

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

IN RE THE GENERAL ADJUDICATION
OF RIGHTS TO THE USE OF WATER FROM
THE SNAKE RIVER BASIN WATER SYSTEM

CIVIL CASE NUMBER: 39576

Ident. Number 37-7789
Date Received: 8/22/1988
Receipt No: C002295
Received By:

NOTICE OF CLAIM TO A WATER RIGHT
ACQUIRED UNDER STATE LAW

1. Name of Claimant(s)

THUNDER SPRING III LLC Phone: (415)457-4964
1120 NYE ST
SAN RAPHAEL CA 94901

2. Date of Priority: 07/30/1979

3. Source: GROUND WATER Trib. to:

4. Point of Diversion:

Township	Range	Section	1/4 of 1/4 of 1/4 Lot	County	Type
04N	17E	12	NW SW	BLAINE	

5. Description of diverting works:

8" DIA WELL WITH 5 HP SUBM PUMP TO 3 PRESSURE TANKS

6. Water is used for the following purposes:

Purpose	From	To	C.F.S.	(or) A.F.A
IRRIGATION	04/15	10/15	0.03	3
COMMERCIAL	01/01	12/31	0.12	3.4

7. Total Quantity Appropriated is:
0.12 C.F.S. and/or 6.4 A.F.A.

8. Total consumptive use:

9. Non-irrigation uses:
Number of other uses: MOTEL

10. Place of use:

Township	Range	Section	1/4 of 1/4	Lot	Use	Acres
04N	17E	12	NW	SW	IRRIGATION	1
			NW	SW	COMMERCIAL	
					Section Acres	1
					Total Acres	1

11. Place of use in counties: BLAINE

12. Do you own the property listed above as place of use? Yes

13. Other Water Rights Used:

14. Remarks:

OWNERSHIP CHANGE MADE 9/6/95 BY TLB.

11/18/99, CHANGED OWNERSHIP: IDAHO INVESTMENT TRUST TO ALTA HEIDELBERG LLC AS PER FORM 1409 AND DEED RECD 10/22/99. C.T.

8/14/01, DJ. CLAIM AMENDED TO REFLECT LICENSE ISSUED. OWNERSHIP CHANGE COMPLETED PER 1409(6) RECEIVED 6/7/00.

15. Basis of Claim: License

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

IN RE THE GENERAL ADJUDICATION
OF RIGHTS TO THE USE OF WATER FROM
THE SNAKE RIVER BASIN WATER SYSTEM.

CIVIL CASE NUMBER: 39576

Ident. Number: A37-07789
Date Received: 8/22/1988
Receipt No: C002295
Received By: *QC HLB*

COPY FOR
YOUR FILES

NOTICE OF CLAIM TO A WATER RIGHT
ACQUIRED UNDER STATE LAW

COPY FOR
YOUR FILES

1. Name: IDAHO INVESTMENT TRUST
Address: PO BOX 2247
KETCHUM ID

208-726-5757

83340

2. Date of Priority: JUL 30, 1979

3. Source: GROUNDWATER

Trib. to:

4. Point of Diversion:

Township	Range	Section	1/4 of 1/4 of 1/4	Lot	County
04N	17E	12	NW SW		BLAINE

5. Description of diverting works:
8" DIA WELL WITH 5 HP SUBM PUMP TO 3 PRESSURE TANKS

6. Water is used for the following purposes:

Purpose	From	To	C.F.S. (or)	A.F.A.
COMMERCIAL	01/01	12/31	0.120	
IRRIGATION	04/01	11/01	0.020	

7. Total Quantity Appropriated is:
0.120 C.F.S. (and/or)

A.F.A.

8. Total consumptive use is 2.5 Acre Feet Per Annum.

9. Non-irrigation uses:
COMM. - 30-UNIT MOTEL INCLUDING 1 HOME/OFFICE, POOL, 1 ACRE LAWN

10. Place of Use:

Township	Range	Section	1/4 of 1/4	Lot	Use	Acres
04N	17E	12	NW SW		COMMER	
			NW SW		IRR	1.0

A37-07789

Page 1

Date: 09/06/95

32x10

25x10

32x10

10. Place of Use: Continued

Township	Range	Section	1/4 of 1/4	Lot	Use	Acres
					Section Acres	1.0
					Total Acres	1.0

11. Place of use in counties: BLAINE

12. Do you own the property listed above as place of use? YES

13. Other Water Rights Used:
NONE

14. Remarks:
OWNERSHIP CHANGE MADE 9/6/95 BY TLB.

15. Basis of Claim: PERMIT

A37-07789

Page 2

Date: 09/06/95

32x10

25x10

32



State of Idaho
DEPARTMENT OF WATER RESOURCES

Southern Region, 222 Shoshone St. East, Twin Falls, Idaho 83301-6105 (208) 736-3033
Fax (208) 736-3037

