claims an interest in the real properties that are the subject of the Complaint pursuant to a mortgage recorded August 6, 2008, as Instrument numbers 756394, 756395 and 756396. This document, or portions thereof, may be impacted, and the rights related thereto foreclosed by Plaintiff.

50. Mortgage Fund '08 LLC claims an interest in the properties that are the subject of the Complaint pursuant to a mortgage recorded August 1, 2008 as Instrument Nos. 756397, 756398 and 756399 and a Financing Statement recorded August 6, 2008, as Instrument Number 756400. These documents, or portions thereof, may be impacted, and the rights related thereto foreclosed, by Plaintiff.

51. B-K Lighting, Inc. may claim an interest in the real properties subject to this Complaint pursuant to a Memorandum of Agreement recorded September 25, 2009, as Instrument Number 780376. This document may be impacted, and the rights related thereto foreclosed, by Plaintiff.

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52. Frederick J. Grant and Christine Grant may claim an interest in the real property subject to this Complaint pursuant to a lien recorded January 6, 2010 as Instrument No. 785811. This document may be impacted, and the rights related thereto foreclosed by the plaintiff.

53. Russ Capital Group, LLC and Joseph Dussich may claim an interest in the real property subject to this Complaint pursuant to a lien recorded January 20, 2010 as Instrument No786729. This document may be impacted, and the rights related thereto foreclosed by the plaintiff.

54. Mountain West Bank may claim an interest in the real property subject to this Complaint pursuant to a mortgage recorded March 26, 2010 as Instrument Nos. 789923 and 789924. This document may be impacted, and the rights related thereto foreclosed by the plaintiff.

55. State of Idaho, Department of Revenue and Taxation, may claim interests or liens for over-due taxes recorded as Lien Nos. 463508, 482578 and 488712.

56. Montaheno Investments LLC and Toyon Investments LLC may each claim an undivided 50% interest in the real property subject to this Complaint pursuant to a mortgage recorded June 15, 2010 as Instrument No. 793916. This document may be impacted, and the rights related thereto foreclosed by the plaintiff.

57. Charles W. Reeves and Ann B. Reeves may claim an interest in the real property subject to this Complaint pursuant to a mortgage recorded June 15, 2010 as Instrument No. 793917. This document may be impacted, and the rights related thereto foreclosed by the plaintiff.

58. ACI Northwest, Inc. filed two claims of lien dated April 25, 2008, and September 19, 2008, as Instrument Numbers 750247 and 758929, respectively, for labor and materials. A Notice of Pendency of Action related to such liens was recorded December 9, 2010 as Instrument

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No. 802894. The amount claimed is believed to be \$39,602.64. These liens may be foreclosed by plaintiff.

WHEREFORE, plaintiff prays for Judgment, Order and Decree against defendants as follows:

AS TO THE FIRST CLAIM FOR RELIEF:

1. For a judgment and decree reforming the legal description, Exhibit "A" to the Mortgage as set forth in paragraph 34 to wit: correcting the description to "Range 1 East" as noted;
2. For a judgment and decree that the Mortgage as reformed constitutes a validly recorded encumbrance and security interest in the real property;
3. For a judgment and decree against each and every defendant, and every person claiming an interest in the real property through them, that their interest in the real property, if any, is subject to, subordinate to, junior to and inferior to plaintiff's Mortgage as reformed, and that they are forever barred and enjoined from claiming any right, title, estate, lien, encumbrance or interest in the real property superior to plaintiff.

AS TO THE SECOND CLAIM FOR RELIEF:

4. For a determination that Pend Oreille Bonner Development, LLC, is liable to plaintiff for the following amounts, all as allowed in the Note:
 - a. the principal amount of \$\$4,952,475.59;
 - b. interest accrued through December 10, 2010, in the amount of \$534,034.15, and accumulating at a per diem rate thereafter in accordance with proof;
 - c. late charges in accordance with proof;
 - d. advances allowed to December 14, 2010 in the amount of \$29,444.42 and any future advances in accordance with proof;
 - e. legal fees and costs of not less than \$10,000.00 and in accordance with proof;
 - f. foreclosure fees and costs, in accordance with proof; and
 - g. all interest, title fees, attorney fees, appraisal fees, and costs in accordance with proof as provided for in the contracts and/or at law;
5. For a determination that the lien created by the Note and Mortgage is valid, enforceable and existing as against the Defendants and the property described herein, and for a decree of foreclosure;
6. For the real property described herein to be sold by the Sheriff of Bonner County according to law of the State of Idaho and the practice of this Court in an order to be determined by plaintiff; that plaintiff is allowed to credit bid at the sale(s); that the proceeds be brought to the Court to be applied to the obligations of defendant, Pend Oreille Bonner Development, LLC; that the buyer at such sale have a certificate of sale; that by such foreclosure and sale the rights of each of the defendants and persons claiming by, though or

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under them be adjudged inferior and subordinate to the lien of plaintiff and forever foreclosed, except for the statutory rights of redemption allowed by law;

7. After expiration of the redemption period, that the purchaser of said real property at Sheriff's sale receive a deed thereto conveying title to the purchaser thereof; free and clear of any claim by any defendant;

8. In the event the proceeds of sale are insufficient to satisfy the liabilities of defendant Pend Oreille Bonner Development, LLC, to plaintiff, then the plaintiff have a deficiency judgment against it;

9. For all costs and attorney fees incurred in this action; and

10. For such other and further relief as the Court may deem proper and equitable.

DATED: May 12, 2011

*The Law Office of John E. Miller
A Professional Corporation*

By: *John E. Miller*
John E. Miller
Attorney for Plaintiff

VERIFICATION

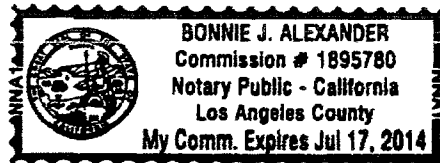
I am an officer of the Plaintiff named herein above. I am authorized by the Plaintiff to provide Verification of the facts alleged in this First Amended Complaint. I have personal knowledge of the facts herein alleged. I have read the foregoing, I know the contents thereof, and I sate the same to be true and correct to the best of my knowledge.

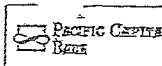
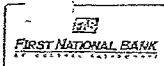
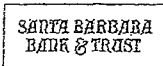
Kim von Disterlo
Kim von Disterlo, Vice President
For Pacific Capital Bank, N.A.

SUBSCRIBED AND SWORN to before me this 12th day of May 2011.

Bonnie J Alexander
Notary Public for California
Residing at: 24737 Calle Altamira Calabasas CA
Commission Expires: 7-17-2014

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Loan No. 101764389

REVOLVING TERM NOTE

March 7, 2008

\$5,000,000.00

For value received, the undersigned **Pend Oreille Bonner Development, LLC**, a Nevada limited liability company, with an address of **6900 S. McCarran Blvd., #1010, Reno, Nevada 89509** (the "Borrower"), promises to pay to the order of **Pacific Capital Bank, N.A.**, a national banking association, doing business as **First National Bank of Central California** with an address of **c/o Loan Services, PO Box 60654, Santa Barbara, California 93160-0654** (together with its successors and assigns, the "Bank"), the principal amount of **Five Million Dollars and Zero Cents (\$5,000,000.00)**, or, if less, such amount as may be the aggregate unpaid principal amount of all loans or advances made by the Bank to the Borrower pursuant hereto, on or before **March 7, 2010** (the "Maturity Date"), together with interest from the date hereof on the unpaid principal balance from time to time outstanding until paid in full. The aggregate principal balance outstanding shall bear interest thereon at a per annum rate equal to the **Wall Street Journal Prime Rate** (as hereinafter defined). All accrued and unpaid interest shall be payable monthly in arrears on the **7th** day of each month, commencing on **April 7, 2008**.

Notwithstanding anything to the contrary in this Note, the interest rate on this Note is limited by a floor as follows: the minimum interest rate (i.e. floor) is **6.00%** per annum.

Wall Street Journal Prime Rate means the rate published from time to time by the **Wall Street Journal** as the **U.S. Prime Rate**, or, in the event the **Wall Street Journal** ceases publication of **Prime Rates**, the base, reference or other rate then designated by the Bank, in its sole discretion, for general commercial loan reference purposes, it being understood that such rate is a reference rate, not necessarily the lowest, established from time to time, which serves as the basis upon which effective interest rates are calculated for loans making reference thereto.

The effective interest rate applicable to the Borrower's loans evidenced hereby shall change on the date of each change in the **Wall Street Journal Prime Rate**.

Principal and interest shall be payable at the Bank's main office or at such other place as the Bank may designate in writing in immediately available funds in lawful money of the United States of America without set-off, deduction or counterclaim. Interest shall be calculated on the basis of actual number of days elapsed and a 360-day year.

Borrower authorizes the Bank to place **\$344,308.90** of the Principal Amount as an interest reserve, which is an estimate of the interest due on the Note ("Interest Reserve"). All interest payments shall be paid from the Interest Reserve. The Bank may automatically deduct accrued unpaid interest from the Interest Reserve. Interest will accrue, as described in this Note, on amounts deducted from the Interest Reserve. In the event the interest due under this Note exceeds the Interest Reserve, Borrower will pay the accrued unpaid interest when due according to the terms of this Note. Upon maturity, the Bank will not advance or disburse the remaining Interest Reserve, if any, to Borrower. The principal due upon maturity will not include any remaining Interest Reserve.

This Note is a revolving note and, subject to the foregoing and in accordance with the provisions hereof and of any and all other agreements between the Borrower and the Bank related hereto, the Borrower may, at its option, borrow, pay, prepay and reborrow hereunder at any time prior to the Maturity Date or such earlier date as the obligations of the Borrower to the Bank under this Note, and any other agreements between the Bank and the Borrower related hereto, shall become due and payable, or the obligation of the Bank to extend financial accommodations to the Borrower shall terminate, provided, however, that in any event the principal balance outstanding hereunder shall at no time exceed the face

amount of this Note. This Note shall continue in full force and effect until all obligations and liabilities evidenced by this Note are paid in full and the Bank is no longer obligated to extend financial accommodations to the Borrower, even if, from time to time, there are no amounts outstanding respecting this Note.

At the option of the Bank, this Note shall become immediately due and payable without notice or demand upon the occurrence at any time of any of the following events of default (each, an "Event of Default"): (1) default of any liability, obligation, covenant or undertaking of the Borrower or any guarantor hereof to the Bank, hereunder or otherwise, including, without limitation, failure to pay in full and when due any installment of principal or interest or default of the Borrower or any guarantor hereof under any other loan document delivered by the Borrower or any guarantor, or in connection with the loan evidenced by this Note or any other agreement by the Borrower or any guarantor with the Bank continuing for 10 days with respect to the payment of money or continuing for 30 days with respect to any other default; (2) failure of the Borrower or any guarantor hereof to maintain aggregate collateral security value satisfactory to the Bank continuing for 30 days; (3) default of any material liability, obligation or undertaking of the Borrower or any guarantor hereof to any other party continuing for 30 days; (4) if any statement, representation or warranty heretofore, now or hereafter made by the Borrower or any guarantor hereof in connection with the loan evidenced by this Note or in any supporting financial statement of the Borrower or any guarantor hereof shall be determined by the Bank to have been false or misleading in any material respect when made; (5) if the Borrower or any guarantor hereof is a corporation, trust, partnership or limited liability company, the liquidation, termination or dissolution of any such organization, or the merger or consolidation of such organization into another entity, or its ceasing to carry on actively its present business or the appointment of a receiver for its property; (6) the death of the Borrower or any guarantor hereof and, if the Borrower or any guarantor hereof is a partnership or limited liability company, the death of any partner or member; (7) the institution by or against the Borrower or any guarantor hereof of any proceedings under the Bankruptcy Code 11 USC §101 *et seq.* or any other law in which the Borrower or any guarantor hereof is alleged to be insolvent or unable to pay its debts as they mature, or the making by the Borrower or any guarantor hereof of an assignment for the benefit of creditors or the granting by the Borrower or any guarantor hereof of a trust mortgage for the benefit of creditors; (8) the service upon the Bank of a writ in which the Bank is named as trustee of the Borrower or any guarantor hereof; (9) a judgment or judgments for the payment of money shall be rendered against the Borrower or any guarantor hereof, and any such judgment shall remain unsatisfied and in effect for any period of thirty (30) consecutive days without a stay of execution; (10) any levy, lien (including mechanics lien) except as permitted under any of the other loan documents between the Bank and the Borrower, seizure, attachment, execution or similar process shall be issued or levied on any of the property of the Borrower or any guarantor hereof; (11) the termination or revocation of any guaranty hereof; or (12) the occurrence of such a change in the condition or affairs (financial or otherwise) of the Borrower or any guarantor hereof, or the occurrence of any other event or circumstance, such that the Bank, in its sole discretion, deems that it is insecure or that the prospects for timely or full payment or performance of any obligation of the Borrower or any guarantor hereof to the Bank has been or may be impaired.

Any payments received by the Bank on account of this Note shall, at the Bank's option, be applied first, to accrued and unpaid interest; second, to the unpaid principal balance hereof; third to any costs, expenses or charges then owed to the Bank by the Borrower; and the balance to escrows, if any. Notwithstanding the foregoing, any payments received after the occurrence and during the continuance of an Event of Default shall be applied in such manner as the Bank may determine. The Borrower hereby authorizes the Bank to charge any deposit account which the Borrower may maintain with the Bank for any payment required hereunder without prior notice to the Borrower.

If pursuant to the terms of this Note, the Borrower is at any time obligated to pay interest on the principal balance at a rate in excess of the maximum interest rate permitted by applicable law for the loan evidenced by this Note, the applicable interest rate shall be immediately reduced to such maximum rate and all previous payments in excess of the maximum rate shall be deemed to have been payments in reduction of principal and not on account of the interest due hereunder. More specifically, if from any circumstances whatsoever, fulfillment of any provision of this Note or any other loan document executed and delivered in connection with this Note, at the time performance of such provision becomes due, would

exceed the limit on interest then permitted by any applicable usury statute or any other applicable law, the Bank may, at its option (a) reduce the obligations to be fulfilled to such limit on interest, or (b) apply the amount in excess of such limit on interest to the reduction of the outstanding principal balance of the obligations, and not to the payment of interest, with the same force and effect as though Borrower had specifically designated such sums to be so applied to principal and Bank had agreed to accept such extra payments(s) as a premium-free prepayment, so that in no event shall any exaction be possible under this Note or any other loan document that is in excess of the applicable limit on interest. It is the intention of Borrower and Bank that the total liability for payments in the nature of interest shall not exceed the limits imposed by any applicable state or federal interest rate laws. The provisions of this paragraph shall control every other provision of this Note, and any provision of any other loan document in conflict with this paragraph.

The Borrower represents to the Bank that the proceeds of this Note will not be used for personal, family or household purposes or for the purpose of purchasing or carrying margin stock or margin securities within the meaning of Regulations U and X of the Board of Governors of the Federal Reserve System, 12 C.F.R. Parts 221 and 224.

The Borrower and each guarantor hereof grant to the Bank a continuing lien on and security interest in any and all deposits or other sums at any time credited by or due from the Bank to the Borrower and/or each guarantor hereof and any cash, securities, instruments or other property of the Borrower and each guarantor hereof in the possession of the Bank, whether for safekeeping or otherwise, or in transit to or from the Bank (regardless of the reason the Bank had received the same or whether the Bank has conditionally released the same) as security for the full and punctual payment and performance of all of the liabilities and obligations of the Borrower and/or any guarantor hereof to the Bank and such deposits and other sums may be applied or set off against such liabilities and obligations of the Borrower or any guarantor hereof to the Bank at any time, whether or not such are then due, whether or not demand has been made and whether or not other collateral is then available to the Bank.

No delay or omission on the part of the Bank in exercising any right hereunder shall operate as a waiver of such right or of any other right of the Bank, nor shall any delay, omission or waiver on any one occasion be deemed a bar to or waiver of the same or any other right on any future occasion. The Borrower and every guarantor of this Note, regardless of the time, order or place of signing, waives presentment, demand, protest, notice of intent to accelerate, notice of acceleration and all other notices of every kind in connection with the delivery, acceptance, performance or enforcement of this Note and assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of collateral, and to the addition or release of any other party or person primarily or secondarily liable and waives all recourse to suretyship and guarantor defenses generally, including any defense based on impairment of collateral.

The Borrower and each guarantor of this Note shall indemnify, defend and hold the Bank and its directors, officers, employees, agents and attorneys (each an "Indemnitee") harmless against any claim brought or threatened against any Indemnitee by the Borrower, by any guarantor, or by any other person (as well as from attorneys' reasonable fees and expenses in connection therewith) on account of the Bank's relationship with the Borrower or any guarantor hereof (each of which may be defended, compromised, settled or pursued by the Bank with counsel of the Bank's selection, but at the expense of the Borrower and any guarantor), except for any claim arising out of the gross negligence or willful misconduct of the Bank.

The Borrower and each guarantor of this Note agree to pay, upon demand, costs of collection of all amounts under this Note including, without limitation, principal and interest, or in connection with the enforcement of, or realization on, any security for this Note, including, without limitation, to the extent permitted by applicable law, reasonable attorneys' fees and expenses. Upon the occurrence and during the continuance of an Event of Default, interest shall accrue at a rate per annum equal to the aggregate of 3.0% plus the rate provided for herein. If any payment due under this Note is unpaid for 15 days or more, the Borrower shall pay, in addition to any other sums due under this Note (and without limiting the Bank's other remedies on account thereof), a late charge equal to the greater of \$10.00 or 10.0% of such

unpaid amount.

This Note shall be binding upon the Borrower and each guarantor hereof and upon their respective heirs, successors, assigns and legal representatives, and shall inure to the benefit of the Bank and its successors, endorsees and assigns.

The Borrower and each guarantor, if any, hereby waive presentment, demand, protest, notice of dishonor, notice of protest and all other notices and demands of every kind, and all suretyship defenses of any kind, in each case that would otherwise be available in connection with this Note including, without limitation, any right (whether now or hereafter existing) to require the holder hereof to first proceed against the Borrower, or any guarantor, for any security.