PHILIP E. BATT
Governor

KARLA DREHER
Director

SEPTEMBER 6, 1995

IDAHO INVESTMENT TRUST
PO BOX 2247
KETCHUM, ID 83340

RE: SRBA CLAIM A37-07789
HEIDELBERG INN

DEAR CLAIMANTS:

PURSUANT TO THE NOTIFICATION THAT YOU HAVE PURCHASED PROPERTY WITH THE ABOVE-REFERENCED ADJUDICATION CLAIM(S), WE HAVE CHANGED THE DEPARTMENT'S RECORDS AS YOU HAVE REQUESTED. THIS COPY IS FOR YOUR RECORDS. PLEASE REVIEW THE RECORDS FOR ACCURACY.

IF YOU HAVE ANY QUESTIONS, PLEASE FEEL FREE TO CONTACT ME AT THIS OFFICE.

SINCERELY,

TARA L. BACKLUND
SNAKE RIVER BASIN ADJUDICATION
RECORDS CLERK

/TLB
ENCLOSURES

~ Celebrating Our Centennial Year of Service to Idaho 1905-1995 ~

32x10

25x10

32x10

RECEIVED

SEP 06 1995

ORIGINAL

Department of Water Resources
Southern Region

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (the "Agreement") is entered this 14th day of June, 1992, between H.I.I., Inc., a corporation duly organized and existing under the laws of the State of Idaho, (the "Seller"), and Idaho Investment Trust, an irrevocable trust established under the laws of the State of Idaho, (the "Buyer").

RECITALS

A. Seller operates a lodging business in Ketchum, State of Idaho (the "business") known as the Heidelberg Inn; the business includes certain assets, including real property which is described in the attached and incorporated Exhibit 1 (the "real estate".)

B. Buyer desires to purchase substantially all the assets of the business, and Seller desires to sell the same, all on the terms and conditions set forth below,

NOW, THEREFORE, the parties agree as follows:

1. Purchase and Deliver of Assets.

(a) Buyer agrees to purchase, and Seller agrees to sell, the assets of the business, and those assets are identified below:

(i) Seller's stock of merchandise, if any, to be itemized by physical count at the close of business on May 31, 1992;

(ii) All of Seller's tangible personal property, including but not limited to equipment, office supplies, furniture, furnishings, shelving, and other improvements to the

real estate, all of those items being listed in the attached and incorporated Exhibit 2;

(iii) The interest of the Seller in the real estate;

(iv) The trade name "Heidelberg Inn" and the goodwill associated therewith.

(b) On June 5, 1992, (hereinafter referred to as the "closing date"), Seller shall deliver to Buyer a notarized Bill of Sale covering the assets of the business and a properly executed and acknowledged warranty deed conveying the real estate to the Buyer.

(c) This sale does not include Seller's cash on hand or on deposit or its accounts receivable as of the closing date. All accounts receivable sent to Buyer shall be immediately turned over to Seller in the form received, and Seller may endorse the name of the Seller and deposit such payments as his own. A copy of current accounts receivable as of the date of this agreement is attached hereto as Exhibit "3".

2. Purchase Price and Terms.

(a) The total purchase price of the assets being conveyed to Buyer is EIGHT HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$875,000.00) allocated among the assets of the business as follows:

(i)	Furniture and Fixtures,	\$49,750;
(ii)	Land,	\$288,750;
(iii)	Equipment,	\$41,250;

PURCHASE AND SALE AGREEMENT - 2

32x10

25x10

32x10

- (iv) Building & Improvements \$470,250;
- (v) The covenant not to complete called for below \$25,000;

(b) Subject to the requirements of the Bulk Sales Law set forth in paragraph 3 below, Buyer shall pay to Seller the total purchase price by executing and delivering a promissory note to Seller in the form of the promissory note attached as Exhibit *at all*

That promissory note shall provide for equal monthly payments of the principal of \$875,000. together with interest of 8.5% per annum from the date of the note, payable over twenty-five (25) years in equal, monthly installments of \$7,043.75 each, inclusive of interest, commencing one month from the date of closing and monthly thereafter. The note shall be pre-payable without penalty. Any monthly installments not fully paid within five (5) days of its due date shall accrue a 5% penalty. An additional 5% penalty shall accrue every 30 days on any such installment which remains unpaid.

(c) The real estate above described is presently encumbered by the lien of a Deed of Trust in favor of Heidelberg Inn, Inc., an Idaho Corporation, which Deed of Trust secures an obligation owed by Seller herein to Heidelberg Inn in the approximately amount of \$827,000 as of the date of closing. Prior to closing Seller shall either (i) pay off the remaining balance of the obligation to Heidelberg Inn, Inc., and obtain a reconveyance of the Deed of Trust now encumbering the real property, or (ii) renegotiate the terms of the present note evidencing the obligation

PURCHASE AND SALE AGREEMENT - 3

32x10

25x10

32x1

of Seller to Heidelberg Inn, Inc., and obtain the written agreement of Heidelberg Inn, Inc., consenting and allowing Buyer to assume the obligations of the Note and Deed of Trust on behalf of Seller.

(iii) Seller shall convey the real estate to Buyer by Warranty Deed in a form approved by the parties. Title conveyed shall be marketable, as demonstrated by a standard form of title insurance shall be marketable as demonstrated by a standard form of title insurance in a good and responsible title insurance company, subject only to usual standard printed policy exceptions of title insurers in Blaine County, Idaho, and existing rights of way, easements, tax liens and assessments for 1992 and future years, and the lien of the Heidelberg Inn, Inc. Deed of Trust, if that is to be assumed by Buyer. Prior to closing of the transaction Buyer shall have the opportunity to examine and approve a preliminary commitment for the issuance of title insurance. If the title proposed to be insured is not marketable, Seller shall have a reasonable time to make the title marketable. The Seller shall pay all costs for such title insurance if it cannot be made marketable.

(d) An escrow shall be opened to consummate the sale of the business pursuant to this Agreement through Sun Valley Title Company. The closing of this transaction shall take place on June 5, 1992, unless otherwise extended by agreement of the parties. The customary closing fees shall be shared equally by the parties. Sun Valley Title Company shall also act as escrow agent for the deferred payments to be made by Buyers to Seller. Such

PURCHASE AND SALE AGREEMENT - 4

32x10

25x10

32x10

escrow costs shall also be shared by the parties.

3. Possession. Buyer shall have possession of the business immediately subsequent to the closing.

4. Pro Rations. There shall be pro rated between Buyer and Seller on closing, all of the estimated real and personal property taxes and assessments, if any, against the assets of the business; and all prepaid utility expenses and similar expenses shall be prorated as of the closing date.

5. Compliance with Bulk Sales Law. On or before June 5, 1992, Seller shall furnish Buyer a sworn list of all Seller's creditors as required by the bulk transfers provisions of the Uniform Commercial Code. The list shall contain the names and business addresses of all creditors of Seller, with the amounts due to each, when known, and also the names and addresses of all persons who are known to Seller to assert claims against it, even though such claims are disputed. It is the intention of the parties that all such creditors shall be paid on the closing date from the closing proceeds provided by the Seller, and no further compliance with the bulk transfer provisions of the Uniform Commercial Code shall be required.

6. Debts and Liabilities. Seller shall pay all the debts and liabilities incurred in connection with the business prior to the closing date except for the present monthly obligation to Gem Linen, which ends June 30, 1992, and except for the Heidelberg Inn, Inc. obligation, if assumed by Buyer.

7. Representations and Warranties of Seller. Seller

PURCHASE AND SALE AGREEMENT - 5

32x10

25x10

32x10

represents and warrants to Buyer the following facts, with the knowledge that Buyer is purchasing Seller's assets in full reliance thereon:

(a) That Seller is a corporation duly organized and existing under the law of the State of Idaho, is in good standing with the Idaho Secretary of State, and has by proper corporate proceedings duly authorized the execution of this Agreement and the consummation of all transactions called for herein. Certified copies of proper resolutions by the shareholders and board of directors authorizing such actions shall be delivered to Buyer at the time of closing;

(b) That Seller has good and marketable title to the assets being sold to Buyer herein, and will convey the same to Buyer free and clear of all encumbrances except as to the Heidelberg Inn, Inc. obligation; and that there is no provision of the Heidelberg Inn, Inc. obligation which may cause that obligation to become due as the result of the transfer called for by this Agreement;

(c) That between the date of this Agreement and the closing date, Seller will operate and maintain its business in the usual course, will take no corporate action out of the ordinary, will declare no dividends, and will specifically refrain from disposing of any assets, creating any liens, entering into any contracts, or making any unusual payments of distributions to any of its officer, directors, shareholders, or employees, other than any action, of those enumerated, that may arise in the normal and

usual course of business as conducted on a day-to-day basis;

(d) That all payroll and other taxes incurred by Seller will be paid or provided for as of the date of closing, and that all tax returns required to be made by Seller have been or will be properly filed as required by law;

(e) That to the best of Seller's knowledge, it has complied with all applicable laws, rules, and regulations of the city, county, state, and federal governments; and that the use of the assets that make up the business are not subject to termination pursuant to any governmental regulation calling for the amortization of nonconforming uses and activities; and

(f) That there is no litigation or claims of any nature whatsoever pending or threatened against Seller, that Seller does not know or have reasonable grounds to know of any basis for any such action, and that no material fact regarding Seller has been omitted which would reasonably affect a prudent investor's decision to purchase the assets being sold by Buyer herein.