The Borrower and each guarantor, if any, further waive to the extent permitted by law any and all rights and defenses that each may have because the debt evidenced by this Note is secured by real property: this means, among other things, that: (1) the Bank may collect from the Borrower and any guarantor, without first foreclosing on any real or personal property, collateral pledged by the Borrower and any guarantor; and (2) if the Bank forecloses on any real property collateral pledged by the Borrower or any guarantor, then (A) the amount of the debt may be reduced only by the price for which that collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price, and (B) the Bank may collect from the Borrower even if the Bank, by foreclosing on the real property collateral, has destroyed any right the Borrower may have to collect from the underlying debtor. The foregoing sentence is an unconditional and irrevocable waiver of any rights and defenses the Borrower may have because the underlying debt is secured by real property. These rights and defenses being waived by the Borrower include, but are not limited to, any rights or defenses based upon Sections 580a, 580b, 580d or 726 of the California Code of Civil Procedure. Without limiting the generality of the foregoing or any other provision hereof, the Borrower further expressly waives to the extent permitted by law any and all rights and defenses, including without limitation any rights of subrogation, reimbursement, indemnification and contribution, which might otherwise be available to the Borrower under California Civil Code Sections 2822, 2787 to 2855, inclusive, 2899 and 3433, or under California Code of Civil Procedure Sections 580a, 580b, 580d and 726, or any such section.

In the event that at any time, a surety is liable upon only a portion of the Borrower's or any guarantor's obligations under this Note and the Borrower provides partial satisfaction of any such obligation(s), each of the Borrower and each guarantor hereof, if any, hereby waives any right it would otherwise have, under Section 2822 of the California Civil Code, to designate the portion of the obligations to be satisfied. The designation of the portion of the obligation to be satisfied shall, to the extent not expressly made by the terms of this Note, be made by the Bank rather than Borrower.

The liabilities of the Borrower and any guarantor of this Note are joint and several; provided, however, the release by the Bank of the Borrower or any one or more guarantors shall not release any other person obligated on account of this Note. Any and all present and future debts of the Borrower to any guarantor of this Note are subordinated to the full payment and performance of all present and future debts and obligations of the Borrower to the Bank. Each reference in this Note to the Borrower, and any guarantor, is to such person individually and also to all such persons jointly. No person obligated on account of this Note may seek contribution from any other person also obligated, unless and until all liabilities, obligations and indebtedness to the Bank of the person from whom contribution is sought have been irrevocably satisfied in full. The release or compromise by the Bank of any collateral shall not release any person obligated on account of this Note.

The Borrower and each guarantor hereof each authorizes the Bank to complete this Note if delivered incomplete in any respect. A photographic or other reproduction of this Note may be made by the Bank, and any such reproduction shall be admissible in evidence with the same effect as the original itself in any judicial or administrative proceeding, whether or not the original is in existence.

The Borrower will from time to time execute and deliver to the Bank such documents, and take or cause to be taken, all such other further action, as the Bank may request in order to effect and confirm or

vest more securely in the Bank all rights contemplated by this Note or any other loan documents related thereto (including, without limitation, to correct clerical errors) or to vest more fully in or assure to the Bank the security interest in any collateral securing this Note or to comply with applicable statute or law.

This Note is delivered to the Bank at one of its offices in California and shall be governed by the laws of the State of California.

Any notices under or pursuant to this Note shall be deemed duly received and effective if delivered in hand to any officer or agent of the Borrower or Bank, or if mailed by registered or certified mail, return receipt requested, addressed to the Borrower or Bank at the address set forth in this Note or as any party may from time to time designate by written notice to the other party.

The Borrower and each guarantor of this Note acknowledges that the Bank is entitled to a minimum interest charge of \$75.00.

The Borrower and each guarantor of this Note each irrevocably submits to the nonexclusive jurisdiction of any Federal or state court sitting in California, over any suit, action or proceeding arising out of or relating to this Note. Each of the Borrower and each guarantor irrevocably waives, to the fullest extent it may effectively do so under applicable law, any objection it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that the same has been brought in an inconvenient forum. Each of the Borrower and each guarantor hereby consents to any and all process which may be served in any such suit, action or proceeding, (i) by mailing a copy thereof by registered and certified mail, postage prepaid, return receipt requested, to the Borrower's or guarantor's address shown below or as notified to the Bank and (ii) by serving the same upon the Borrower(s) or guarantor(s) in any other manner otherwise permitted by law, and agrees that such service shall in every respect be deemed effective service upon the Borrower or such guarantor.

THE PARTIES AGREE TO ATTEMPT IN GOOD FAITH TO RESOLVE ANY DISPUTES WHICH MAY ARISE AMONG THEM IN CONNECTION WITH THE INTERPRETATION OR ENFORCEMENT OF THE PROVISIONS OF THIS AGREEMENT, OR THE APPLICATION OR VALIDITY THEREOF. IN THE EVENT THAT ANY DISPUTE CANNOT BE SO RESOLVED, AND UNLESS THE RELIEF SOUGHT REQUIRES THE EXERCISE OF THE EQUITY POWERS OF A COURT OF COMPETENT JURISDICTION, SUCH DISPUTE SHALL BE SUBMITTED TO ARBITRATION. SUCH ARBITRATION PROCEEDINGS SHALL BE HELD IN THE COUNTY OF SANTA BARBARA, CALIFORNIA, IN ACCORDANCE WITH THE ARBITRATION PROVISIONS OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. THIS AGREEMENT TO ARBITRATE SHALL BE SPECIFICALLY ENFORCEABLE. ANY AWARD RENDERED IN ANY SUCH ARBITRATION PROCEEDINGS SHALL BE FINAL AND BINDING ON EACH OF THE PARTIES HERETO, AND JUDGEMENT MAY BE ENTERED THEREON IN ANY COURT OF COMPETENT JURISDICTION. THE FOREGOING AGREEMENT TO ARBITRATE DOES NOT LIMIT THE RIGHT OF ANY PARTY TO (I) FORECLOSE AGAINST REAL OR PERSONAL PROPERTY COLLATERAL; (II) EXERCISE SELF-HELP REMEDIES RELATING TO COLLATERAL OR PROCEEDS OF COLLATERAL SUCH AS SETOFF OR REPOSSESSION; OR (III) OBTAIN PROVISIONAL OR ANCILLARY REMEDIES SUCH AS REPLEVIN, INJUNCTIVE RELIEF, ATTACHMENT OR THE APPOINTMENT OF A RECEIVER, BEFORE DURING OR AFTER THE PENDENCY OF ANY ARBITRATION PROCEEDING. THIS EXCLUSION DOES NOT CONSTITUTE A WAIVER OF THE RIGHT OR OBLIGATION OF ANY PARTY TO SUBMIT ANY DISPUTE TO ARBITRATION HEREUNDER, INCLUDING THOSE ARISING FROM THE EXERCISE OF THE ACTIONS DETAILED IN THE FOREGOING CLAUSES (I), (II) AND (III).

Due on Sale or Transfer. Bank may, at its option, declare immediately due and payable all sums secured by one or more deed of trusts provided by Borrower to secure this Note upon the sale or transfer, without Bank's prior written consent, of all or any part of the real property covered by any such deed of trust, or any interest in such real property. A "sale or transfer" means the conveyance of the such real property or any right, title or interest therein; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, option contract, or by sale, assignment or transfer of any beneficial interest in or to any and trust holding

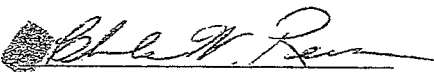
title to such real property, or by any other method of conveyance of a real property interest. If Borrower is a corporation, partnership or limited liability company, transfer also includes any change in ownership of more than 20% of the voting stock, partnership interests or limited liability company interest, as the case may be, of Borrower. This option shall not be exercised by Bank if such exercise is prohibited by applicable law.

Executed as of March 7, 2008.

Borrower:

Pend Oreille Bonner Development, LLC

By: Pend Oreille Bonner Development Holdings, Inc.,
Manager

By: 
Charles W. Reeves, President

6900 S. McCarran Blvd., #1010
Reno, Nevada
89509

KATE
329121

RECORDING REQUESTED BY:

Pacific Capital Bank, N.A.

AND WHEN RECORDED MAIL TO:

Pacific Capital Bank, N.A.
c/o Loan Services, PO Box 60654
Santa Barbara, California 93160-0654

FILED BY
First American Title
2008 MAR 25 P 2:48
480

MAGIE SCOTT
BONNER COUNTY RECORDER
MS DEPUTY

748379 748380

FILED BY
First American Title
2008 MAR 25 P 2:49
4800

MAGIE SCOTT
BONNER COUNTY RECORDER
MS DEPUTY

SPACE ABOVE THE LINE FOR RECORDER'S USE

COMMERCIAL MORTGAGE, SECURITY AGREEMENT AND ASSIGNMENT OF LEASES AND RENTS

This COMMERCIAL MORTGAGE, SECURITY AGREEMENT AND ASSIGNMENT OF LEASES AND RENTS (this "Mortgage") is entered into as of March 7, 2008, between Pend Oreille Bonner Development, LLC, a Nevada limited liability company, with an address of 6900 S. McCarran Blvd., #1010, Reno, Nevada 89509 (the "Mortgagor") and Pacific Capital Bank, N.A., a national banking association, doing business as First National Bank of Central California, with an address of c/o Loan Services, PO Box 60654, Santa Barbara, California 93160-0654 (the "Bank").

The real property which is the subject matter of this Mortgage has the following address(es): NNA, Highway 200, Sandpoint, Idaho 83864 (the "Address(es)") RP57N01E66160A, RP57N01E213750A, RP57N01E179000A & RP57N01E166200A.

1. MORTGAGE, OBLIGATIONS AND FUTURE ADVANCES

1.1 Mortgage. For valuable consideration paid and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Mortgagor hereby irrevocably and unconditionally mortgages, grants, bargains, transfers, sells, conveys, sets over and assigns to the Bank and its successors and assigns forever, all of Mortgagor's right, title and interest in and to the "Property" described below, to secure the prompt payment and performance of the Obligations (as hereinafter defined), including without limitation, all amounts due and owing to the Bank and all obligations respecting that certain Revolving Term Note, dated March 7, 2008, by Pend Oreille Bonner Development, LLC in favor of the Bank in the original principal amount of \$5,000,000.00 (the "Note"; and collectively, along with all other agreements, documents, certificates and instruments delivered in connection therewith, the "Loan Documents"), and any substitutions, modifications, extensions or amendments to any of the Loan Documents.

The amount of principal obligations outstanding and evidenced by the Loan Documents and secured by this Mortgage total \$5,000,000.00 as of the date of this Mortgage (the "Amount"), but this Mortgage shall nevertheless secure payment and performance of all Obligations, including, without limitation, any other liabilities and future advances, direct or indirect, absolute or contingent, now existing or hereafter arising from Mortgagor to Bank.

1.2 Security Interest in Property. As continuing security for the Obligations the Mortgagor hereby pledges, assigns and grants to the Bank, and its successors and assigns, a security interest in any of the

Property (as hereinafter defined) constituting personal property or fixtures. This Mortgage is and shall be deemed to be a security agreement and financing statement pursuant to the terms of the Uniform Commercial Code of Idaho (the "Uniform Commercial Code") as to any and all personal property and fixtures and as to all such property the Bank shall have the rights and remedies of a secured party under the Uniform Commercial Code in addition to its rights hereunder. This Mortgage constitutes a financing statement filed as a fixture filing under Section 28-9-502(c) of the Uniform Commercial Code covering any Property which now is or later may become a fixture.

1.3 Collateral Assignment of Leases and Rents. The Mortgagor hereby irrevocably and unconditionally assigns to the Bank, and its successors and assigns, as collateral security for the Obligations all of the Mortgagor's rights and benefits under any and all Leases (as hereinafter defined) and any and all rents and other amounts now or hereafter owing with respect to the Leases or the use or occupancy of the Property. This collateral assignment shall be absolute and effective immediately, but the Mortgagor shall have a license, revocable by the Bank, to continue to collect rents owing under the Leases until an Event of Default (as hereinafter defined) occurs and the Bank exercises its rights and remedies to collect such rents as set forth herein.

1.4 Conditions to Grant. The Bank shall have and hold the above granted Property unto and to the use and benefit of the Bank, and its successors and assigns, forever; provided, however, the conveyances, grants and assignments contained in this Mortgage are upon the express condition that, if Mortgagor shall irrevocably pay and perform the Obligations in full, including, without limitation, all principal, interest and premium thereon and other charges, if applicable, in accordance with the terms and conditions in the Loan Documents and this Mortgage, shall pay and perform all other Obligations as set forth in this Mortgage and shall abide by and comply with each and every covenant and condition set forth herein and in the Loan Documents, the conveyances, grants and assignments contained in this Mortgage shall be appropriately released and discharged.

1.5 Property. The term "Property," as used in this Mortgage, shall mean that certain parcel of land and the fixtures, structures and improvements and all personal property constituting fixtures, as that term is defined in the Uniform Commercial Code, now or hereafter thereon located at the Address(es), as more particularly described in Exhibit A attached hereto, together with: (i) all rights now or hereafter existing, belonging, pertaining or appurtenant thereto; (ii) the following categories of assets as defined in the Uniform Commercial Code: goods (including inventory, equipment and any accessions thereto), instruments (including promissory notes), documents, accounts (including health-care-insurance receivables), chattel paper (whether tangible or electronic), deposit accounts, letter-of-credit rights (whether or not the letter of credit is evidenced by a writing), commercial tort claims, securities and all other investment property, general intangibles (including payment intangibles and software), supporting obligations and any and all proceeds of any thereof, whether now owned or hereafter acquired, that are located on or used in connection with, or that arise in whole or in part out of the Mortgagor's use of or business conducted on or respecting, the Property and any substitutions, replacements, accessions and proceeds of any of the foregoing; (iii) all judgments, awards of damages and settlements hereafter made as a result or in lieu of any Taking, as hereinafter defined; (iv) all of the rights and benefits of the Mortgagor under any present or future leases and agreements relating to the Property, including, without limitation, rents, issues and profits, or the use or occupancy thereof together with any extensions and renewals thereof, specifically excluding all duties or obligations of the Mortgagor of any kind arising thereunder (the "Leases"); and (v) all contracts, permits and licenses respecting the use, operation or maintenance of the Property.

1.6 Obligations. The term "Obligation(s)," as used in this Mortgage, shall mean without limitation all loans, advances, indebtedness, notes, liabilities, rate swap transactions, basis swaps, forward rate transactions, commodity swaps, commodity options, equity or equity index swaps, equity or equity index options, bond options, interest rate options, foreign exchange transactions, cap transactions, floor transactions, collar transactions, forward transactions, currency swap transactions, cross-currency rate swap transactions, currency options and amounts, liquidated or unliquidated, now or hereafter owing by the Mortgagor to the Bank at any time, of each and every kind, nature and description, whether arising under this Mortgage or otherwise, and whether secured or unsecured, direct or indirect (that is, whether

the same are due directly by the Mortgagor to the Bank; or are due indirectly by the Mortgagor to the Bank as endorser, guarantor or other surety, or as obligor of obligations due third persons which have been endorsed or assigned to the Bank, or otherwise), absolute or contingent, due or to become due, now existing or hereafter contracted, including, without limitation, payment of all amounts outstanding when due pursuant to the terms of any of the Loan Documents. Said term shall also include all interest and other charges chargeable to the Mortgagor or due from the Mortgagor to the Bank from time to time and all advances, costs and expenses referred to in this Mortgage, including without limitation the costs and expenses (including reasonable attorney's fees) of enforcement of the Bank's rights hereunder or pursuant to any document or instrument executed in connection herewith.

1.7 Cross-Collateral and Future Advances. It is the express intention of the Mortgagor that this Mortgage secure payment and performance of all of the Obligations, whether now existing or hereinafter incurred by reason of future advances by the Bank or otherwise, and regardless of whether such Obligations are or were contemplated by the parties at the time of the granting of this Mortgage. Notice of the continuing grant of this Mortgage shall not be required to be stated on the face of any document evidencing any of the Obligations, nor shall such documents be required to otherwise specify that they are secured hereby.

2. REPRESENTATIONS, WARRANTIES, COVENANTS

2.1 Representations and Warranties. The Mortgagor represents and warrants that:

- (a) This Mortgage has been duly executed and delivered by the Mortgagor and is the legal, valid and binding obligation of the Mortgagor enforceable in accordance with its terms, except as limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally;
- (b) The Mortgagor is the sole legal owner of the Property, holding good and marketable fee simple title to the Property, subject to no liens, encumbrances, leases, security interests or rights of others, other than as set forth in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, the Bank in connection with this Deed of Trust (the "Permitted Encumbrances");
- (c) The Mortgagor is the sole legal owner of the entire lessor's interest in Leases, if any, with full power and authority to encumber the Property in the manner set forth herein, and the Mortgagor has not executed any other assignment of Leases or any of the rights or rents arising thereunder;
- (d) As of the date hereof, there are no Hazardous Substances (as hereinafter defined) in, on or under the Property, except as disclosed in writing to and acknowledged by the Bank; and
- (e) Each Obligation is a commercial obligation and does not represent a loan used for personal, family or household purposes and is not a consumer transaction.

2.2 Recording; Further Assurances. The Mortgagor covenants that it shall, at its sole cost and expense and upon the request of the Bank, cause this Mortgage, and each amendment, modification or supplement hereto, to be recorded and filed in such manner and in such places, and shall at all times comply with all such statutes and regulations as may be required by law in order to establish, preserve and protect the interest of the Bank in the Property and the rights of the Bank under this Mortgage. Mortgagor will from time to time execute and deliver to the Bank such documents, and take or cause to be taken, all such other or further action, as the Bank may request in order to effect and confirm or vest more securely in the Bank all rights contemplated by this Mortgage (including, without limitation, to correct clerical errors) or to vest more fully in, or assure to the Bank the security interest in, the Property or to comply with applicable statute or law. To the extent permitted by applicable law, Mortgagor authorizes the Bank to file financing statements, continuation statements or amendments, and any such financing

statements, continuation statements or amendments may be filed at any time in any jurisdiction. The Bank may at any time and from time to time file financing statements, continuation statements and amendments thereto that describe the Property as defined in this Mortgage and which contain any other information required by Article 9 of the Uniform Commercial Code for the sufficiency or filing office acceptance of any financing statement, continuation statement or amendment, including whether Mortgagor is an organization, the type of organization and any organization identification number issued to Mortgagor; Mortgagor also authorizes the Bank to file financing statements describing any agricultural liens or other statutory liens held by the Bank. Mortgagor agrees to furnish any such information to the Bank promptly upon request. In addition, Mortgagor shall at any time and from time to time, take such steps as the Bank may reasonably request for the Bank (i) to obtain an acknowledgment, in form and substance satisfactory to the Bank, of any bailee having possession of any of the Property that the bailee holds such Property for the Bank, and (ii) otherwise to insure the continued perfection and priority of the Bank's security interest in any of the Property and the preservation of its rights therein. Mortgagor hereby constitutes the Bank its attorney-in-fact to execute and file all filings required or so requested for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; and such power, being coupled with an interest, shall be irrevocable until this Mortgage terminates in accordance with its terms, all Obligations are paid in full and the Property is released.