8. Covenant Not to Compete. Both Seller and the shareholders and directors of Seller agree not to directly or indirectly compete with Buyer in the operation of a hotel, motel, bed and breakfast establishment or any facility which is operated to provide tourist accommodations within Blaine County, Idaho, for a period of two years from the closing date. Indirect competition shall be deemed to include any shareholder or director holding a shareholder] position as a shareholder, partner, officer, agent, or employee of any competing business. In the event of any breach of

this covenant by Se, its shareholders or directors. Buyer shall be entitled to injunctive relief, as well as to damages sustained and the recovery of a reasonable attorney's fee.

9. Indemnity and Right of Setoff. Seller agrees to indemnify and hold Buyer harmless from any and all loss or additional expense resulting from any misrepresentation or breach of warranty made herein, including the expense and legal fees that might be incurred because of such misrepresentation or breach. If any such loss or expense occurs, whether due to a defect in title to the assets purchased herein, Seller's failure to fully comply with its obligations under the Bulk Sales Law, or otherwise, then Buyer shall have the right, in addition to any other actions permitted in this Agreement, to offset the amount of any such loss or expense against the unpaid purchase price for the assets otherwise due Seller hereunder. Buyer's right of setoff against the unpaid installments of the purchase price shall not be deemed Buyer's exclusive remedy for Seller's breach of any representations, warranties, or agreements set forth herein, all of which shall survive the closing and any setoffs made by Buyer.

10. Collateral Security for Seller. As security for the performance of Buyer's obligations, Seller shall be the beneficiary of a Deed of Trust, executed on a form approved by Seller, encumbering the above described real property. That deed of trust shall be subordinate to the Heidelberg Inn, Inc. Deed of Trust presently encumbering the real property. The Deed of Trust shall incorporate this agreement by reference, and a default by the Buyer

PURCHASE AND SALE AGREEMENT - 8

32x10

25x10

32

under this agreement shall be considered a default under the Deed of Trust. As additional security for the performance of Buyer's obligations, Seller shall have a security interest in equipment, furniture, machinery and other personal property, including fixtures, as more fully set forth on Exhibit "2" attached hereto. Buyer agrees to execute at closing and provide to Seller such security agreements, financing statements, and other documentation as may be required to create and perfect such security interests pursuant to Idaho Code § 28-9-101, et seq.

11. Closing and Risk of Loss.

(a) Closing shall be at Sun Valley Title, Ketchum, Idaho, on or before the 5th day of June, 1992.

12. Expenses and Absence of Commissions. Buyer and Seller each agree to bear their own legal, accounting, and other expenses in connection with the preparation and consummation of this Agreement. The parties acknowledge and warrant to the other that neither has incurred any liability for commissions, finder's fees, or similar claims in connection with this transaction.

13. Conditions Precedent to Closing. Buyer's obligation to perform its undertaking provided in this Agreement is conditioned on the fulfillment of each of the following conditions precedent:

(a) The due performance by Seller of each and every undertaking and agreement to be performed by it hereunder and the truth of each representation and warranty made in the Agreement by Seller at the time as of which the same is made and as of the

closing date;

(b) Sun Valley Title Company shall have provided its assurance that it is in a position to issue the title insurance policy described in this Agreement;

14. Right of Seller to Share in Profits upon Sale.

Although nothing herein shall require Buyer to ever transfer the assets being purchased herein to any third party, or to refinance the debt incurred by Buyer pursuant to this agreement; nevertheless, if Buyer should at any time sell, exchange or transfer the assets purchased hereunder to any third party other than to the beneficiary of the Buyer and/or the heirs of the beneficiary of the Buyer, refinance the debt hereby incurred, or borrow money using the assets purchased hereunder as collateral, Seller shall be entitled to Twenty Percent (20% of the net value of the assets sold hereunder at the time of such transfer, sale, exchange, refinancing or borrowing. The net value of said assets at any relevant time shall be determined as follows:

(a) The sale price of the assets shall be determined, if there has been no sale, the fair market value of the assets shall be determined.