2.3 Restrictions on the Mortgagor. The Mortgagor covenants that it will not, nor will it permit any other person to, directly or indirectly, without the prior written approval of the Bank in each instance:

- (a) Sell, convey, assign, transfer, mortgage, pledge, hypothecate, lease or dispose of all or any part of any legal or beneficial interest in the Mortgagor or the Property or any part thereof or permit any of the foregoing, except as expressly permitted by the terms of this Mortgage;
- (b) Permit the use, generation, treatment, storage, release or disposition of any oil or other material or substance constituting hazardous waste or hazardous materials or substances under any applicable Federal or state law, regulation or rule ("Hazardous Substances"); or
- (c) Permit to be created or suffer to exist any mortgage, lien, security interest, attachment or other encumbrance or charge on the Property or any part thereof or interest therein (except for the Permitted Encumbrances), including, without limitation, (i) any lien arising under any Federal, state or local statute, rule, regulation or law pertaining to the release or cleanup of Hazardous Substances and (ii) any mechanics' or materialmen's lien. The Mortgagor further agrees to give the Bank prompt written notice of the imposition, or notice, of any lien referred to in this Section and to take any action necessary to secure the prompt discharge or release of the same. The Mortgagor agrees to defend its title to the Property and the Bank's interest therein against the claims of all persons and, unless the Bank requests otherwise, to appear in and diligently contest, at the Mortgagor's sole cost and expense, any action or proceeding that purports to affect the Mortgagor's title to the Property or the priority or validity of this Mortgage or the Bank's interest hereunder.

2.4 Operation of Property. The Mortgagor covenants and agrees as follows:

- (a) The Mortgagor will not permit the Property to be used for any unlawful or improper purpose, will at all times comply with all Federal, state and local laws, ordinances and regulations, and the provisions of any Lease, easement or other agreement affecting all or any part of the Property, and will obtain and maintain all governmental or other approvals relating to the Mortgagor, the Property or the use thereof, including without limitation, any applicable zoning or building codes or regulations and any laws or regulations relating to the handling, storage, release or cleanup of Hazardous Substances, and will give prompt written notice to the Bank of (i) any violation of any such law, ordinance or regulation by the Mortgagor or relating to the Property, (ii) receipt of notice from any Federal, state or local authority alleging any such violation and (iii) the presence or release on the Property of any Hazardous Substances;

- (b) The Mortgagor will at all times keep the Property insured for such losses or damage, in such amounts and by such companies as may be required by law and which the Bank may require, provided that, in any case, the Mortgagor shall maintain: (i) physical hazard insurance on an "all risks" basis in an amount not less than 100% of the full replacement cost of the Property; (ii) flood insurance if and as required by applicable Federal law and as otherwise required by the Bank; (iii) comprehensive commercial general liability insurance; (iv) rent loss and business interruption insurance; and (v) such other insurance as the Bank may require from time to time, including builder's risk insurance in the case of construction loans. All policies regarding such insurance shall be issued by companies licensed to do business in the state where the policy is issued and also in the state where the Property is located, be otherwise acceptable to the Bank, provide deductible amounts acceptable to the Bank, name the Bank as mortgagee, loss payee and additional insured, and provide that no cancellation or material modification of such policies shall occur without at least Thirty (30) days prior written notice to the Bank. Such policies shall include (i) a mortgage endorsement determined by the Bank in good faith to be equivalent to the "standard" mortgage endorsement so that the insurance, as to the interest of the Bank, shall not be invalidated by any act or neglect of the Mortgagor or the owner of the Property, any foreclosure or other proceedings or notice of sale relating to the Property, any change in the title to or ownership of the Property, or the occupation or use of the Property for purposes more hazardous than are permitted at the date of inception of such insurance policies; (ii) a replacement cost endorsement; (iii) an agreed amount endorsement; (iv) a contingent liability from operation endorsement; and (v) such other endorsements as the Bank may request. The Mortgagor will furnish to the Bank upon request such original policies, certificates of insurance or other evidence of the foregoing as are acceptable to the Bank. The terms of all insurance policies shall be such that no coinsurance provisions apply, or if a policy does contain a coinsurance provision, the Mortgagor shall insure the Property in an amount sufficient to prevent the application of the coinsurance provisions;
- (c) Mortgagor will not enter into or modify the Leases in any material respect without the prior written consent of the Bank, execute any assignment of the Leases except in favor of the Bank, or accept any rentals under any Lease for more than one month in advance and will at all times perform and fulfill every term and condition of the Leases;
- (d) Mortgagor will at all times (i) maintain complete and accurate records and books regarding the Property in accordance with generally accepted accounting principles and (ii) permit the Bank and the Bank's agents, employees and representatives, at such reasonable times as the Bank may request, to enter and inspect the Property and such books and records; and
- (e) Mortgagor will at all times keep the Property in good and first-rate repair and condition (damage from casualty not excepted) and will not commit or permit any strip, waste, impairment, deterioration or alteration of the Property or any part thereof.

2.5 Payments. The Mortgagor covenants to pay when due: all Federal, state, municipal, real property and other taxes, betterment and improvement assessments and other governmental levies, water rates, sewer charges, insurance premiums and other charges on the Property, this Mortgage or any Obligation secured hereby that could, if unpaid, result in a lien on the Property or on any interest therein. If and when requested by the Bank, the Mortgagor shall deposit from time to time with the Bank sums determined by the Bank to be sufficient to pay when due the amounts referred to in this Section. The Mortgagor shall have the right to contest any notice, lien, encumbrance, claim, tax, charge, betterment assessment or premium filed or asserted against or relating to the Property; provided that it contests the same diligently and in good faith and by proper proceedings and, at the Bank's request, provides the Bank with adequate cash security, in the Bank's reasonable judgment, against the enforcement thereof. The Mortgagor shall furnish to the Bank the receipted real estate tax bills or other evidence of payment of real estate taxes for the Property within thirty (30) days prior to the date from which interest or penalty would accrue for nonpayment thereof. The Mortgagor shall also furnish to the Bank evidence of all other payments referred to above within fifteen (15) days after written request therefor by the Bank. If Mortgagor shall fail to pay such sums, the Bank may, but shall not be obligated to, advance such sums.

Any sums so advanced by the Bank shall be added to the Obligations, shall bear interest at the highest rate specified in any note evidencing the Obligations, and shall be secured by the lien of this Mortgage.

2.6 Notices; Notice of Default. The Mortgagor will deliver to the Bank, promptly upon receipt of the same, copies of all notices or other documents it receives that affect the Property or its use, or claim that the Mortgagor is in default in the performance or observance of any of the terms hereof or that the Mortgagor or any tenant is in default of any terms of the Leases. The Mortgagor further agrees to deliver to the Bank written notice promptly upon the occurrence of any Event of Default hereunder or event that with the giving of notice or lapse of time, or both, would constitute an Event of Default hereunder.

2.7 Takings. In case of any condemnation or expropriation for public use of, or any damage by reason of the action of any public or governmental entity or authority to, all or any part of the Property (a "Taking"), or the commencement of any proceedings or negotiations that might result in a Taking, the Mortgagor shall immediately give written notice to the Bank, describing the nature and extent thereof. The Bank may, at its option, appear in any proceeding for a Taking or any negotiations relating to a Taking and the Mortgagor shall immediately give to the Bank copies of all notices, pleadings, determinations and other papers relating thereto. The Mortgagor shall in good faith and with due diligence and by proper proceedings file and prosecute its claims for any award or payment on account of any Taking. The Mortgagor shall not settle any such claim without the Bank's prior written consent. The Mortgagor shall hold any amounts received with respect to such awards or claims, by settlement, judicial decree or otherwise, in trust for the Bank and immediately pay the same to the Bank. The Mortgagor authorizes any award or settlement due in connection with a Taking to be paid directly to the Bank in amounts not exceeding the Obligations. The Bank may apply such amounts to the Obligations in such order as the Bank may determine.

2.8 Insurance Proceeds. The proceeds of any insurance resulting from any loss with respect to the Property shall be paid to the Bank and, at the option of the Bank, be applied to the Obligations in such order as the Bank may determine; provided, however, that if the Bank shall require repair of the Property, the Bank may release all or any portion of such proceeds to the Mortgagor for such purpose. Any insurance proceeds paid to the Mortgagor shall be held in trust for the Bank and promptly paid to it.

3. CERTAIN RIGHTS OF THE BANK

3.1 Legal Proceedings. The Bank shall have the right, but not the duty, to intervene or otherwise participate in any legal or equitable proceeding that, in the Bank's reasonable judgment, might affect the Property or any of the rights created or secured by this Mortgage. The Bank shall have such right whether or not there shall have occurred an Event of Default hereunder.

3.2 Appraisals/Assessments. The Bank shall have the right, at the Mortgagor's sole cost and expense, to obtain appraisals, environmental site assessments or other inspections of the portions of the Property that are real estate at such times as the Bank deems necessary or as may be required by applicable law, or its prevailing credit or underwriting policies.

3.3 Financial Statements. The Bank shall have the right, at the Mortgagor's sole cost and expense, to require delivery of financial statements in form and substance acceptable to the Bank from the Mortgagor or any guarantor of any of the Obligations and the Mortgagor hereby agrees to deliver such financial statements and/or cause any such guarantor to so deliver any such financial statement when required by the Bank.

3.4 Leases and Rent Roll. The Mortgagor shall deliver to the Bank (i) during each calendar year and at such other times as the Bank shall request a rent roll for the Property, in form acceptable to the Bank, listing all tenants and occupants and describing all of the Leases; and (ii) at such times as the Bank shall request executed copies of all the Leases.

4. DEFAULTS AND REMEDIES

4.1 Events of Default. Event of Default shall mean the occurrence of any one or more of the following events:

- (a) default of any liability, obligation, covenant or undertaking of the Mortgagor or any guarantor of the Obligations to the Bank, hereunder or otherwise, including, without limitation, failure to pay in full and when due any installment of principal or interest or default of the Mortgagor or any guarantor of the Obligations under any other Loan Document or any other agreement with the Bank continuing for 10 days with respect to the payment of money or continuing for 30 days with respect to any other default;
- (b) failure by the Mortgagor or any guarantor of the Obligations to perform, observe or comply with any of the covenants, agreements, terms or conditions set forth in this Mortgage or the Loan Documents continuing for 30 days;
- (c) the (i) occurrence of any material loss, theft, damage or destruction of, or (ii) issuance or making of any levy, seizure, attachment, execution or similar process on a material portion of the Property;
- (d) failure of the Mortgagor or any guarantor of the Obligations to maintain aggregate collateral security value satisfactory to the Bank continuing for 30 days;
- (e) default of any material liability, obligation or undertaking of the Mortgagor or any guarantor of the Obligations to any other party continuing for 30 days;
- (f) if any statement, representation or warranty heretofore, now or hereafter made by the Mortgagor or any guarantor of the Obligations in connection with this Mortgage or in any supporting financial statement of the Mortgagor or any guarantor of the Obligations shall be determined by the Bank to have been false or misleading in any material respect when made;
- (g) if the Mortgagor or any guarantor of the Obligations is a corporation, trust, partnership or limited liability company, the liquidation, termination or dissolution of any such organization, or the merger or consolidation of such organization into another entity, or its ceasing to carry on actively its present business or the appointment of a receiver for its property;
- (h) the death of the Mortgagor or any guarantor of the Obligations and, if the Mortgagor or any guarantor of the Obligations is a partnership or limited liability company, the death of any partner or member;
- (i) the institution by or against the Mortgagor or any guarantor of the Obligations of any proceedings under the Bankruptcy Code 11 USC §101 *et seq.* or any other law in which the Mortgagor or any guarantor of the Obligations is alleged to be insolvent or unable to pay its debts as they mature, or the making by the Mortgagor or any guarantor of the Obligations of an assignment for the benefit of creditors or the granting by the Mortgagor or any guarantor of the Obligations of a trust mortgage for the benefit of creditors;
- (j) the service upon the Bank of a writ in which the Bank is named as trustee of the Mortgagor or any guarantor of the Obligations;
- (k) a judgment or judgments for the payment of money shall be rendered against the Mortgagor or any guarantor of the Obligations, and any such judgment shall remain unsatisfied and in effect for any period of thirty (30) consecutive days without a stay of execution;

- (l) any levy, lien (including mechanics lien), seizure, attachment, execution or similar process shall be issued or levied on any of the property of the Mortgagor or any guarantor of the Obligations;
- (m) the termination or revocation of any guaranty of the Obligations; or
- (n) the occurrence of such a change in the condition or affairs (financial or otherwise) of the Mortgagor or any guarantor of the Obligations, or the occurrence of any other event or circumstance, such that the Bank, in its sole discretion, deems that it is insecure or that the prospects for timely or full payment or performance of any obligation of the Mortgagor or any guarantor of the Obligations to the Bank has been or may be impaired.

4.2 Remedies. On the occurrence of any Event of Default the Bank may, at any time thereafter, at its option and, to the extent permitted by applicable law, without notice, exercise any or all of the following remedies:

- (a) Declare the Obligations due and payable, and the Obligations shall thereupon become immediately due and payable, without presentment, protest, demand or notice of any kind, all of which are hereby expressly waived by the Mortgagor except for Obligations due and payable on demand, which shall be due and payable on demand whether or not an event of default has occurred hereunder;
- (b) Enter, take possession of, manage and operate the Property (including all personal property and all records and documents pertaining thereto) and any part thereof and exclude the Mortgagor therefrom, take all actions it deems necessary or proper to preserve the Property and operate the Property as a mortgagee in possession with all the powers as could be exercised by a receiver or as otherwise provided herein or by applicable law; provided, however, the entry by the Bank upon the Property for any reason shall not cause the Bank to be a mortgagee in possession, except upon the express written declaration of the Bank;
- (c) With or without taking possession, receive and collect all rents, income, issues and profits ("Rents") from the Property (including all real estate and personal property and whether past due or thereafter accruing), including as may arise under the Leases, and the Mortgagor appoints the Bank as its true and lawful attorney with the power for the Bank in its own name and capacity to demand and collect Rents and take any action that the Mortgagor is authorized to take under the Leases. The Bank shall (after payment of all costs and expenses incurred) apply any Rents received by it to the Obligations in such order as the Bank determines, or in accordance with any applicable statute, and the Mortgagor agrees that exercise of such rights and disposition of such funds shall not be deemed to cure any default or constitute a waiver of any foreclosure once commenced nor preclude the later commencement of foreclosure for breach thereof. The Bank shall be liable to account only for such Rents actually received by the Bank. Lessees under the Leases are hereby authorized and directed, following notice from the Bank, to pay all amounts due the Mortgagor under the Leases to the Bank, whereupon such lessees shall be relieved of any and all duty and obligation to the Mortgagor with respect to such payments so made;
- (d) In addition to any other remedies, to sell the Property or any part thereof or interest therein at public auction on terms and conditions as the Bank may determine, or otherwise foreclose this Mortgage in any manner permitted by law, and upon such sale the Mortgagor shall execute and deliver such instruments as the Bank may request in order to convey and transfer all of the Mortgagor's interest in the Property, and the same shall operate to divest all rights, title and interest of the Mortgagor in and to the Property. In the event this Mortgage shall include more than one parcel of property or subdivision (each hereinafter called a "portion"), the Bank shall, in its sole and exclusive discretion and to the extent permitted by applicable law, be empowered to foreclose upon any such portion without impairing its right to foreclose

subsequently upon any other portion or the entirety of the Property from time to time thereafter. In addition, the Bank may in its discretion subordinate this Mortgage to one or more Leases for the sole purpose of preserving any such Lease in the event of a foreclosure;

- (e) Cause one or more environmental assessments to be taken, arrange for the cleanup of any Hazardous Substances or otherwise cure the Mortgagor's failure to comply with any statute, regulation or ordinance relating to the presence or cleanup of Hazardous Substances, and the Mortgagor shall provide the Bank or its agents with access to the Property for such purposes; provided that the exercise of any of such remedies shall not be deemed to have relieved the Mortgagor from any responsibility therefor or given the Bank "control" over the Property or cause the Bank to be considered to be a mortgagee in possession, "owner" or "operator" of the Property for purposes of any applicable law, rule or regulation pertaining to Hazardous Substances; and
- (f) Take such other actions or proceedings as the Bank deems necessary or advisable to protect its interest in the Property and ensure payment and performance of the Obligations, including, without limitation, appointment of a receiver (and the Mortgagor hereby waives any right to object to such appointment) and exercise of any of the Bank's remedies provided herein or in any other document evidencing, securing or relating to any of the Obligations or available to a secured party under the Uniform Commercial Code or under other applicable law.

In addition, the Bank shall have all other remedies provided by applicable law, including, without limitation, the right to pursue a judicial sale of the Property or any portion thereof by deed, assignment or otherwise.

The Mortgagor agrees and acknowledges that the acceptance by the Bank of any payments from either the Mortgagor or any guarantor after the occurrence of any Event of Default, the exercise by the Bank of any remedy set forth herein or the commencement, discontinuance or abandonment of foreclosure proceedings against the Property shall not waive the Bank's subsequent or concurrent right to foreclose or operate as a bar or estoppel to the exercise of any other rights or remedies of the Bank. The Mortgagor agrees and acknowledges that the Bank, by making payments or incurring costs described herein, shall be subrogated to any right of the Mortgagor to seek reimbursement from any third parties, including, without limitation, any predecessor in interest to the Mortgagor's title or other party who may be responsible under any law, regulation or ordinance relating to the presence or cleanup of Hazardous Substances.

4.3 Advances. If the Mortgagor fails to pay or perform any of its obligations respecting the Property, the Bank may in its sole discretion do so without waiving or releasing Mortgagor from any such obligation. Any such payments may include, but are not limited to, payments for taxes, assessments and other governmental levies, water rates, insurance premiums, maintenance, repairs or improvements constituting part of the Property. Any amounts paid by the Bank hereunder shall be, until reimbursed by the Mortgagor, part of the Obligations and secured by this Mortgage, and shall be due and payable to the Bank, on demand, together with interest thereon to the extent permitted by applicable law, at the highest rate permitted under any of the notes evidencing the Obligations.

4.4 Cumulative Rights and Remedies. All of the foregoing rights, remedies and options (including without limitation the right to enter and take possession of the Property, the right to manage and operate the same, and the right to collect Rents, in each case whether by a receiver or otherwise) are cumulative and in addition to any rights the Bank might otherwise have, whether at law or by agreement, and may be exercised separately or concurrently and none of which shall be exclusive of any other. The Mortgagor further agrees that the Bank may exercise any or all of its rights or remedies set forth herein without having to pay the Mortgagor any sums for use or occupancy of the Property.

4.5 Mortgagor's Waiver of Certain Rights. To the extent permitted by applicable law, the Mortgagor hereby waives the benefit of all present and future laws (i) providing for any appraisal before sale of all or

any portion of the Property or (ii) in any way extending the time for the enforcement of the collection of the Obligations or creating or extending a period of redemption from any sale made hereunder.

5. MISCELLANEOUS

5.1 Costs and Expenses. To the extent permitted by applicable law, the Mortgagor shall pay to the Bank, on demand, all reasonable expenses (including attorneys' fees and expenses and reasonable consulting, accounting, appraisal, brokerage and similar professional fees and charges) incurred by the Bank in connection with the Bank's interpretation, recordation of this Mortgage, exercise, preservation or enforcement of any of its rights, remedies and options set forth in this Mortgage and in connection with any litigation, proceeding or dispute whether arising hereunder or otherwise relating to the Obligations, together with interest thereon to the extent permitted by applicable law, until paid in full by the Mortgagor at the highest rate set forth in any of the notes evidencing the Obligations. Any amounts owed by the Mortgagor hereunder shall be, until paid, part of the Obligations and secured by this Mortgage, and the Bank shall be entitled, to the extent permitted by law, to receive and retain such amounts in any action for a deficiency against or redemption by the Mortgagor, or any accounting for the proceeds of a foreclosure sale or of insurance proceeds.

5.2 Indemnification Regarding Leases. The Mortgagor hereby agrees to defend, and does hereby indemnify and hold the Bank and each of its directors, officers, employees, agents and attorneys (each an "Indemnitee") harmless from all losses, damages, claims, costs or expenses (including attorneys' fees and expenses) resulting from the assignment of the Leases and from all demands that may be asserted against such Indemnitees arising from any undertakings on the part of the Bank to perform any obligations under the Leases. It is understood that the assignment of the Leases shall not operate to place responsibility for the control or management of the Property upon the Bank or any Indemnitee or make them liable for performance of any of the obligations of the Mortgagor under Leases, respecting any condition of the Property or any other agreement or arrangement, written or oral, or applicable law.

5.3 Indemnification Regarding Hazardous Substances. The Mortgagor hereby agrees to defend, and does hereby indemnify and hold harmless each Indemnitee from and against any and all losses, damages, claims, costs or expenses, including, without limitation, litigation costs and attorneys' fees and expenses and fees or expenses of any environmental engineering or cleanup firm incurred by such Indemnitee and arising out of or in connection with the Property or resulting from the application of any current or future law, regulation or ordinance relating to the presence or cleanup of Hazardous Substances on or affecting the Property. The Mortgagor agrees its obligations hereunder shall be continuous and shall survive termination or discharge of this Mortgage and/or the repayment of all debts to the Bank including repayment of all Obligations.

5.4 Indemnitee's Expenses. If any Indemnitee is made a party defendant to any litigation or any claim is threatened or brought against such Indemnitee concerning this Mortgage or the Property or any part thereof or therein or concerning the construction, maintenance, operation or the occupancy or use thereof by the Mortgagor or other person or entity, then the Mortgagor shall indemnify, defend and hold each Indemnitee harmless from and against all liability by reason of said litigation or claims, including attorneys' fees and expenses incurred by such Indemnitee in connection with any such litigation or claim, whether or not any such litigation or claim is prosecuted to judgment. The within indemnification shall survive payment of the Obligations, and/or any termination, release or discharge executed by the Bank in favor of the Mortgagor.

5.5 Waivers. The Mortgagor waives notice of nonpayment, demand, presentment, protest or notice of protest of the Obligations and all other notices, consents to any renewals or extensions of time of payment thereof, and generally waives any and all suretyship defenses and defenses in the nature thereof. No delay or omission of the Bank in exercising or enforcing any of its rights, powers, privileges, remedies, immunities or discretion (all of which are hereinafter collectively referred to as "the Bank's rights and remedies") hereunder shall constitute a waiver thereof; and no waiver by the Bank of any default of the Mortgagor hereunder or of any demand shall operate as a waiver of any other default

hereunder or of any other demand. No term or provision hereof shall be waived, altered or modified except with the prior written consent of the Bank, which consent makes explicit reference to this Mortgage. Except as provided in the preceding sentence, no other agreement or transaction, of whatsoever nature, entered into between the Bank and the Mortgagor at any time (whether before, during or after the effective date or term of this Mortgage) shall be construed as a waiver, modification or limitation of any of the Bank's rights and remedies under this Mortgage (nor shall anything in this Mortgage be construed as a waiver, modification or limitation of any of the Bank's rights and remedies under any such other agreement or transaction) but all the Bank's rights and remedies not only under the provisions of this Mortgage but also under any such other agreement or transaction shall be cumulative and not alternative or exclusive, and may be exercised by the Bank at such time or times and in such order of preference as the Bank in its sole discretion may determine.

5.6 Joint and Several. If there is more than one Mortgagor, each of them shall be jointly and severally liable for payment and/or performance of all obligations secured by this Mortgage and the term "Mortgagor" shall include each as well as all of them.

5.7 Severability. If any provision of this Mortgage or portion of such provision or the application thereof to any person or circumstance shall to any extent be held invalid or unenforceable, the remainder of this Mortgage (or the remainder of such provision) and the application thereof to other persons or circumstances shall not be affected thereby.

5.8 Complete Agreement. This Mortgage and the other Loan Documents constitute the entire agreement and understanding between and among the parties hereto relating to the subject matter hereof, and supersedes all prior proposals, negotiations, agreements and understandings among the parties hereto with respect to such subject matter.

5.9 Binding Effect of Agreement. This Mortgage shall run with the land and be binding upon and inure to the benefit of the respective heirs, executors, administrators, legal representatives, successors and assigns of the parties hereto, and shall remain in full force and effect (and the Bank shall be entitled to rely thereon) until all Obligations are fully and indefeasibly paid. The Bank may transfer and assign this Mortgage and deliver any collateral to the assignee, who shall thereupon have all of the rights of the Bank; and the Bank shall then be relieved and discharged of any responsibility or liability with respect to this Mortgage and such collateral. Except as expressly provided herein or in the other Loan Documents, nothing, expressed or implied, is intended to confer upon any party, other than the parties hereto, any rights, remedies, obligations or liabilities under or by reason of this Mortgage or the other Loan Documents.

5.10 Notices. Any notices under or pursuant to this Mortgage shall be deemed duly received and effective if delivered in hand to any officer or agent of the Mortgagor or Bank, or if mailed by registered or certified mail, return receipt requested, addressed to the Mortgagor or Bank at the address set forth in this Mortgage or as any party may from time to time designate by written notice to the other party.

5.11 Governing Law. This Mortgage shall be governed by Idaho law.

5.12 Reproductions. This Mortgage and all documents which have been or may be hereinafter furnished by the Mortgagor to the Bank may be reproduced by the Bank by any photographic, photostatic, microfilm, xerographic or similar process, and any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made in the regular course of business).

5.13 Jurisdiction and Venue. The Mortgagor irrevocably submits to the nonexclusive jurisdiction of any Federal or state court sitting in California and any Federal or state court sitting in Idaho, over any suit, action or proceeding arising out of or relating to this Mortgage. The Mortgagor irrevocably waives, to the fullest extent it may effectively do so under applicable law, any objection it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim

that the same has been brought in an inconvenient forum. The Mortgagor hereby consents to process being served in any such suit, action or proceeding (i) by the mailing of a copy thereof by registered or certified mail, postage prepaid, return receipt requested, to the Mortgagor's address set forth herein or such other address as has been provided in writing to the Bank and (ii) in any other manner permitted by law, and agrees that such service shall in every respect be deemed effective service upon the Mortgagor.

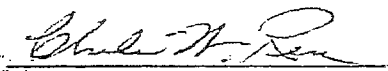
5.14 Arbitration. THE PARTIES AGREE TO ATTEMPT IN GOOD FAITH TO RESOLVE ANY DISPUTES WHICH MAY ARISE AMONG THEM IN CONNECTION WITH THE INTERPRETATION OR ENFORCEMENT OF THE PROVISIONS OF THIS AGREEMENT, OR THE APPLICATION OR VALIDITY THEREOF. IN THE EVENT THAT ANY DISPUTE CANNOT BE SO RESOLVED, AND UNLESS THE RELIEF SOUGHT REQUIRES THE EXERCISE OF THE EQUITY POWERS OF A COURT OF COMPETENT JURISDICTION, SUCH DISPUTE SHALL BE SUBMITTED TO ARBITRATION. SUCH ARBITRATION PROCEEDINGS SHALL BE HELD IN THE COUNTY OF SANTA BARBARA, CALIFORNIA, IN ACCORDANCE WITH THE ARBITRATION PROVISIONS OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. THIS AGREEMENT TO ARBITRATE SHALL BE SPECIFICALLY ENFORCEABLE. ANY AWARD RENDERED IN ANY SUCH ARBITRATION PROCEEDINGS SHALL BE FINAL AND BINDING ON EACH OF THE PARTIES HERETO, AND JUDGEMENT MAY BE ENTERED THEREON IN ANY COURT OF COMPETENT JURISDICTION. THE FOREGOING AGREEMENT TO ARBITRATE DOES NOT LIMIT THE RIGHT OF ANY PARTY TO (I) FORECLOSE AGAINST REAL OR PERSONAL PROPERTY COLLATERAL; (II) EXERCISE SELF-HELP REMEDIES RELATING TO COLLATERAL OR PROCEEDS OF COLLATERAL SUCH AS SETOFF OR REPOSSESSION; OR (III) OBTAIN PROVISIONAL OR ANCILLARY REMEDIES SUCH AS REPLEVIN, INJUNCTIVE RELIEF, ATTACHMENT OR THE APPOINTMENT OF A RECEIVER, BEFORE DURING OR AFTER THE PENDENCY OF ANY ARBITRATION PROCEEDING. THIS EXCLUSION DOES NOT CONSTITUTE A WAIVER OF THE RIGHT OR OBLIGATION OF ANY PARTY TO SUBMIT ANY DISPUTE TO ARBITRATION HEREUNDER, INCLUDING THOSE ARISING FROM THE EXERCISE OF THE ACTIONS DETAILED IN THE FOREGOING CLAUSES (I), (II) AND (III).

EXECUTED as of the date first above written.

Mortgagor:

Pend Oreille Bonner Development, LLC

By: Pend Oreille Bonner Development Holdings, Inc.,
Manager

By: 
Charles W. Reeves, President

STATE OF IDAHO)

) SS

COUNTY OF BONNER)

On MARCH 21, 2008 before me, BETTY J. FALETTO, personally appeared Charles W. Reeves, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Betty J. Falitto

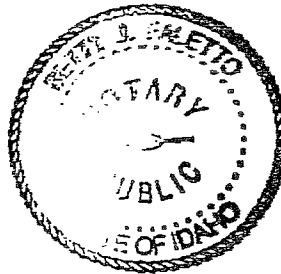


EXHIBIT "A"

Property Description

Real property in the County of Bonner, State of Idaho, described as follows:

PARCEL 1:

That portion of the Southwest quarter of the Southwest quarter of Section 16, Township 57 North, Range 1 East, Boise Meridian, lying West of the State Highway No. 200 right of way and East of the Northern Pacific Railway right of way and lying North of the North line of the following described tract:

Beginning at a point where the Section line between Sections 16 and 21, Township 57 North, Range 1 West, Boise Meridian, intersects the State Highway on the Westerly side as it now exists; thence in a Northwesterly direction along the Westerly side of said Highway, 752 feet; thence in a Southwesterly direction, 97 feet; thence in a Southeasterly direction 672 feet to the Section line between Sections 16 and 21; thence East on said Section line between said Sections 16 and 21, 104.25 feet, more or less, to the place of beginning.

Said parcel is now described as follows:

A tract of land situated in the Southwest quarter of the Southwest quarter of Section 16, Township 57 North, Range 1 East of the Boise Meridian, Bonner County, Idaho, lying Southwest of the right of way of State Highway No. 200 and Northeast of the right of way of Montana Rail Link Railway, being a portion of that property described as Parcel 1 of Instrument No. 168846 and more particularly described as follows:

Commencing at the intersection of the South line of the Southwest quarter of the Southwest quarter of Section 16 and the Northeasterly right of way of Montana Rail Link Railway which is South $88^{\circ} 10' 56''$ East, 944.95 feet from the Southwest corner of Section 16; thence leaving said South line and along said right of way North $23^{\circ} 38' 59''$ West, 672.00 feet to the true point of beginning; thence continuing along said right of way North $23^{\circ} 38' 59''$ West, 786.99 feet to the intersection with the North line of the Southwest quarter of the Southwest quarter; thence leaving said right of way and along said North line South $88^{\circ} 43' 23''$ East, 241.38 feet to the Westerly right of way of State Highway No. 200; thence leaving said North line and along said right of way the following four (4) courses:

on a non-tangential curve to the right having a central angle of $01^{\circ} 19' 25''$ (radial bearing = South $73^{\circ} 15' 16''$ West), a radius of 768.50 feet, for an arc length of 17.75 feet (chord = South $16^{\circ} 06' 41''$ East, 17.75 feet); thence along a line offset 50.00 feet Westerly of and parallel to a spiral curve (centerline is = 200 feet, $a = 3.5$, $S = 7^{\circ}$) for a chord of South $10^{\circ} 43' 01''$ East, 193.87 feet); thence South $08^{\circ} 25' 19''$ East, 86.06 feet; thence on a curve to the left having a central angle of $13^{\circ} 56' 48''$, a radius of 1482.53 feet, for an arc length of 360.87 feet (chord = South $15^{\circ} 23' 43''$ East, 359.98 feet);

thence leaving said right of way South $44^{\circ} 37' 10''$ West, 106.45 feet (record = "Southwesterly 97 feet") to the true point of beginning.

PARCEL 2:

That part of the Southwest quarter of the Southwest quarter in Section 16, Township 57 North, Range 1 East of the Boise Meridian, lying South and West of the Burlington Northern Inc. Railway right of way and Government Lot 5 in Section 17, Township 57 North, Range 1 East of the Boise Meridian, save and excepting therefrom:

The South 350 feet of Government Lot 5 in said Section 17, and also that part of the Southwest quarter of the Southwest quarter in said Section 16 lying Westerly of said Burlington Northern Inc. right of way as now in use and described as follows:

Beginning at the Southwest corner of said Section 16; thence North along the West Section

line 350 feet; thence East to the centerline of Trestle Creek; thence Southeasterly along said centerline to the South line of Section 16; thence West along the Section line 720 feet, more or less, to the point of beginning.

Said parcel is now described as follows:

A tract of land situated in the Southwest quarter of the Southwest quarter of Section 16, lying Southwest of Montana Rail Link Railroad right of way and Government Lot 5 of Section 17, all in Township 57 North, Range 1 East, of the Boise Meridian, Bonner County, Idaho, being a portion of that property described as Parcel 2 of Instrument No. 168846 and more particularly described as follows:

Beginning at the intersection of the South line of the Southwest quarter of the Southwest quarter of Section 16 and the Southwesterly right of way of Montana Rail Link Railway which is South $88^{\circ} 10' 56''$ East, 834.19 feet from the Southwest corner of Section 16; thence leaving said South line and along said right of way North $23^{\circ} 38' 59''$ West, 1457.84 feet to the intersection with the North line of the Southwest quarter of the Southwest quarter; thence leaving said right of way and along the North line of the Southwest quarter of the Southwest quarter, North $88^{\circ} 43' 23''$ West, 243.71 feet to the Northwest corner of the Southwest quarter of the Southwest quarter; thence along the North line of Government Lot 5 in Section 17, North $89^{\circ} 23' 45''$ West, 1223.84 feet to the meander line of Lake Pend Oreille, as defined by the original GLO Survey; thence leaving said North line and along said meander line the following two (2) courses:

South $52^{\circ} 55' 48''$ East, 561.00 feet; thence South $37^{\circ} 55' 48''$ East, 798.96 feet to a point on a line lying 350.00 feet North of and parallel to the South line of the Southwest quarter of the Southwest quarter of Section 16;

thence along said parallel line, South $88^{\circ} 10' 56''$ East, 281.27 feet to the West line of the said Southwest quarter of the Southwest quarter; thence continuing South $88^{\circ} 10' 56''$ East, 159.02 feet to the intersection with the centerline of Trestle Creek; thence along the centerline of Trestle Creek the following eight (8) courses:

South $52^{\circ} 54' 34''$ East, 63.58 feet; thence South $44^{\circ} 37' 26''$ East, 117.83 feet; thence South $42^{\circ} 08' 45''$ East, 77.28 feet; thence South $80^{\circ} 05' 07''$ East, 145.49 feet; thence South $55^{\circ} 15' 32''$ East, 86.34 feet; thence South $46^{\circ} 56' 31''$ East, 113.98 feet; thence South $75^{\circ} 43' 10''$ East, 58.83 feet; thence South $37^{\circ} 48' 28''$ East, 27.37 feet to the intersection with the South line of the Southwest quarter of the Southwest quarter;

thence leaving said creek centerline and along said South line South $88^{\circ} 10' 56''$ East, 116.80 feet to the true point of beginning.

PARCEL 3:

A portion of the Northeast quarter of the Northwest quarter and Government Lot 1 in Section 21, Township 57 North, Range 1 East, Boise Meridian, Bonner County, Idaho, described as follows:

Beginning at a point where the South line of the Northeast quarter of the Northwest quarter of Section 21, Township 57 North, Range 1 East, Boise Meridian, Bonner County, Idaho, intersects the West line of the Northern Pacific Railroad Company right-of-way; thence 600 feet Northerly along said railroad right-of-way; thence West to the meander line of the lake; thence 600 feet Southerly to the the South line of Lot 1 of said Section 21; thence East to the Point of Beginning.

Said parcel is now described as follows:

A tract of land situated in the Northeast quarter of the Northwest quarter and Government Lot 1 of Section 21, Township 57 North, Range 1 East of the Boise Meridian, Bonner County,

Idaho, more particularly described as follows:

Beginning at the intersection of the South line of the Northeast quarter of the Northwest quarter of Section 21 and the Westerly right of way of Montana Rail Link Railroad which is South 88° 55' 48" East, 139.54 feet from the Southwest corner of said Northeast quarter of the Northwest quarter; thence leaving said South line and along said right of way the following two (2) courses:

on a non-tangential curve to the left having a central angle of 10° 44' 25" (radial bearing = South 65° 01' 49" West) a radius of 2664.79 feet, for an arc length of 499.53 feet (chord = North 30° 20' 24" West, 498.80 feet); thence North 25° 10' 12" West, 100.47 feet;

thence leaving said right of way and parallel to the South line of Government Lot 1, North 88° 55' 48" West, 936.05 feet to the meander line of Lake Pend Oreille as defined in the original GLO Survey; thence along said meander line the following two (2) courses:

South 14° 25' 48" East, 271.54 feet; thence South 46° 40' 48" East, 378.00 feet to the intersection with the South line of Government Lot 1;

thence along said South line South 88° 55' 48" East, 748.52 feet to the Southeast corner of Government Lot 1; thence along the South line of the Northeast quarter of the Northwest quarter, South 88° 55' 48" East, 139.54 feet to the true point of beginning.