(b) The costs of sale or borrowing, including, but not limited to, real estate commissions, title insurance, appraisals, closing costs, surveys and other similar costs shall be deducted from (a):

(c) The sum of all expenditures for capital improvements made by Buyer, as defined by Section ¹⁰¹⁶~~1014~~ of the Internal Revenue

PURCHASE AND SALE AGREEMENT - 10

32x10

25x10

32x10

Code shall be deducted from (a):

(d) The original purchase price, \$875,000, shall be deducted from (a)

[a - b - c - d = Net Value]

Payment of Seller's 20% interest in the net value shall be made in cash within 30 days of the closing of the sale, exchange, transfer, refinancing or borrowing. Provided, that, if a sale or transfer requires deferred payments of any portion of the net value, Seller shall receive its 20% share, together with any interest that may accrue thereon, on the same deferred payment schedule agreed to by Buyer. In the case of a sale or exchange of the assets, the fair market value established by the exchange shall be the fair market value of the assets for purposes of this paragraph. In any other circumstance requiring payment under this agreement, the fair market value of the assets shall be as agreed upon by the parties hereto. If the parties cannot agree on the fair market value, the same shall be determined by arbitration. Each of the parties shall select one arbitrator and the two thus chosen shall select a third arbitrator. The majority decision of the board of arbitrators shall be conclusive and binding on the parties as to the question of fair market value. The arbitrators shall utilize the procedures set forth at Idaho Code § 7-901, et seq.

15. Waiver of Warranties and Representations.

Buyer acknowledges that it is purchasing the assets described in Paragraph 1 of this Agreement on the basis of its own knowledge and

PURCHASE AND SALE AGREEMENT - 11

32x10

25x10

32x

inspection of the same, and, except as specifically set forth elsewhere in this Agreement, without any warranty or representation by Seller or any person acting on behalf of Seller.

16. Miscellaneous Provisions.

(a) Paragraph Headings. The headings in this Agreement are inserted for convenience and identification only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any of the provisions of this Agreement.

(b) Provisions Severable. Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the Agreement.

(c) Rights and Remedies Cumulative. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by any party shall not preclude nor waive its rights to use any or all other remedies. Any rights provided to the parties under this Agreement are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

(d) Attorney Fees. In the event of any action or proceeding brought by either party against the other under this Agreement, the prevailing party shall be entitled to recover all reasonable attorneys fees, including attorneys fees on appeal, and all costs of the litigation. If an action or proceeding is not

commenced, but it is necessary for the party who sought compliance with this Agreement to retain the services of legal counsel in that process, then that party shall be entitled to receive from the party who has failed to perform all reasonable attorneys fees and related costs.

(e) Successors and Assigns. While nothing herein shall be construed to approve the assignment or transfer of any interest in this Agreement if there are provisions in the Agreement which prohibit, restrict or condition such assignment or transfer, this Agreement and the terms and provisions of it shall inure to the benefit of and be binding upon the successors and assigns of the parties.

(f) Entire Agreement. This Agreement contains the entire agreement between the parties respecting the matters herein set forth and supersedes all prior agreements between the parties hereto respecting such matters.

(g) Governing Law. This Agreement shall be governed by, and construed in accordance with, the statutes, laws, legal decisions and rules and regulations of the State of Idaho.

(h) Preparation of Agreement. No presumption shall exist in favor of or against any party to this Agreement as the result of the drafting and preparation of the document.

(i) No Waiver. No waiver of any breach by either party of the terms of this Agreement shall be deemed a waiver of any subsequent breach of the Agreement.

(j) Amendment. No amendment of this Agreement shall be effective unless the amendment is in writing, signed by all of the parties.

(k) Signature. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original. An executed version of this Agreement which has been signed and transmitted by facsimile or other electronic or mechanical means shall be deemed an original.

(l) Notices. Any notice, demand, request, instruction or other communications from any party to this Agreement relating to the substance of the Agreement shall be given by certified mail, postage prepaid by the sender, to the following addresses:

If to Buyer: c/o Trustee Lari Jane Taylor Rump
6699 S. E. Scott Drive
Portland, Oregon 97215

If to Seller: P. O. Box 2224
Ketchum, Idaho 83340

Notice shall be deemed to have been given forty-eight (48) hours after the same has been deposited in any United States Mail Post Office Box in the state to which the notice is addressed; or seventy-two (72) hours after deposit in any such United States Mail Post Office Box in a state other than in the state to which the notice is addressed. The addresses provided in this paragraph may be changed by giving written notice of such change.

(m) Other Documents. The parties agree to execute and deliver such other documents as may be necessary or desirable

to carry out the purposes of this Agreement.

(n) Time of the Essence. Time and timely performance is of the essence of this Agreement.

(o) Due on Sale. Due on Encumbrance.