Commonly known as: NNA, Sandpoint, ID 83864



Property Description

Real property in the County of Bonner, State of Idaho, described as follows:

PARCEL 1:

That portion of the Southwest quarter of the Southwest quarter of Section 16, Township 57 North, Range 1 East, Boise Meridian, lying West of the State Highway No. 200 right of way and East of the Northern Pacific Railway right of way and lying North of the North line of the following described tract:

Beginning at a point where the Section line between Sections 16 and 21, Township 57 North, Range 1 West, Boise Meridian, intersects the State Highway on the Westerly side as it now exists; thence in a Northwesterly direction along the Westerly side of said Highway, 752 feet; thence in a Southwesterly direction, 97 feet; thence in a Southeasterly direction 672 feet to the Section line between Sections 16 and 21; thence East on said Section line between said Sections 16 and 21, 104.25 feet, more or less, to the place of beginning.

Said parcel is now described as follows:

A tract of land situated in the Southwest quarter of the Southwest quarter of Section 16, Township 57 North, Range 1 East of the Boise Meridian, Bonner County, Idaho, lying Southwest of the right of way of State Highway No. 200 and Northeast of the right of way of Montana Rail Link Railway, being a portion of that property described as Parcel 1 of Instrument No. 168846 and more particularly described as follows:

Commencing at the intersection of the South line of the Southwest quarter of the Southwest quarter of Section 16 and the Northeasterly right of way of Montana Rail Link Railway which is South $88^{\circ} 10' 56''$ East, 944.95 feet from the Southwest corner of Section 16; thence leaving said South line and along said right of way North $23^{\circ} 38' 59''$ West, 672.00 feet to the true point of beginning; thence continuing along said right of way North $23^{\circ} 38' 59''$ West, 786.99 feet to the intersection with the North line of the Southwest quarter of the Southwest quarter; thence leaving said right of way and along said North line South $88^{\circ} 43' 23''$ East, 241.38 feet to the Westerly right of way of State Highway No. 200; thence leaving said North line and along said right of way the following four (4) courses:

on a non-tangential curve to the right having a central angle of $01^{\circ} 19' 25''$ (radial bearing = South $73^{\circ} 15' 16''$ West), a radius of 768.50 feet, for an arc length of 17.75 feet (chord = South $16^{\circ} 06' 41''$ East, 17.75 feet); thence along a line offset 50.00 feet Westerly of and parallel to a spiral curve (centerline is = 200 feet, $a = 3.5$, $S = 7^{\circ}$) for a chord of South $10^{\circ} 43' 01''$ East, 193.87 feet); thence South $08^{\circ} 25' 19''$ East, 86.06 feet; thence on a curve to the left having a central angle of $13^{\circ} 56' 48''$, a radius of 1482.53 feet, for an arc length of 360.87 feet (chord = South $15^{\circ} 23' 43''$ East, 359.98 feet);

thence leaving said right of way South $44^{\circ} 37' 10''$ West, 106.45 feet (record = "Southwesterly 97 feet") to the true point of beginning.

PARCEL 2:

That part of the Southwest quarter of the Southwest quarter in Section 16, Township 57 North, Range 1 East of the Boise Meridian, lying South and West of the Burlington Northern Inc. Railway right of way and Government Lot 5 in Section 17, Township 57 North, Range 1 East of the Boise Meridian, save and excepting therefrom:

The South 350 feet of Government Lot 5 in said Section 17, and also that part of the Southwest quarter of the Southwest quarter in said Section 16 lying Westerly of said Burlington Northern Inc. right of way as now in use and described as follows:

Beginning at the Southwest corner of said Section 16; thence North along the West Section

line 350 feet; thence East to the centerline of Trestle Creek; thence Southeasterly along said centerline to the South line of Section 16; thence West along the Section line 720 feet, more or less, to the point of beginning.

Said parcel is now described as follows:

A tract of land situated in the Southwest quarter of the Southwest quarter of Section 16, lying Southwest of Montana Rail Link Railroad right of way and Government Lot 5 of Section 17, all in Township 57 North, Range 1 East, of the Boise Meridian, Bonner County, Idaho, being a portion of that property described as Parcel 2 of Instrument No. 168846 and more particularly described as follows:

Beginning at the intersection of the South line of the Southwest quarter of the Southwest quarter of Section 16 and the Southwesterly right of way of Montana Rail Link Railway which is South $88^{\circ} 10' 56''$ East, 834.19 feet from the Southwest corner of Section 16; thence leaving said South line and along said right of way North $23^{\circ} 38' 59''$ West, 1457.84 feet to the intersection with the North line of the Southwest quarter of the Southwest quarter; thence leaving said right of way and along the North line of the Southwest quarter of the Southwest quarter, North $88^{\circ} 43' 23''$ West, 243.71 feet to the Northwest corner of the Southwest quarter of the Southwest quarter; thence along the North line of Government Lot 5 in Section 17, North $89^{\circ} 23' 45''$ West, 1223.84 feet to the meander line of Lake Pend Oreille, as defined by the original GLO Survey; thence leaving said North line and along said meander line the following two (2) courses:

South $52^{\circ} 55' 48''$ East, 561.00 feet; thence South $37^{\circ} 55' 48''$ East, 798.96 feet to a point on a line lying 350.00 feet North of and parallel to the South line of the Southwest quarter of the Southwest quarter of Section 16;

thence along said parallel line, South $88^{\circ} 10' 56''$ East, 281.27 feet to the West line of the said Southwest quarter of the Southwest quarter; thence continuing South $88^{\circ} 10' 56''$ East, 159.02 feet to the intersection with the centerline of Trestle Creek; thence along the centerline of Trestle Creek the following eight (8) courses:

South $52^{\circ} 54' 34''$ East, 63.58 feet; thence South $44^{\circ} 37' 26''$ East, 117.83 feet; thence South $42^{\circ} 08' 45''$ East, 77.28 feet; thence South $80^{\circ} 05' 07''$ East, 145.49 feet; thence South $55^{\circ} 15' 32''$ East, 86.34 feet thence South $46^{\circ} 56' 31''$ East, 113.98 feet; thence South $75^{\circ} 43' 10''$ East, 58.83 feet; thence South $37^{\circ} 48' 28''$ East, 27.37 feet to the intersection with the South line of the Southwest quarter of the Southwest quarter;

thence leaving said creek centerline and along said South line South $88^{\circ} 10' 56''$ East, 116.80 feet to the true point of beginning.

PARCEL 3:

A portion of the Northeast quarter of the Northwest quarter and Government Lot 1 in Section 21, Township 57 North, Range 1 East, Boise Meridian, Bonner County, Idaho, described as follows:

Beginning at a point where the South line of the Northeast quarter of the Northwest quarter of Section 21, Township 57 North, Range 1 East, Boise Meridian, Bonner County, Idaho, intersects the West line of the Northern Pacific Railroad Company right-of-way; thence 600 feet Northerly along said railroad right-of-way; thence West to the meander line of the lake; thence 600 feet Southerly to the the South line of Lot 1 of said Section 21; thence East to the Point of Beginning.

Said parcel is now described as follows:

A tract of land situated in the Northeast quarter of the Northwest quarter and Government Lot 1 of Section 21, Township 57 North, Range 1 East of the Boise Meridian, Bonner County,

Idaho, more particularly described as follows:

Beginning at the intersection of the South line of the Northeast quarter of the Northwest quarter of Section 21 and the Westerly right of way of Montana Rail Link Railroad which is South 88° 55' 48" East, 139.54 feet from the Southwest corner of said Northeast quarter of the Northwest quarter; thence leaving said South line and along said right of way the following two (2) courses:

on a non-tangential curve to the left having a central angle of 10° 44' 25" (radial bearing = South 65° 01' 49" West) a radius of 2664.79 feet, for an arc length of 499.53 feet (chord = North 30° 20' 24" West, 498.80 feet); thence North 25° 10' 12" West, 100.47 feet;

thence leaving said right of way and parallel to the South line of Government Lot 1, North 88° 55' 48" West, 936.05 feet to the meander line of Lake Pend Oreille as defined in the original GLO Survey; thence along said meander line the following two (2) courses:

South 14° 25' 48" East, 271.54 feet; thence South 46° 40' 48" East, 378.00 feet to the intersection with the South line of Government Lot 1;

thence along said South line South 88° 55' 48" East, 748.52 feet to the Southeast corner of Government Lot 1; thence along the South line of the Northeast quarter of the Northwest quarter, South 88° 55' 48" East, 139.54 feet to the true point of beginning.

Commonly known as: NNA, Sandpoint, ID 83864



Recording Requested By:

And When Recorded Mail To:
Fidelity National Title Insurance Company
135 Main St. Ste.1900
San Francisco, CA 94105

CERTIFIED A TRUE COPY OF THE ORIGINAL
Document Recorded 1/7/2011
Recorder's Serial No. 804174
Bonner County Recorder

DEFAULT RESOLUTION NETWORK
By Brenda Spake

Loan No.: 101764389/Idaho Club//FRBC #100395.0012
T.S. No.: 10 -01616-4.

NOTICE OF DEFAULT UNDER MORTGAGE INSTRUMENT

NOTICE IS HEREBY GIVEN THAT **Pacific Capital Bank, N.A., a national banking association doing business as First National Bank of Central California** is the Mortgagee under a Mortgage executed by **Pend Oreille Bonner Development, LLC**, a Nevada limited liability company, as Mortgagor, and dated March 7, 2008 to secure certain obligations in the amount of \$5,000,000.00, in favor of Pacific Capital Bank, N.A., a national banking association, doing business as First National Bank of Central California, as Mortgagee, recorded March 25, 2008, as Instrument No. 748379/748380, of the official records of Bonner County, Idaho describing land therein as follows:

See Exhibit "A" attached hereto and made a part hereof.

Mortgagee hereby elects to conduct a unified foreclosure sale pursuant to the provisions of Idaho Code, Title 28, Section 28-9-604 and to include in the foreclosure of the estate described in this Notice of Default all of the personal property and fixtures described in the Mortgage and in any other instruments in favor of Mortgagee. Mortgagee reserves the right to revoke its election as to some or all of said personal property and/or fixtures, or to add additional personal property and/or fixtures to the election herein expressed, at Mortgagee's sole election, from time to time and at any time until the consummation of the mortgagee's sale to be conducted pursuant to the Mortgage and this Notice of Default, and that

There is a default by the Grantor or other person owing an obligation, the performance of which is secured by said Mortgage, or by their successor in interest, with respect to provisions therein which authorize sale in the event of default of such provision, to wit: **failed to pay the balance of the principal sum which became due; together with interest due thereon; failed to pay advances made by the Mortgagee; failed to pay attorneys' fees and expenses;**

By reason of such Default, the Mortgagee under said Mortgage has executed and a written declaration of default and demand for sale, and has deposited with said Mortgagee such Mortgage and all documents evidencing obligations secured thereby and has declared and does hereby declare all sums secured thereby immediately due and payable and has elected to cause the trust property to be sold. Said sums being the following:

The unpaid principal balance of \$4,952,475.59 together with interest thereon at the current rate of 6.00000% per annum from 03/07/2009 until paid, plus all accrued late charges, escrow advances, trustee fees and costs, legal fees and costs, and any other sums incurred or advanced by the Mortgagee pursuant to the terms and conditions of said Mortgage.

To find out the amount you must pay, or to arrange for payment to stop foreclosure, or if property is in foreclosure for any other reason, contact:

Pacific Capital Bank, N.A., dba First National Bank of Central California
c/o FIDELITY NATIONAL TITLE INSURANCE COMPANY
135 Main St. Ste. 1900
San Francisco, CA 94105
415-247-2450

Dated: January 3, 2011

By: FIDELITY NATIONAL TITLE INSURANCE COMPANY, agent to the Mortgagee

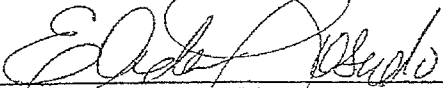

Julie Wagner, Authorized Signature

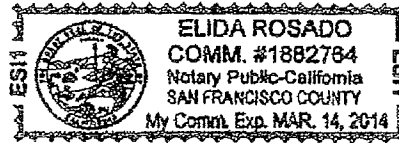
State of California }ss.
County of San Francisco }ss

On January 3, 2011, before me, Elida Rosado, personally appeared Julie Wagner, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.


Elida Rosado # 1882764
My Commission Expires March 14, 2014



(Seal)

WILLIAM A. von TAGEN
 DEPUTY ATTORNEY GENERAL
 STATE OF IDAHO
 P. O. BOX 36
 BOISE, IDAHO 83722
 (208) 334-7530
 [ISB NO. 2671]

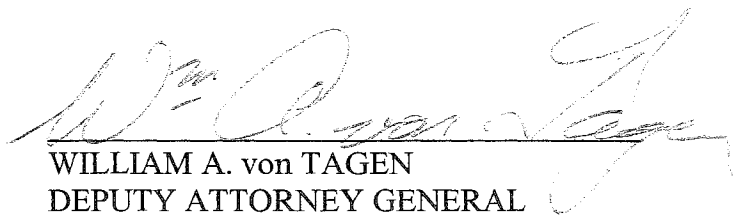
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 CLERK DISTRICT COURT
 26

IN THE DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT
 OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF BONNER

PACIFIC CAPITAL BANK, N.A., a national)	
banking association,	)	Case No. CV 2011-0135
)	
Plaintiff,)	
	)	AMENDED DISCLAIMER
vs.)	
)	
PEND OREILLE BONNER DEVELOPMENT,)	
LLC, et al.,)	
)	
Defendants,)	
)	

COMES NOW the Defendant, the State Tax Commission of the state of Idaho, by and through its attorney, William A. von Tagen, Deputy Attorney General, and hereby disclaims any interest that the Idaho State Tax Commission may have in that particular real property described in Exhibit A attached to the Plaintiff's Complaint by reason of the state tax liens filed by the Idaho State Tax Commission identified in Paragraph 55 of the Plaintiff's Complaint. This Disclaimer does not affect a claim, if any, of any other state of Idaho agency, and is made pursuant to Idaho Code § 5-328 with the understanding that court costs, including attorney fees, will not be awarded against the State Tax Commission.

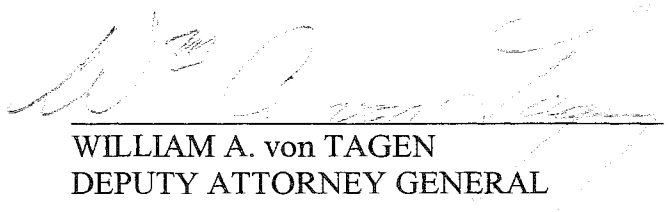
DATED this 20th day of May 2011.


WILLIAM A. von TAGEN
DEPUTY ATTORNEY GENERAL

CERTIFICATE OF SERVICE

I hereby certify that on this 24th day of May 2011, a copy of the within and foregoing DISCLAIMER was served by sending the same by United States mail, postage prepaid, in an envelope addressed to:

JOHN E MILLER
206 INDIANA AVE SUITE 200
COEUR D'ALENE ID 83814


WILLIAM A. von TAGEN
DEPUTY ATTORNEY GENERAL

Steven C. Wetzel, ISB #2988
Kenneth Huitt, ISB# 8257
JAMES, VERNON & WEEKS, PA
1626 Lincoln Way
Coeur d'Alene, Idaho 83814
Telephone: (208) 667-0683
Facsimile: (208) 664-1684
swetzel@jvwlaw.net
khuit@jvwlaw.net

2011 MAY 27 AM 11:02
MARIE SCOTT
CLERK DISTRICT COURT
ap

Attorneys for Defendant NORTH IDAHO RESORTS, LLC.

IN THE DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF BONNER

PACIFIC CAPITAL BANK, N.A., a national
banking association,

Case No. CV-2011-0135

Plaintiff,

NOTICE OF SUBSTITUTION OF COUNSEL

vs.

PEND OREILLE BONNER
DEVELOPMENT, LLC a Nevada limited
liability company, JV L.L.C., an Idaho
limited liability company, DAN
JACOBSON, an individual, SAGE
HOLDINGS LLC, an Idaho limited liability
company, TIMBERLINE
INVESTMENTS, LLC, an Idaho limited
liability company, STEVEN G. LAZAR, an
individual, AMY KORENGUT, an
individual, HLT REAL ESTATE LLC,
PANHANDLE STATE BANK, an Idaho
corporation, R.E. LOANS, LLC, a California
limited liability company, WELLS FARGO
FOOTHILL, INC., a Delaware corporation,
NORTH IDAHO RESORTS, LLC, an Idaho
limited liability company, PEND OREILLE
BONNER DEVELOPMENT HOLDINGS,
INC., a Nevada corporation, PENSCO
TRUST CO. custodian f/b/a Barney Ng, a
California corporation, MORTGAGE FUND

'08 LLC, a California limited liability company, B-K LIGHTING, INC., a California corporation, FREDERICK J. GRANT, an individual, CHRISTINE GRANT, an individual, RUSS CAPITAL GROUP, LLC, an Arizona limited liability company, JOSEPH DUSSICH, an individual, MOUNTAIN WEST BANK, an Idaho corporation, STATE OF IDAHO, Department of Revenue and Taxation, MONTAHENO INVESTMENTS LLC, a Nevada limited liability company, TOYON INVESTMENTS LLC, a Nevada limited liability company, CHARLES W. REEVES and ANN B. REEVES, husband and wife, ACI NORTHWEST, INC., an Idaho corporation,

Defendants.

NOTICE IS HEREBY GIVEN that, pursuant to I.R.C.P. 11(b)(1), WETZEL, WETZEL & HOLT, PLLC, 618 N 4th Street, Suite 2, Coeur d'Alene, ID 83814-3021, hereby withdraws as attorney of record for Defendant NORTH IDAHO RESORTS, LLC ("NIR"), and that JAMES VERNON & WEEKS, PA, 1626 Lincoln Way, Coeur d'Alene, Idaho 83814, by and through Steven C. Wetzel, or such other members of the firm as may hereafter appear, is hereby substituted as the attorney of record for NIR.

Copies of all further pleadings are to be mailed to Steven C. Wetzel at the address stated below.

DATED this 27th day of May, 2011.

JAMES, VERNON & WEEKS, PA

By: 

Steven C. Wetzel
Substituting Law Firm
1626 Lincoln Way
Coeur d'Alene, Idaho 83814
Telephone: (208) 667-0683
Facsimile: (208) 664-1684
swetzel@jvwlaw.net

Attorneys for ACI

WETZEL, WETZEL & HOLT, P.L.L.C.

By: 

Steven C. Wetzel
Withdrawing Law Firm

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on the following persons in the manner indicated this 27th day of May, 2011:

___ U.S. Mail, Postage Prepaid
___ Hand Delivered
___ Overnight Mail
x Facsimile: 208-665-9176
x jmillerlaw@cda.twcbc.com

John E. Miller
The Law Office of John E. Miller
A Professional Corporation
206 Indiana Avenue, Suite 200
Coeur d'Alene, ID 83814

Attorneys for Pacific Capital Bank, N.A.

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___ Overnight Mail
x Facsimile: 208-263-8211
x johnfinney@finneylaw.net

Gary A. Finney
FINNEY FINEY & FINNEY, PA
120 E Lake St., Ste. 317
Sandpoint, ID 83864

Attorneys for JV L.L.C. and ACJ Northwest, Inc.

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x jrlayman@laymanlawfirm.com

John R. Layman
Patti Jo Foster
Layman Layman & Robinson, PLLP
5431 N Government Way, Suite 101A
Coeur d'Alene, ID 83815

Attorneys for Pend Oreille Bonner Development, LLC; Pend Oreille Bonner Development Holdings, Inc.; Montaheno Investments, LLC; Toyon Investments, LLC

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___ Overnight Mail
x Facsimile: 208-664-4125
x rsweney@lukins.com

R. Wayne Sweney
Lukins & Annis, P.S.
601 E Front Street, Suite 502
Coeur d'Alene, ID 83814-5155

Attorneys for Mountain West Bank

___ U.S. Mail, Postage Prepaid
___ Hand Delivered
___ Overnight Mail
x Facsimile: 208-664-5884
x firm@ramsdentlyons.com

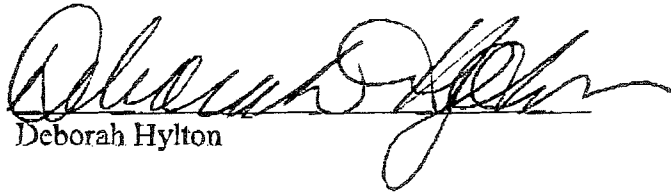
Douglas S. Marfice
Ramsden & Lyons, LLP
700 Northwest Blvd.
P.O. Box 1336
Coeur d'Alene, ID 83816-1336

Attorneys for B-K Lighting, Inc.

— U.S. Mail, Postage Prepaid
— Hand Delivered
— Overnight Mail
✓ Facsimile: 208-667-2150
✗ bruce@ejame.com

Bruce A. Anderson
Elsaesser Jarzabek Anderson Marks Elliott &
McHugh, Chtd.
1400 Northwood Ct., Ste. C
Coeur d'Alene, ID 83814

*Attorneys for Dan S. Jacobson; Sage
Holdings, LLC; Steven G. Lazar*


Deborah Hylton

H:\WETZEL\disk1\FILES\VV\Helli, Dick\North Idaho Reson\Pacific CapitalBank v. NTR, LLC\Pleading\Notice of Substitution of Counsel.doc

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MARIE SCOTT
CLERK DISTRICT COURT
DEPUTY

John E. Miller – ISB #4676
The Law Office of John E. Miller
A Professional Corporation
206 E. Indiana Avenue, Suite 200
Coeur d’Alene, ID 83814
Telephone: (208) 665-9464
Facsimile: (208) 665-9176

Attorney for Plaintiff

DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT

STATE OF IDAHO, COUNTY OF BONNER

PACIFIC CAPITAL BANK, N.A., a	)	CASE NO. CV-2011-0135
national banking association)	
)	
Plaintiff,	)	ORDER FOR ENTRY OF DEFAULT
)	
vs.)	
)	
PEND OREILLE BONNER)	
DEVELOPMENT, LLC, a Nevada limited)	
liability company, et al)	
)	
Defendants.)	
)	

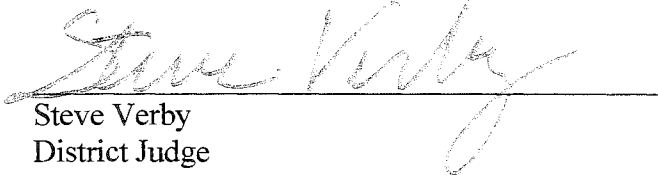
UPON THE REQUEST of the plaintiff, PACIFIC CAPITAL BANK, N.A., by and through its attorney of record, John E. Miller of *The Law Office of John E. Miller, A Professional Corporation*; and

GOOD CAUSE APPEARING, IT IS HEREBY ORDERED that:

Default is hereby entered as the First Amended Complaint against ONLY the defendants, PEND OREILLE BONNER DEVELOPMENT, LLC, a Nevada limited liability

company; PEND OREILLE BONNER DEVELOPMENT HOLDINGS, INC., a Nevada corporation, MONTAHENO INVESTMENTS LLC, a Nevada limited liability company, TOYON INVESTMENTS LLC, a Nevada limited liability company, CHARLES W. REEVES and ANN B. REEVES, for failure to timely defend despite due and proper demand for formal answer or other response to the Summons and First Amended Complaint following Notice of Appearance made by counsel for and on behalf of each of these defendants by John R. Layman, Esq and Patti Jo Foster, Esq. of the firm Layman, Layman & Robinson, PLLP.

DATED: July 21, 2011


Steve Verby
District Judge

CLERK'S CERTIFICATE OF SERVICE

I hereby certify that I caused the foregoing document to be:

mailed postage prepaid
 facsimile transmitted to

to the following addresses on this _ _ day of July 2011:

John R. Layman, Esq.
Patti Jo Foster, Esq.
LAYMAN, LAYMAN & ROBINSON, PLLP
601 s. Division Street
Spokane, WA 99202

Facsimile No.: (509) 624-2902

And to:

John E. Miller, Esq.
The Law Office of John E. Miller
A Professional Corporation
206 E. Indiana Avenue, Suite 200
Coeur d'Alene, ID 83814

Facsimile: (208) 665-9176

Douglas S. Marfice
RAMSDEN & LYONS
P.O. Box 1336
Coeur d'Alene, ID 83816-1336

Fax (208) 664-5884

Bruce Anderson
ELSAESSER JARZABEK ANDERSON
ELLIOTT & MACDONALD, CHTD
1400 Northwood Center Court, Suite C
Coeur d'Alene, ID 83814

Fax (208) 667-2150

R. Wayne Sweeney
Jonathon D. Hallin
LUKINS & ANNIS, P.S.
601 E. Front Ave., Suite 502
Coeur d'Alene, ID 83814

Fax (208) 666-4111

Steven C. Wetzel
Kevin P. Holt
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Fax (208) 664-6741

Gary A. Finney
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Attorneys at Law
Old Power House Building
120 East Lake Street, Suite 317
Sandpoint, ID 83864

Fax (208) 263-8211

John A. Finney
FINNEY FINNEY & FINNEY, P.A.
Attorneys at Law
Old Power House Building
120 East Lake Street, Suite 317
Sandpoint, ID 83864

Fax (208) 263-8211

Clerk

2011 JUL 21 P 12: 56

MARIE SCOTT
CLERK DISTRICT COURT
~~DEPUTY~~

John E. Miller – ISB #4676
*The Law Office of John E. Miller
A Professional Corporation*
206 E. Indiana Avenue, Suite 200
Coeur d’Alene, ID 83814
Telephone: (208) 665-9464
Facsimile: (208) 665-9176

Attorney for Plaintiff

DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT

STATE OF IDAHO, COUNTY OF BONNER

PACIFIC CAPITAL BANK, N.A., a	)	CASE NO. CV-2011-0135
national banking association)	
)	
Plaintiff,	)	ORDER FOR ENTRY OF DEFAULT
)	
vs.)	
)	
PEND OREILLE BONNER)	
DEVELOPMENT, LLC, a Nevada limited)	
liability company, et al)	
)	
Defendants.)	

UPON THE REQUEST of the plaintiff, PACIFIC CAPITAL BANK, N.A., by and through its attorney of record, John E. Miller of *The Law Office of John E. Miller. A Professional Corporation*; and

GOOD CAUSE APPEARING, IT IS HEREBY ORDERED that:

Default is hereby entered as the First Amended Complaint against ONLY the defendants, PEND OREILLE BONNER DEVELOPMENT, LLC, a Nevada limited liability

company; PEND OREILLE BONNER DEVELOPMENT HOLDINGS, INC., a Nevada corporation, MONTAHENO INVESTMENTS LLC, a Nevada limited liability company, TOYON INVESTMENTS LLC, a Nevada limited liability company, CHARLES W. REEVES and ANN B. REEVES, for failure to timely defend despite due and proper demand for formal answer or other response to the Summons and First Amended Complaint following Notice of Appearance made by counsel for and on behalf of each of these defendants by John R. Layman, Esq and Patti Jo Foster, Esq. of the firm Layman, Layman & Robinson, PLLP.

DATED: July 21, 2011

lsf **JUDGE VERBY**
Steve Verby
District Judge

CLERK'S CERTIFICATE OF SERVICE

I hereby certify that I caused the foregoing document to be:

mailed postage prepaid
 facsimile transmitted to

to the following addresses on this _____ day of July 2011:

~~John R. Layman, Esq.
Patti Jo Foster, Esq.
LAYMAN, LAYMAN & ROBINSON, PLLP
601 s. Division Street
Spokane, WA 99202~~

Facsimile No.: (509) 624-2902

And to:

John E. Miller, Esq.
The Law Office of John E. Miller
A Professional Corporation
206 E. Indiana Avenue, Suite 200
Coeur d'Alene, ID 83814

Facsimile: (208) 665-9176

Mailed 7-27-11

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Bruce Anderson
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Fax (208) 667-2150

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Fax (208) 666-4111

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John A. Finney
FINNEY FINNEY & FINNEY, P.A.
Attorneys at Law
Old Power House Building
120 East Lake Street, Suite 317
Sandpoint, ID 83864

Fax (208) 263-8211

Deputy Clerk A. Phillips

STATE OF IDAHO
COUNTY OF BONNER
FIRST JUDICIAL DIST.

2011 JUL 26 P 12:26

MARK SCOTT
CLERK DISTRICT COURT
NO
DEPUTY

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Attorney for Plaintiff

DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT
STATE OF IDAHO, COUNTY OF BONNER

PACIFIC CAPITAL BANK, N.A., a national banking association	)	CASE NO. CV 2011-0135
)	
)	
Plaintiff,	)	ORDER RE DISMISSAL WITHOUT
	)	PREJUDICE OF DEFENDANT AMY
vs.	)	KORENGUT ONLY
)	
PEND OREILLE BONNER DEVELOPMENT, LLC, a Nevada limited liability company, et al)	
)	
Defendants.)	
)	

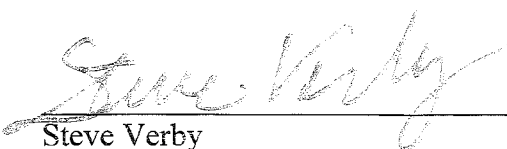
UPON THE REQUEST OF THE PLAINTIFF, and

GOOD CAUSE APPEARING:

ORDER RE DISMISSAL WITHOUT PREJUDICE
OF DEFENDANT AMY KORENGUT ONLY

IT IS HEREBY ORDERED that the defendant AMY KORENGUT, and only said defendant, is DISMISSED WITHOUT PREJUDICE from the above-entitled action.

DATED this 26th day of July 2011.


Steve Verby
District Judge

CLERK'S CERTIFICATE OF SERVICE

I hereby certify that I caused the foregoing document to be:

 mailed postage prepaid
 facsimile

to the following address on this day of July 2011:

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Patti Jo Foster, Esq.
LAYMAN, LAYMAN & ROBINSON, PLLP
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ORDER RE DISMISSAL WITHOUT PREJUDICE
OF DEFENDANT AMY KORENGUT ONLY

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Deputy Clerk

copy mailed to John E Miller ONLY 7-28-11 AP

ORDER RE DISMISSAL WITHOUT PREJUDICE
OF DEFENDANT AMY KORENGUT ONLY

STATE OF IDAHO
COUNTY OF BONNER
FIRST JUDICIAL DIST.

2011 AUG 29 A 11:13

DAVID SCOTT
CLERK DISTRICT COURT
AP
DEPUTY

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Attorney for Plaintiff

DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT

STATE OF IDAHO, COUNTY OF BONNER

PACIFIC CAPITAL BANK, N.A., a national banking association	)	CASE NO. CV 2011-0135
)	
)	
Plaintiff,)	
	)	EX PARTE MOTION FOR ORDER
vs.	)	ALLOWING SERVICE OF SUMMONS
	)	BY PUBLICATION
PEND OREILLE BONNER DEVELOPMENT, LLC, a Nevada limited liability company, et al)	
)	
Defendants.)	
)	

COMES NOW the plaintiff, PACIFIC CAPITAL BANK, N.A., and moves the Clerk of this Court pursuant to Idaho Code §5-508 and IRCP Rule 4(e)(1) for an Order Allowing Publication of Service of Summons upon the defendant PENSCO TRUST CO., custodian fba Barney Ng.

EX PARTE MOTION FOR ORDER ALLOWING
SERVICE OF SUMMONS BY PUBLICATION

This Motion is based upon Idaho Code §5-508 and IRCP Rule 4(e)(1), the supporting affidavit of John E. Miller, and further upon the pleadings and records on file herein which pleadings are verified and state a cause or causes of action against said defendant making said defendant a necessary party to this suit.

DATED this 25 day of August 2011.

The Law Office of John E. Miller
A Professional Corporation



John E. Miller, Esq.
Attorney for Plaintiff

ORIGINAL

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STATE OF IDAHO
COUNTY OF BONNER
FIRST JUDICIAL DIST.

2011 AUG 29 P 4 02

MARIE SCOTT
CLERK DISTRICT COURT
MS
DEPUTY

IN THE DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF BONNER

PACIFIC CAPITAL BANK, N.A., a	)	Case No. CV-2011-00135
national banking association)	
	)	JV, LLC ANSWER TO FIRST
Plaintiff,	)	AMENDED COMPLAINT,
	)	COUNTERCLAIM AND CROSS
vs.	)	CLAIM
)	
PEND OREILLE BONNER DEVELOPMENT,	)	Category:
LLC, a Nevada limited liability	)	Fees:
company, JV L.L.C., an Idaho	)	Appearance I(1) Paid
limited liability company, DAN S.	)	CounterClaim - No Fee
JACOBSON, an individual, SAGE	)	CrossClaim K(4) \$14.00
HOLDINGS LLC, an Idaho limited)	
liability company, TIMBERLINE)	
INVESTMENTS, LLC, an Idaho)	
limited liability company, STEVEN)	
G. LAZAR, an individual, AMY)	
KORENGUT, an individual, HLT REAL)	
ESTATE LLC, PANHANDLE STATE BANK,)	
an Idaho corporation, R.E. LOANS,)	
LLC, a California limited)	
liability company, WELLS FARGO)	
FOOTHILL, INC., a Delaware)	
corporation, NORTH IDAHO RESORTS,)	
LLC, an Idaho limited liability)	
company, PEND OREILLE BONNER)	
DEVELOPMENT HOLDINGS, INC., a)	
Nevada corporation, PENSCO TRUST)	
CO. custodian f/b/a Barney Ng, a)	
California corporation, MORTGAGE)	
FUND `08 LLC, a California)	
limited liability company, B-K)	
LIGHTING, INC., a California)	
corporation, FREDERICK J. GRANT,)	

JV, LLC ANSWER TO FIRST AMENDED COMPLAINT,
COUNTERCLAIM AND CROSS CLAIM- 1

an individual, CHRISTINE GRANT,)
 an individual, RUSS CAPITAL)
 GROUP, LLC, an Arizona limited)
 liability company, JOSEPH)
 DUSSICH, an individual, MOUNTAIN)
 WEST BANK, an Idaho corporation,)
 STATE OF IDAHO, Department of)
 Revenue and Taxation. MONTAHENO)
 INVESTMENTS LLC, a Nevada limited)
 liability company, TOYON)
 INVESTMENTS LLC, a Nevada limited)
 liability company, CHARLES W.)
 REEVES and ANN B. REEVES, husband)
 and wife, ACI NORTHWEST, INC., an)
 Idaho corporation,)
)
)
 Defendants.)
)

COMES NOW the Defendant JV LLC and for an Answer,
 Counterclaim against the Plaintiff, and Cross-Claim against the
 other Defendants, and in avoidance of Plaintiff's First Amended
 Complaint, alleges as follows:

I. The Defendant, hereafter "JV", is an Idaho limited
 liability company and alleges that 1) the above entitled court
 has in personam jurisdiction against the Plaintiff and all of
 the Defendants and in rem jurisdiction as to the real estate at
 issue which is in Bonner County, State of Idaho, and 2) JV is
 entitled to relief, and; 3) makes demand for judgment in its
 favor for alternative and types of relief as demanded and prayed
 for herein.

II. For an Answer to First Amended Complaint

1. JV admits paragraph 1.

2. JV admits paragraph 2, except the material stated in the [brackets] which is denied by JV is to the portion that states the interest of JV are (sic) inferior and subordinate to the interest of the Plaintiff.

3. JV admits paragraph 3.

4. JV admits paragraph 4; except the interest of JV is superior and of priority to Jacobson's interest.

5. JV admits paragraph 5; except the interest of JV is superior and of priority to Sage Holding, LLC's interest.

6. JV admits paragraph 6; except the interest of JV is superior and of priority to Timberline Investments, LLC's interest.

7. JV admits paragraph 7; except the interest of JV is superior and of priority to Lazar's interest.

8. JV admits paragraph 8; except the interest of JV is superior and of priority to Korengut's interest.

9. JV admits paragraph 9; except the interest of JV is superior and of priority to HLT Real Estate, LLC's interest.

10. JV admits paragraph 10; except the interest of JV is superior and of priority to Panhandle State Bank's interest.

11. JV admits paragraph 11; except the interest of JV is superior and of priority to R.E. Loans, LLC's interest.

12. JV admits paragraph 12; except the interest of JV is superior and of priority to Wells Fargo Capital Finance, LLC's interest.

13. JV admits paragraph 13; except the interest of JV is superior and of priority to North Idaho Resorts, LLC's interest.

14. JV admits paragraph 14; except the interest of JV is superior and of priority to Pend Oreille Bonner Development Holdings, Inc.'s interest.