Buyer shall not, without the express written consent of the Seller first having been obtained, sell, assign, transfer, contract, convey or encumber the above-described real property to any third party other than the beneficiary under the Buyer and/or the heirs of the Beneficiaries of the Buyer. Buyer's failure to comply with this paragraph shall accelerate the full balance remaining due and owing under the promissory note above described. Seller hereby agrees that they shall not withhold their consent unreasonably.

(p) Right of First Refusal. Buyer grants to Seller the right of first refusal with respect to the purchase, transfer or exchange of the real property above described. If Buyer is in receipt of a bona fide written offer to purchase the above described real property from any third party, Buyer shall, prior to accepting such offer, forward a copy thereof by certified mail to Seller at the address for notice provided elsewhere herein. Seller shall have Fifteen 15 days from the receipt of such offer to notify Buyer that Seller intends to purchase the real property on the identical terms and conditions stated therein. If Seller timely gives such notice, the notice shall be considered an acceptance of the terms of sale conveyed and the transaction shall close in accordance therewith as soon as reasonably possible. If timely

notice is not given Buyer by Seller, Buyer may proceed to sell the real property to the third party offeror on terms no more favorable to the third party offeror than those initially offered.

(q) Survival of Closing and Reconveyance of Deed of Trust. The provisions of this agreement shall survive closing of this transaction. Further, the provisions of paragraph 14 and paragraph 15(p) of this agreement shall survive and remain enforceable between the parties following the reconveyance of the Deed of Trust to be granted by Buyer to Seller.

IN WITNESS WHEREOF, the parties have signed this Agreement the day and year first above written.

M.I.I., INC.

By: *[Signature]*

President

IDAHO INVESTMENT TRUST

By: *Lan Taylor Runnells*

Trustee

TAYLOR, WILLIAM, III

EXHIBIT "1"

The land referred to in this Commitment is situated in the County of BLAINE, State of IDAHO, and is described as follows:

TOWNSHIP 4 NORTH, RANGE 17 EAST, BOISE MERIDIAN, BLAINE COUNTY, IDAHO: SECTION 12: A tract of land in the NW $\frac{1}{4}$ of the SW $\frac{1}{4}$ more particularly described as follows:
BEGINNING at the West quarter corner of Section 12;
THENCE South 0°28'56" West 1361.06 feet along the West boundary of the Section to the North line of Warm Springs Road;
THENCE South 80° 7'48" East along said North line 170 feet to the TRUE POINT OF BEGINNING;
THENCE North 9°57'52" East 301.68 feet;
THENCE South 80° 2' 8" East 200 feet;
THENCE South 9°57'52" West 210 feet;
THENCE South 80° 4' East 250 feet;
THENCE South 9°57'52" West 100 feet, more or less, to the North line of Warm Springs Road;
THENCE Northwesterly along the arc of a right-of-way curve, having a radius of 3255.76 feet, an arc distance of 242.60 feet along said Northerly road line;
THENCE continuing along the road line North 80°7'48" West 207.58 feet to the TRUE POINT OF BEGINNING.

32x10

25x10

32x10

EXHIBIT "2"

H. I. I., Inc.
Property, Plant & Equipment
Tax year: ending 06/06/92

W/P Ref.	Description	Date Placed in Service
<u>Equipment</u>		
(1)	Refrigerator	09/05/90
(1)	Maid's carts	04/27/90
(1)	Massage table	07/17/90
(2)	Vacuum	02/23/90
(1)	Pool cover	05/31/91
(30)	Coffee makers	06/30/91
(1)	Automatic sprinklers	06/30/91
(1)	SPA upgrade	08/31/91
(2)	Vacuum cleaners	08/31/91
(1)	First-aid kit	10/31/91
(31)	Tvs	06/30/91
(31)	Refrigerator	06/30/91
	VCR tapes	07/01/91
(1)	Air purifier	03/23/92

<u>Computers / Telephone</u>		
(1)	Dkts phone system	12/21/90
(4)	Phones	05/15/90
(1)	Computer	12/01/91
(1)	Computer Software	12/01/91
(27)	Telephones	02/07/91
(1)	Tape backup	03/03/92

32x10

25x10

32x10

H. I. I., Inc.
Property, Plant & Equipment
Tax year: ending 06/09/92

W/P Ref.	Description	Date Placed in Service
	<u>Furniture & Fixtures</u>	
	Personal property	
	Purchase with hotel	10/25/89
	Microwave ovens	12/18/89
	Linens	11/10/89
	Linens	12/18/89
	Blinds	12/04/89
	Fixtures	12/10/89
	Towel racks	12/10/89
	Art work	02/28/90
(1)	Bed	04/06/90
(68)	Lamps	12/31/90
(42)	Down comforters	03/09/90
	Linens	03/09/90
	Linens	10/11/90
	Mirrors	01/10/90
	Carpet	02/23/90
	Drapes	03/09/90
	Mats	04/27/90
	Blinds	08/03/90
(64)	Lights	01/22/90
	Art work	03/09/90
	Art work	06/25/90
	Linens	01/01/90
	Fixtures	02/23/90
(40)	Art work	04/10/91
(28)	Art work	07/31/91
(*)	Pool furniture	08/31/91
(1)	Credenza	10/31/91
(14)	Art work	12/09/91
(1)	Maid shelf	12/09/91
(1)	Office desk /cabinets	01/13/92
(1)	Table and chairs(4)	02/07/92
(30)	Dressers	03/25/92