15. JV admits paragraph 15; except the interest of JV is superior and of priority to Pensco Trust Co.'s interest.

16. JV admits paragraph 16; except the interest of JV is superior and of priority to Mortgage Fund '08, LLC's interest.

17. JV admits paragraph 17; except the interest of JV is superior and of priority to B-K Lighting, Inc.'s interest.

18. JV admits paragraph 18; except the interest of JV is superior and of priority to Frederick J. Grant's interest.

19. JV admits paragraph 19; except the interest of JV is superior and of priority to Christine Grant's interest.

20. JV admits paragraph 20; except the interest of JV is superior and of priority to Russ Capital Group, LLC's interest.

21. JV admits paragraph 21; except the interest of JV is superior and of priority to Joseph Dussich's interest.

22. JV admits paragraph 22; except the interest of JV is superior and of priority to Mountain West Bank's interest.

23. JV admits paragraph 23; except the interest of JV is superior and of priority to the State of Idaho, Department of Revenue's interest.

24. JV admits paragraph 24; except the interest of JV is superior and of priority to Montaheno Investments, LLC's interest.

25. JV admits paragraph 25; except the interest of JV is superior and of priority to Toyon Investments, LLC's interest.

26. JV admits paragraph 26; except the interest of JV is superior and of priority to Charles W. Reeves and Ann B. Reeves' interest.

27. JV admits paragraph 27; except, based on Plaintiff's paragraph 27 it does not appear that ACI claims an interest and the interest of JV is superior and of priority to ACI Northwest, Inc.'s interest.

28. JV is unaware of any interests of DOES 1 through 20, and this paragraph 28 is an insufficient denomination of unknown defendants as a matter of rule, there is no way to identify such DOES, and JV denies paragraph 28.

29. JV admits paragraph 29 except the Plaintiff has not alleged its standing as holder of the Note, nor has the Plaintiff filed the Note with the Court, which is a pre-existing condition for standing. Without standing, lack of jurisdiction may be raised subsequently or at any time.

30. JV denies paragraph 30.

31. JV admits paragraph 31.

32. JV admits paragraph 32.

33. JV answers paragraph 33 as alleged above.

34. JV admits paragraph 34.

35. JV admits paragraph 35.

36. JV denies paragraph 36 as to Plaintiff's allegation that its Mortgage is senior and superior to the interest of JV. JV is the holder of a purchase money indebtedness secured by a purchase money mortgage on the real estate and denies that Plaintiff's interest be quieted. There is an Idaho "one action" rule for enforcement and foreclosure of any indebtedness secured by real estate mortgage. The Plaintiff can not "reform" its mortgage to give it any priority as against the Mortgage held by JV. JV's mortgage is recorded first in time as concerns the real estate. JV is a bona fide encumbrance for value without any notice of Plaintiff's interest.

37. JV answers paragraph 37 as alleged above.

38. JV admits paragraph 38.

39. JV admits paragraph 39.

40. JV admits paragraph 40.

41. JV admits paragraph 41.

42. JV denies paragraph 42, a mortgage foreclosure is an action to be determined by the Court in equity.

43. JV admits the first sentence of paragraph 43 and denies the second (last) sentence.

44. JV admits paragraph 44.

45. JV admits paragraph 45.

46. JV admits paragraph 46.

47. JV admits paragraph 47.

48. JV admits paragraph 48.

49. JV admits paragraph 49.

50. JV admits paragraph 50.

51. JV admits paragraph 51.

52. JV admits paragraph 52.

53. JV admits paragraph 53.

54. JV admits paragraph 54.

55. JV admits paragraph 55.

56. JV admits paragraph 56.

57. JV admits paragraph 57.

58. JV admits paragraph 58.

III. As and for further Answer, Affirmative Defenses, Avoidance, and a Counterclaim JV continues and alleges,

59. JV alleges all averments of paragraph 1-58 above.

60. JV is the owner and holder of an indebtedness that is secured by the real estate described in a purchase money real estate mortgage for real estate as described in said mortgage alleged by the Plaintiff and JV to be recorded June 19, 2006

Instrument No. 706470 records of Bonner County, Idaho. The indebtedness and mortgage are fully mature and due and payable JV is also entitled to recover its attorney fees and costs in full to JV.

61. JV's mortgage recorded June 19, 2006 is first in time/first in right by Idaho's statutory race-notice recording acts. The Plaintiff is judicially estopped by its own First Amended Complaint, specifically paragraph 32 alleges that Plaintiff's mortgage was recorded March 25, 2008 and by paragraph 43 alleging that JV's mortgage was recorded June 19, 2006. JV's mortgage was recorded almost 2 years ahead of the Plaintiff's mortgage. Plaintiff can not be a bona fide encumbrance for value without notice of JV's interest. Plaintiff had actual and constructive notice of JV's mortgage before and at the time of its mortgage.

62. On the indebtedness secured by its mortgage, JV is owed \$1,176,450.35 in principal as of 9/18/08 plus 12% interest accruing at \$485.408 per day (12%) thereafter until paid, which principal and interest totals \$1,932,039.31 as of 4/15/11, plus default fees and transaction fees, as computed by the collection for JV at Panhandle Escrow Company, No. 2067429, Sandpoint, Idaho.

63. The interest of the Plaintiff by its recorded mortgage, is inferior to the recorded mortgage of JV.

64. The Plaintiff gave no consideration and has no enforceable right as against JV. JV is a bona fide encumbrance for value without any notice of Plaintiff's interest.

IV. As and for the Further Answer, Counterclaim, and as a Cross-Claim by JV against the other Defendants, JV alleges.

65. JV re-alleges all matters set forth above.

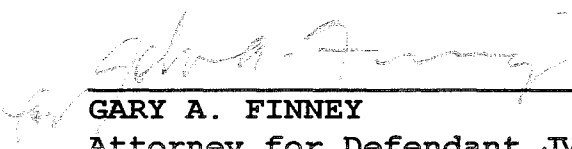
66. JV's mortgage interest in and to the real estate is a prior recorded encumbrance on the real estate, which is superior to the interests of all of the other Defendants.

67. JV is entitled to recover attorney fees and costs in defense of the Complaint, and on its Answer, Counterclaim, and Cross-Claim.

V. JV's Prayer and Demand and for Relief

68. JV prays the Court for judgment in its favor against the Plaintiff and demands relief that it has no liability to the Plaintiff and for judgment that Plaintiff's recorded mortgage is recorded later and subsequent to JV's mortgage and that the interests of all the other Defendants are also inferior to JV's mortgage, that JV has the first priority mortgage on the real estate, and for its attorney fees and costs.

DATED this 29 day of August 2011.



GARY A. FINNEY
Attorney for Defendant JV
L.L.C, an Idaho limited
liability company

VERIFICATION

STATE OF IDAHO)
 : s.s.
COUNTY OF BONNER)

I, James Berry, as a Member/Manager of JV LLC, first being duly sworn upon oath depose and say the following:

I am the Member/Manager of Defendant JV LLC in this case and I have read the JV, LLC Answer To First Amended Complaint, Counterclaim And Cross Claim dated the 12 day of May, 2011, and know the contents therein stated and believe the same to be true.

JV L.L.C.

James Berry
By: James Berry
Its: Member/Manager

SUBSCRIBED AND SWORN to before me this 29th day of August 2011.



Greg A. Lindsey
Notary Public-State of Idaho
Residing at SANDPOINT
My Commission Expires August 14, 2011

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by deposit in First Class U.S. Mail, postage prepaid, or as otherwise indicated, this 24th day of Aug 2011, and addressed as follows:

John E. Miller
Attorney at Law
206 Indiana Avenue, Suite 200
Coeur d'Alene, ID 83814
(Attorney for Plaintiff)

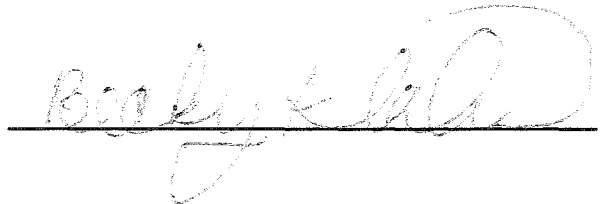
Douglas S. Marfice
RAMSDEN & LYONS
P.O. Box 1336
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Attorney for Defendant,
B-KLighting, Inc.

Bruce Anderson
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(Attorney for Dan S. Jacobson,
Sage Holding, LLC, and Steve G.
Lazor)

R. Wayne Sweeney
Jonathon D. Hallin
LUKINS & ANNIS, P.S.
601 E. Front Ave., Suite 502
Coeur d'Alene, ID 83814
(Attorney for Mountain West
Bank)

Steven C. Wetzel
Kevin P. Holt
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(Attorney for North Idaho
Resorts)

John A. Finney
Attorney at Law
Old Power House Building
120 East Lake St., Suite 317
Sandpoint, ID 83864-1366
(Attorney for ACI Northwest,
Inc.)
(Via Hand Delivery)



STATE OF IDAHO
COUNTY OF BONNER
FIRST JUDICIAL DIST.

2011 SEP -2 P 3:39

MAHE SODTT
CLERK DISTRICT COURT
ap
DEPUTY

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Attorney for Plaintiff

DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT
STATE OF IDAHO, COUNTY OF BONNER

PACIFIC CAPITAL BANK, N.A., a national	)	CASE NO. CV 2011-0135
banking association)	
)	
Plaintiff,)	
	)	ORDER ALLOWING SERVICE OF
vs.	)	SUMMONS BY PUBLICATION
)	
PEND OREILLE BONNER DEVELOPMENT,)	
LLC, a Nevada limited liability company, et al)	
)	
Defendants.)	
)	

IT APPEARS to the satisfaction of the this Court upon reading the Ex Parte Motion for Order Allowing Service of Summons by Publication, the supporting Affidavit, and the First Amended Complaint filed in this action, that a cause of action exists as to defendant PENSICO TRUST CO.,

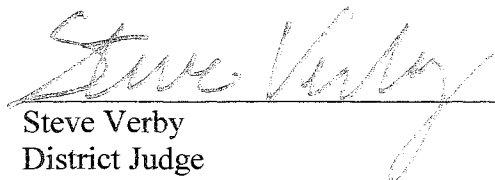
ORDER ALLOWING SERVICE OF
SUMMONS BY PUBLICATION

custodian fba Barney Ng, and that said defendant is a necessary and proper party to the action. It further appears that said defendant is currently unavailable for service by other means.

NOW THEREFORE,

IT IS HEREBY ORDERED, that service of the First Amended Summons and First Amended Complaint may be made upon the said defendant by publication of summons in accordance with Idaho Code §5-508 and IRCP Rule 4(e)(1) in a newspaper of general circulation, designated as most likely to give notice to the person to be served, at least once a week for four (4) consecutive weeks. in or around the city of LaFayette, California, i.e. the Contra Costa Times, and Sandpoint, Idaho, i.e., the Bonner County Daily Bee. Plaintiff is directed to mail a copy of said documents to the last known business address of said defendant at Pensco Trust Co., custodian fba Barney Ng, c/o Bar K, Inc., 201 Lafayette Circle, 2nd Floor, Lafayette, CA 94549.

DATED this 20th ^{Spt.} day of ~~August~~ 2011.



Steve Verby
District Judge

ORDER ALLOWING SERVICE OF
SUMMONS BY PUBLICATION

ORIGINAL

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ISB No. 5413
Attorney for ACI NORTHWEST, INC.

STATE OF IDAHO
COUNTY OF BONNER
FIRST JUDICIAL DIST.
2011 SEP 14 P 3 59
MARGARET SCOTT
CLERK DISTRICT COURT
ef
BETC

IN THE DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF BONNER

PACIFIC CAPITAL BANK, N.A., a	)	Case No. CV-2011-00135
national banking association)	
	)	ACI NORTHWEST, INC.'S
Plaintiff,	)	ANSWER TO FIRST AMENDED
	)	COMPLAINT
vs.)	
	)	Category: I(1)
PEND OREILLE BONNER DEVELOPMENT,	)	Fee: Already Paid
LLC, a Nevada limited liability)	
company, JV L.L.C., an Idaho)	
limited liability company, DAN S.)	
JACOBSON, an individual, SAGE)	
HOLDINGS LLC, an Idaho limited)	
liability company, TIMBERLINE)	
INVESTMENTS, LLC, an Idaho)	
limited liability company, STEVEN)	
G. LAZAR, an individual, AMY)	
KORENGUT, an individual, HLT REAL)	
ESTATE LLC, PANHANDLE STATE BANK,)	
an Idaho corporation, R.E. LOANS,)	
LLC, a California limited)	
liability company, WELLS FARGO)	
FOOTHILL, INC., a Delaware)	
corporation, NORTH IDAHO RESORTS,)	
LLC, an Idaho limited liability)	
company, PEND OREILLE BONNER)	
DEVELOPMENT HOLDINGS, INC., a)	
Nevada corporation, PENSICO TRUST)	

CO. custodian f/b/a Barney Ng, a)
California corporation, MORTGAGE)
FUND `08 LLC, a California)
limited liability company, B-K)
LIGHTING, INC., a California)
corporation, FREDERICK J. GRANT,)
an individual, CHRISTINE GRANT,)
an individual, RUSS CAPITAL)
GROUP, LLC, an Arizona limited)
liability company, JOSEPH)
DUSSICH, an individual, MOUNTAIN)
WEST BANK, an Idaho corporation,)
STATE OF IDAHO, Department of)
Revenue and Taxation. MONTAHENO)
INVESTMENTS LLC, a Nevada limited)
liability company, TOYON)
INVESTMENTS LLC, a Nevada limited)
liability company, CHARLES W.)
REEVES and ANN B. REEVES, husband)
and wife, ACI NORTHWEST, INC., an)
Idaho corporation,)
))
Defendants.)
_____)

COMES NOW the Defendant ACI NORTHWEST, INC., an Idaho corporation (hereinafter "ACI"), and by way of an Answer to the Plaintiff's First Amended Complaint, alleges and avers, as follows:

1. The Defendant ACI is without knowledge or information sufficient to form a belief as to the truth of Paragraph 1 of the Plaintiff's Amended Complaint and therefore denies the same.
2. The Defendant ACI admits Paragraph 2 of the Plaintiff's First Amended Complaint.
3. The Defendant ACI admits Paragraph 3 of the Plaintiff's First Amended Complaint.

4. The Defendant ACI admits Paragraph 4 of the Plaintiff's First Amended Complaint.

5. The Defendant ACI admits Paragraph 5 of the Plaintiff's First Amended Complaint.

6. The Defendant ACI admits Paragraph 6 of the Plaintiff's First Amended Complaint.

7. The Defendant ACI admits Paragraph 7 of the Plaintiff's First Amended Complaint.

8. The Defendant ACI admits Paragraph 8 of the Plaintiff's First Amended Complaint.

9. The Defendant ACI admits Paragraph 9 of the Plaintiff's First Amended Complaint.

10. The Defendant ACI admits Paragraph 10 of the Plaintiff's First Amended Complaint.

11. The Defendant ACI admits Paragraph 11 of the Plaintiff's First Amended Complaint.

12. The Defendant ACI admits Paragraph 12 of the Plaintiff's First Amended Complaint.

13. The Defendant ACI admits Paragraph 13 of the Plaintiff's First Amended Complaint.

14. The Defendant ACI admits Paragraph 14 of the Plaintiff's First Amended Complaint.

15. The Defendant ACI admits Paragraph 15 of the Plaintiff's First Amended Complaint.

16. The Defendant ACI admits Paragraph 16 of the Plaintiff's First Amended Complaint.

17. The Defendant ACI admits Paragraph 17 of the Plaintiff's First Amended Complaint.

18. The Defendant ACI admits Paragraph 18 of the Plaintiff's First Amended Complaint.

19. The Defendant ACI admits Paragraph 19 of the Plaintiff's First Amended Complaint.

20. The Defendant ACI admits Paragraph 20 of the Plaintiff's First Amended Complaint.

21. The Defendant ACI admits Paragraph 21 of the Plaintiff's First Amended Complaint.

22. The Defendant ACI admits Paragraph 22 of the Plaintiff's First Amended Complaint.

23. The Defendant ACI admits Paragraph 23 of the Plaintiff's First Amended Complaint.

24. The Defendant ACI admits Paragraph 24 of the Plaintiff's First Amended Complaint.

25. The Defendant ACI admits Paragraph 25 of the Plaintiff's First Amended Complaint.

26. The Defendant ACI admits Paragraph 26 of the Plaintiff's First Amended Complaint.

27. The Defendant ACI admits Paragraph 27 of the Plaintiff's First Amended Complaint.

28. The Defendant ACI is without knowledge or information sufficient to form a belief as to the truth of Paragraph 28 of the Plaintiff's Amended Complaint and therefore denies the same.

29. The Defendant ACI admits Paragraph 29 of the Plaintiff's First Amended Complaint.

30. The Defendant ACI is without knowledge or information sufficient to form a belief as to the truth of Paragraph 30 of the Plaintiff's Amended Complaint and therefore denies the same.

31. The Defendant ACI is without knowledge or information sufficient to form a belief as to the truth of Paragraph 31 of the Plaintiff's Amended Complaint and therefore denies the same.

32. The Defendant ACI is without knowledge or information sufficient to form a belief as to the truth of Paragraph 32 of the Plaintiff's Amended Complaint and therefore denies the same.

33. The Defendant ACI re-admits and re-denies Paragraph 33 of the Plaintiff's First Amended Complaint as set forth above.

34. The Defendant ACI is without knowledge or information sufficient to form a belief as to the truth of Paragraph 34 of the Plaintiff's Amended Complaint and therefore denies the same.

35. The Defendant ACI is without knowledge or information sufficient to form a belief as to the truth of Paragraph 35 of the Plaintiff's Amended Complaint and therefore denies the same.

36. The Defendant ACI is without knowledge or information sufficient to form a belief as to the truth of Paragraph 36 of

the Plaintiff's Amended Complaint and therefore denies the same.

37. The Defendant ACI re-admits and re-denies Paragraph 37 of the Plaintiff's First Amended Complaint as set forth above.

38. The Defendant ACI is without knowledge or information sufficient to form a belief as to the truth of Paragraph 38 of the Plaintiff's Amended Complaint and therefore denies the same.

39. The Defendant ACI is without knowledge or information sufficient to form a belief as to the truth of Paragraph 39 of the Plaintiff's Amended Complaint and therefore denies the same.

40. The Defendant ACI is without knowledge or information sufficient to form a belief as to the truth of Paragraph 40 of the Plaintiff's Amended Complaint and therefore denies the same.

41. The Defendant ACI admits Paragraph 41 of the Plaintiff's First Amended Complaint.

42. The Defendant ACI is without knowledge or information sufficient to form a belief as to the truth of Paragraph 42 of the Plaintiff's Amended Complaint and therefore denies the same.

43. The Defendant ACI admits Paragraph 43 of the Plaintiff's First Amended Complaint.

44. The Defendant ACI admits Paragraph 44 of the Plaintiff's First Amended Complaint.

45. The Defendant ACI admits Paragraph 45 of the Plaintiff's First Amended Complaint.

46. The Defendant ACI admits Paragraph 46 of the Plaintiff's First Amended Complaint.

47. The Defendant ACI admits Paragraph 47 of the Plaintiff's First Amended Complaint.

48. The Defendant ACI admits Paragraph 48 of the Plaintiff's First Amended Complaint.

49. The Defendant ACI admits Paragraph 49 of the Plaintiff's First Amended Complaint.

50. The Defendant ACI admits Paragraph 50 of the Plaintiff's First Amended Complaint.

51. The Defendant ACI admits Paragraph 51 of the Plaintiff's First Amended Complaint.

52. The Defendant ACI admits Paragraph 52 of the Plaintiff's First Amended Complaint.

53. The Defendant ACI admits Paragraph 53 of the Plaintiff's First Amended Complaint.

54. The Defendant ACI admits Paragraph 54 of the Plaintiff's First Amended Complaint.

55. The Defendant ACI admits Paragraph 55 of the Plaintiff's First Amended Complaint.

56. The Defendant ACI admits Paragraph 56 of the Plaintiff's First Amended Complaint.

57. The Defendant ACI admits Paragraph 57 of the Plaintiff's First Amended Complaint.

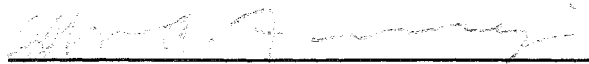
58. The Defendant ACI admits the first sentence of Paragraph 58 of the Plaintiff's First Amended Complaint and denies the second sentence of Paragraph 58 of the Plaintiff's First Amended Complaint. The Defendant ACI affirmatively alleges that the Claims of Lien Instrument Nos. 750247 and/or 758929 are for labor and materials at the "Golf Course") and/or "Moose Mountain" generally, and not regarding "Trestle Creek." Said claims of lien are plead in Bonner County Case No. CV-2009-1810, Genesis Golf Builders v. Pend Oreille Bonner Development, LLC, et. al. Further, the Defendant ACI affirmatively alleges the Lis Pendens recorded December 9, 2010 as Instrument No. 802894 is in regards to ACI's claims in Bonner County Case No. CV-2010-2211, ACI v. Bar-K, et. al.

59. The Defendant ACI denies any portion of the Plaintiff's First Amended Complaint not expressly admitted herein.

60. The Defendant ACI denies and contests the Prayer For Relief in the Plaintiff's First Amended Complaint.

61. The Defendant ACI seeks affirmative relief in this action, pursuant to ACI's relief upon its claims in Bonner County Case No. CV-2010-2211, ACI v. Bar-K, et. al.

DATED this 20th day of September 2011.


JOHN A. FINNEY, Attorney for
Defendant ACI NORTHWEST, INC.

VERIFICATION

STATE OF IDAHO)
 : s.s.
COUNTY OF _____)

I, WILLIAM RADOBENKO, first being duly sworn upon oath
depose and say the following:

I am the President of Defendant ACI NORTHWEST, INC., an
Idaho corporation, in this case and I have read the foregoing
ACI NORTHWEST, INC.'S ANSWER TO FIRST AMENDED COMPLAINT, and
know the contents therein stated and believe the same to be
true.

ACI NORTHWEST, INC.

By: WILLIAM RADOBENKO
Its: President

SUBSCRIBED AND SWORN to before me this _____ day of _____
2011

Notary Public-State of _____
Residing at: _____
My Commission Expires: _____

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by deposit in U.S. mail, postage pre-paid, unless otherwise indicated this 20th day of September 2011, and addressed as follows:

John E. Miller
Attorney at Law
206 Indiana Avenue, Suite 200
Coeur d'Alene, ID 83814
[Attorney for PACIFIC CAPITAL BANK,
N.A.]

Douglas S. Marfice
RAMSDEN & LYONS
P.O. Box 1336
Coeur d'Alene, ID 83816-1336
[Attorneys for B-K LIGHTING, INC.]

Bruce Anderson
ELSAESSER JARZABEK ANDERSON
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1400 Northwood Center Court,
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Coeur d'Alene, ID 83814
[Attorneys for DAN S. JACOBSON,
SAGE HOLDING, LLC, AND STEVEN G.
LAZAR]

R. Wayne Sweeney
Jonathon D. Hallin
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[Attorneys for MOUNTAIN WEST BANK]

Steven C. Wetzel
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Coeur d'Alene, ID 83814-2971
[Attorney for NORTH IDAHO RESORTS,
LLC]

Gary A. Finney
Finney Finney & Finney, P.A.
120 East Lake St., Suite 317
Sandpoint, ID 83864-1366
[Attorney for JV, LLC] *via hand delivery*

John R. Layman
Patti Jo Foster
LAYMAN, LAYMAN & ROBINSON, PLLP
601 S. Division Street
Spokane, WA 99202
[Attorney for PEND OREILLE BONNER
DEVELOPMENT, LLC; PEND OREILLE BONNER
DEVELOPMENT HOLDINGS, INC.;
MONTAHENO INVESTMENTS, LLC; TOYON
INVESTMENTS, LLC;]

John R. Layman

IN THE DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT OF THE STATE OF IDAHO,
IN AND FOR THE COUNTY OF BONNER

UNION BANK, N.A., a national banking association,)
Plaintiff-Respondent,)
)
v.)
) Supreme Court 42467-2014
NORTH IDAHO RESORTS, LLC, an Idaho limited) Bonner County No. 2011-135
liability company)
Defendant-Appellant,)
) CLERK'S CERTIFICATE
and)
)
PEND OREILLE BONNER DEVELOPMENT, LLC, a)
Nevada limited liability company, JV, L.L.C. an Idaho)
limited liability company, DAN JACOBSON, an)
individual, SAGE HOLDINGS LLC, an Idaho limited)
liability company, TIMBERLINE INVESTMENTS,)
LLC, an Idaho limited liability company, STEVEN G.)
LAZAR, an individual, AMY KORENGUT, an)
individual, HLT REAL ESTATE LLC, PANHANDLE)
STATE BANK, an Idaho corporation, R.E. LOANS,)
LLC, a California limited liability company, WELLS)
FARGO CAPITAL FINANCE, LLC, a Delaware)
limited liability company, PEND OREILLE BONNER)
DEVELOPMENT HOLDINGS, INC., a Nevada)
corporation, PENSCO TRUST CO. custodian f/b/a)
Barney Ng, a California corporation, B-K LIGHTING,)
INC., a California corporation, FREDERICK J.)
GRANT, an individual, CHRISTINE GRANT, an)
individual, RUSS CAPITAL GROUP, LLC, an Arizona)
Limited liability company, JOSEPH DUSSICH, an)
individual, MOUNTAIN WEST BANK, an Idaho)
corporation, STATE OF IDAHO, DEPARTMENT OF)
REVENUE AND TAXATION, MONTAHENO)
INVESTMENTS, LLC, a Nevada limited liability)
company, TOYON INVESTMENTS, LLC, a Nevada)
limited liability company, CHARLES W. REEVES and)
ANNE B. REEVES, husband and wife, ACI)
NORTHWEST, INC., an Idaho corporation, and DOES)
1 through 20, inclusive,)
Defendants.)
)
)
)

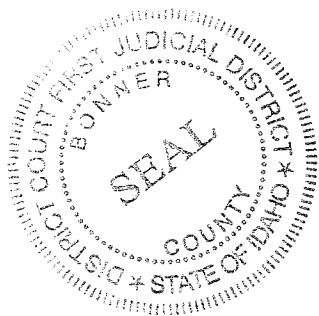
CLERK'S CERTIFICATE

I, Michael W. Rosedale, Clerk of the District Court of the First Judicial District of the State of Idaho, in and for the County of Bonner, do certify that the foregoing Record in this cause was compiled and bound under my direction and is a true, correct and complete Record of the pleadings and documents requested by Appellant Rule 28.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the said Court this 17th day of June, 2015.

MICHAEL W. ROSEDALE
Clerk of the District Court

Deanne H
Deputy Clerk



IN THE DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT OF THE STATE OF IDAHO.
IN AND FOR THE COUNTY OF BONNER

UNION BANK, N.A., a national banking association,)
Plaintiff-Respondent,)

v.)

NORTH IDAHO RESORTS, LLC, an Idaho limited)
liability company)
Defendant-Appellant,)

and)

PEND OREILLE BONNER DEVELOPMENT, LLC, a)
Nevada limited liability company, JV, L.L.C. an Idaho)
limited liability company, DAN JACOBSON, an)
individual, SAGE HOLDINGS LLC, an Idaho limited)
liability company, TIMBERLINE INVESTMENTS,)
LLC, an Idaho limited liability company, STEVEN G.)
LAZAR, an individual, AMY KORENGUT, an)
individual, HLT REAL ESTATE LLC, PANHANDLE)
STATE BANK, an Idaho corporation, R.E. LOANS,)
LLC, a California limited liability company, WELLS)
FARGO CAPITAL FINANCE, LLC, a Delaware)
limited liability company, PEND OREILLE BONNER)
DEVELOPMENT HOLDINGS, INC., a Nevada)
corporation, PENSCO TRUST CO. custodian f/b/a)
Barney Ng, a California corporation, B-K LIGHTING,)
INC., a California corporation, FREDERICK J.)
GRANT, an individual, CHRISTINE GRANT, an)
individual, RUSS CAPITAL GROUP, LLC, an Arizona)
Limited liability company, JOSEPH DUSSICH, an)
individual, MOUNTAIN WEST BANK, an Idaho)
corporation, STATE OF IDAHO, DEPARTMENT OF)
REVENUE AND TAXATION, MONTAHENO)
INVESTMENTS, LLC, a Nevada limited liability)
company, TOYON INVESTMENTS, LLC, a Nevada)
limited liability company, CHARLES W. REEVES and)
ANNE B. REEVES, husband and wife, ACI)
NORTHWEST, INC., an Idaho corporation, and DOES)
1 through 20, inclusive,)
Defendants.)

Supreme Court 42467-2014
Bonner County No. 2011-135

CLERK'S CERTIFICATE OF EXHIBITS

CLERK'S CERTIFICATE OF EXHIBITS

I, Michael W. Rosedale, Clerk of the District Court of the First Judicial District of the State of Idaho, in and for the County of Bonner, do hereby certify that the following is offered as the Clerk's exhibit on appeal:

Plaintiff's Exhibit List filed 5/12/2014

Exhibit # 1 Certified copy of UB's Commercial Mortgage, Security Agreement and Assignment of Leases and Rents recorded 3/25/2008, as Instrument Nos. 748379 and 748380, records of Bonner County

Exhibit #2 Certified copy of North Idaho Resorts, Memorandum of Real Property Purchase and Sale Agreement recorded 6/19/2006, as Instrument Nos. 706475, records of Bonner County

Exhibit #3 Third Amended and Restated Real Property Purchase and Sale Agreement dated 3/9/2006 by and between MDG Nevada (as assigned to POBD) and NI Resorts as produced by NI Resorts in response to discovery

Exhibit #4 Certified copy of North Idaho Resorts' Partial Termination of Real Property Purchase and Sale Agreement and Partial Termination of Memorandum of Real Property Purchase and Sale Agreement recorded on 3/15/2007 as Instrument No. 724831, records of Bonner County

Exhibit #5 Certified copy of North Idaho Resorts' rerecording of Partial Termination of Real Property Purchase and Sale Agreement and Partial Termination of Memorandum of Real Property Purchase and Sale Agreement recorded on 3/11/2009 as Instrument No. 768269, records of Bonner County

Exhibit #6 Certified copy of Subordination Agreement dated 3/14/2007 by POBD and NI Resorts in favor of R.E. Loans, LLC as Instrument No. 724832 records of Bonner County

Exhibit #6a Second Subordination Agreement

Exhibit #7 Appraisal Report of 8/6/2013 (or subsequent report expected by end of April 2014) by Valbridge Property Advisors

Exhibit #7a Appraisal Report of 4/28/2014 by Valbridge Property Advisors

Exhibit #8 First American Title Policy, No. 229121S, dated 3/25/2008

Clerk's Certificate of Exhibits -2-

Plaintiff's Exhibit List filed 5/12/2014

Exhibit #9 First American Litigation Guarantee, No. 365504-S, dated 12/27/2010

Exhibit #10 Business Plan of POBD submitted for review and approval of NI Resorts prior to the time of the June 2006 closing of the sale of the subject real property to POBD

Exhibit #11 Warranty Deed from Pend Oreille Limited, a California limited partnership to Pend Oreille Bonner Development Holdings, Inc., a Nevada corporation later assigned to POBD

Exhibit #12 Construction and Operating Agreement

Defendant's Exhibit List (JV, LLC) filed 5/12/2014

Exhibit #A Secured Promissory Note

Exhibit #B Mortgage, recorded October 24, 1995, Instrument No. 474746

Exhibit #D Agreement to Release Right of First Refusal Upon Payment, Agreement for Payment on Profit Sharing Agreement and to Release Upon Payment, and Modification to Promissory Note and Real Estate Mortgage

Exhibit #F Real Estate Mortgage, recorded June 19, 2006, Instrument No. 706470

Exhibit #K Subordination Agreement, recorded August 6, 2008, Instrument No. 756403

Exhibit #L Panhandle Escrow Account No. 2067429 Payoff Quotation & Account History Ledger

Exhibit #M Third Amendment to Indebtedness and to Real Estate Security, and Subordination Agreement, recorded June 24, 2008, Instrument No. 753907

Exhibit #N Third Amendment to Promissory Note

Defendant's Exhibit List (North Idaho Resort) filed 5/12/2014

Exhibit #AAA Third Amended and Restated Real Property Purchase and Sale Agreement

Exhibit #BBB Illustrative Diagram

Exhibit #CCC Photograph

Exhibit #DDD Memorandum of Real Property Purchase and Sale Agreement, Instrument No. 706475

Exhibit #EEE Partial Termination of Real Property Purchase and Sale Agreement and Partial Termination of Memorandum of Real Property Purchase and Sale Agreement, Instrument No. 724831

Exhibit #FFF First Amendment to Memorandum of Real Property Purchase and Sale Agreement, Instrument No. 728621

Exhibit #GGG Rerecorded Partial Termination of Real Property Purchase and Sale Agreement, Instrument No. 768269

Exhibit #HHH Bank Loan File "Compliance" folder

Exhibit #III Bank Loan File "Credit Memo" folder

Exhibit #JJJ Bank Loan File "Pend Oreille Bonner Development Secure Revolving LOC #101764389, Loan \$5,000,000.00

Exhibit #KKK Bank Loan subfolder "Insurance"

Exhibit #LLL Bank Loan subfolder "Internal Communications"

Exhibit #MMM Bank Loan subfolder "Legal Docs"

Exhibit #NNN Bank Loan subfolder "Loan Docs closed 101760163"

Exhibit #OOO Bank Loan Folder "Previous Loan 101760163"

Exhibit #PPP Bank Loan Folder "Previous Loan 101760163"

Exhibit #QQQ Bank Loan Folder "Sales Reports"

Exhibit #RRR Bank Loan Folder "Title Papers"

Clerk's Certificate of Exhibits -4-

IN THE SUPREME COURT OF THE STATE OF IDAHO

UNION BANK, N.A., a national banking)
association,)
Plaintiff-Respondent,)
v.)
NORTH IDAHO RESORTS, LLC, an Idaho)
limited liability company)
Defendant-Appellant,)
and)
PEND OREILLE BONNER DEVELOPMENT,)
LLC, a Nevada limited liability company, JV,)
L.L.C. an Idaho limited liability company, DAN)
JACOBSON, an individual, SAGE HOLDINGS)
LLC, an Idaho limited liability company,)
TIMBERLINE INVESTMENTS, LLC, an Idaho)
limited liability company, STEVEN G. LAZAR,)
an individual, AMY KORENGUT, an individual,)
HLT REAL ESTATE LLC, PANHANDLE)
STATE BANK, an Idaho corporation, R.E.)
LOANS, LLC, a California limited liability)
company, WELLS FARGO CAPITAL FINANCE,)
LLC, a Delaware limited liability company, PEND)
OREILLE BONNER DEVELOPMENT)
HOLDINGS, INC., a Nevada corporation,)
PENSCO TRUST CO. custodian f/b/a Barney Ng,)
a California corporation, B-K LIGHTING, INC., a)
California corporation, FREDERICK J. GRANT,)
an individual, CHRISTINE GRANT, an)
individual, RUSS CAPITAL GROUP, LLC, an)
Arizona Limited liability company, JOSEPH)
DUSSICH, an individual, MOUNTAIN WEST)
BANK, an Idaho corporation, STATE OF IDAHO,)
DEPARTMENT OF REVENUE AND)
TAXATION, MONTAHENO INVESTMENTS,)
LLC, a Nevada limited liability company, TOYON)
INVESTMENTS, LLC, a Nevada limited liability)
company, CHARLES W. REEVES and ANNE B.)
REEVES, husband and wife, ACI NORTHWEST,)
INC., an Idaho corporation, and DOES 1 through)
20, inclusive,)
Defendants.)

Supreme Court 42467-2014
Bonner County No. 2011-135

CLERK'S CERTIFICATE OF SERVICE

CLERK'S CERTIFICATE OF SERVICE

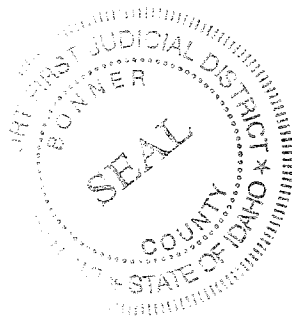
I, Michael W. Rosedale, Clerk of the District Court of the First Judicial District of the State of Idaho, in and for the County of Bonner, do hereby certify that I have personally served or mailed, by United Parcel Service, one copy of the CLERK'S RECORD to each of the Attorneys of Record in this cause as follows:

MS. SUSAN P. WEEKS
1626 LINCOLN WAY
COEUR D'ALENE, ID 83814
ATTORNEY FOR APPELLANT (North Idaho Resort)

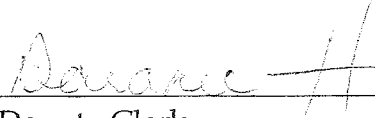
MR. GARY A. FINNEY
120 E. LAKE STREET - SUITE 317
SANDPOINT, ID 83864
ATTORNEY FOR APPELLANT (JV LLC)

JOHN E. MILLER
1424 E. SHERMAN AVENUE - SUITE 500
COEUR D'ALENE, ID 83814
ATTORNEY FOR RESPONDENT

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the said Court this 17th day of June, 2015.



Michael W. Rosedale
Clerk of the District Court


Deputy Clerk