* - 16 chairs, 4 umbrella tables, 4 umbrellas, 6 lounges

32x10

25x10

H. I. I., Inc.
Property, Plant & Equipment
Tax year: ending 06/02/92

W/P Ref.	Description	Date Placed in Service
	<u>Land & Building</u>	
	Land	10/25/89
	Building	10/25/89
	Land Improv - sidewalk	06/04/90
	Bldg. Improv - Doors	02/28/90
	Bldg. Improv - Stairs	06/25/90
	Bldg. Improv - Gutters	09/24/90
	Bldg. Improv - Doors	12/31/90
	Bldg. Improv - Shower	12/31/90
	Land Improv - Pool Deck	06/30/91

25x1

32x1

EXHIBIT "3"

The Heidelberg Inn MONDAY JUNE 8, 1992 9206
 Report: 400-316 CITY LEDGER - COMPANIES / Sequences Alphabetic Page 1

Number	Name	Balance Due	Max. Age	Phone
CUSTOM	CUSTOM POOLS AND SPAS	\$68.22	4	
IMPORT	IMMO POWER COMPANY	\$3.94	4	
City Ledger - Companies :		619.36		

32x10

25x10

32

JUN 04 '92 15:03 PROCEEDINGS IN BANKRUPTCY

EXHIBIT "A"

PROMISSORY NOTE

\$675,000

Ketchum, Idaho
June 3, 1992

FOR VALUE RECEIVED, the undersigned promises to pay to M.L., INC., an Idaho Corporation, at Ketchum, Idaho, or such other address as the Note Holder shall designate, the principal sum of Eight Hundred Seventy Five Thousand and No/100 Dollars (\$75,000.00), which shall accrue interest thereon at the rate of 8.5% per annum and be payable over Twenty-Five (25) years in equal monthly installments of \$7043.75 each, inclusive of interest, commencing with the 5th day of July, 1993, and continuing the 5th day of each month thereafter until the 5th day of June, 2017, at which time all remaining principal and accrued interest shall be fully due and payable.

Prepayment may be made in whole or in part at any time without penalty provided that such sums shall be applied first to accrued interest and then to principal and shall not relieve borrowers from making the next regular installment due and owing hereunder. Provided, further, that any monthly installment not fully paid within five (5) days of its due date shall accrue a 5% penalty. An additional 5% penalty shall accrue every 30 days on any such installment which remains unpaid.

If any installment under this Note is not paid when due and remains unpaid after a date specified by a notice to Borrower, the entire principal amount outstanding thereon, shall at once become due and payable at the option of the Note Holder. The date specified shall not be less than thirty days from the date such notice is mailed. The Note Holder may exercise this option to accelerate during any default by Borrower regardless of any prior forbearance. If suit is brought to collect this Note, the Note Holder shall be entitled to collect all reasonable costs and expenses of suit, including, but not limited to, reasonable attorney's fees. Borrower shall not, without the express written consent of the Note Holder first having been obtained, sell, assign, transfer, contract, convey or encumber the real property described in the Body of Trust of even date herewith between the parties, to any third party. Borrower's failure to comply with this paragraph shall accelerate the full balance remaining due and owing under the promissory note above described.

00107-6/PROMISSORY NOTE - 1 -

32x10

25x10

32x

00107-6/PROMISSORY NOTE - 2 -

Address: 6699 S.E. Scott Drive
Portland, OR 97215

BY: John J. Taylor
John J. Taylor
Trustee

DAVID INVESTMENT TRUST

Presentment, notice of dishonor, and protest are hereby waived by all makers, sureties, guarantors and endorsers hereof. This Note shall be the joint and several obligation of all makers, sureties, guarantors and endorsers, and shall be binding upon them and their successors and assigns. The indebtedness evidenced by this Note is secured by a deed of trust of even date herewith, and reference is made to the Deed of Trust for rights as to acceleration of the indebtedness evidenced by this Note.

Please print or type
(see instructions on back of page)

AUG 24 1963

Section 12, Township 4 NORTH, Range 17 EAST
Lot _____ Block _____ 1/4 of _____ 1/4 of _____
Subdivision _____ 1/4 Cont. Lot _____, B.M.

Lot _____ Block _____ Subdivision/Township _____ 1/4 of _____ 1/4 of _____ 1/4 of _____ 1/4 of _____, BM _____
If you have additional legal descriptions, please attach separate sheet.

If you have additional legal descriptions, please attach separate sheet.

[] Served Only by a Public Service Water Supply (all water is received from a city or company who maintains water supply system, owns the water right, and bills the customer on a regular basis) AUG 28 1995

(1) Water Right Number(s) Assigned by IDWR: 37-07789

1) Name and Address of Former Owner/Claimant(s): Heidelberg Inn, Inc

1] New Owner/Claimant
(Purchaser): Ketchum, ID 83340
Idaho Investment T

11 New Mailing Address: Po Box 2247
Ketchum, ID 83340

1 New Telephone Number: (208) 726-5757

Does the change in ownership result in a splitting of the water right owned/claimed? yes ☒ no ☐
If yes, then describe the portion of the water right that is now owned/claimed by the new owner:

Attachment of ownership, describe proof attached: Copy of Deed of Trust

(proof of ownership must describe either the property conveyed or include the claim number. Proof of ownership is not required if this form is signed by the former owner/claimant.)

11 Signature of New Owner/Claimant(s) Lani Jane Taylor, Trustee Date 8.21.95

11 Signature of Former Owner/Claimant(s): _____ Date _____
 _____ Date _____

FOR IDWR USE ONLY

Initial Review and Data Entry

Date: 8/1/85
Further Action: None

Arthur M.

Further Action Taken	Date

Final Review and Data-Entry

Date: _____

Capital numbers of splits, if any

(Signature of former claimant(s) is not required if proof of ownership is attached.)

Original to be mailed to Idaho Department of Water Resources
Copies to Former Owner and New Owner

Order No. 22-11171

Loan No.

THIS DEED OF TRUST, Made this 4th day of June, 1992,
 BETWEEN LARI JANE TAYLOR RUMPP, Trustee of the IDAHO INVESTMENT TRUST DATED
 MARCH 30, 1990, herein called GRANTOR,
 whose address is 6699 S.E. Scott Drive, Portland, Oregon 97215
 Sun Valley Title Company, Inc., an Idaho corporation, herein called TRUSTEE, and
 H.I.I., INC., an Idaho Corporation

herein called BENEFICIARY, WITNESSETH: That Grantor
 does hereby irrevocably GRANT, BARGAIN, SELL AND CONVEY TO TRUSTEE IN TRUST, WITH
 POWER OF SALE, that property in the County of Blaine
 State of Idaho, described as follows and containing not more than twenty acres:

SEE EXHIBIT "1" attached hereto and made a part hereof

The terms and conditions of that certain Purchase and Sale Agreement
 by and between the parties hereto, dated June 4, 1992,
 a copy of which is attached hereto as Exhibit "2" shall be
 incorporated herein, and any default under said agreement shall be
 considered an event of default under this Deed of Trust.

TOGETHER WITH the rents, issues and profits thereof, SUBJECT, HOWEVER, to the right, power and authority hereinafter
 given to and conferred upon Beneficiary to collect and apply such rents, issues and profits, for the purpose of securing payment
 of the indebtedness evidenced by a promissory note, of even date herewith, executed by Grantor in the sum of
 EIGHT HUNDRED SEVENTY FIVE THOUSAND DOLLARS & NO/100 \$875,000.00
 final payment due June 5, 2017, and to secure payment of all such further sums as may
 hereafter be loaned or advanced by the Beneficiary hereto to the Grantor herein, or any or either of them, while record owner of
 present interest, for any purpose, and of any notes, drafts or other instruments representing such further loans, advances or
 expenditures together with interest on all such sums at the rate therein provided. Provided, however, that the making of such
 further loans, advances or expenditures shall be optional with the Beneficiary, and provided, further, that it is the express in-
 tent of the parties to this Deed of Trust that it shall stand as continuing security until paid for all such advances together
 with interest thereon.

I, protect the security of this Deed of Trust, Grantor agrees:

By the execution of this deed of trust, and the note secured thereby, there are hereby incorporated and made an integral
 part hereof, for all purposes as though set forth herein at length, the provisions of Part A and provisions of Part B,
 including, of Part B of either of the deeds of trust, which provisions are identical in each, wherein SUN VALLEY TITLE COMPANY
 was Trustee which was recorded in the mortgage records in the office of the county recorder of the following County on the
 respective date and under instrument number hereinafter designated:

County
 Blaine

Instrument No.
 224262

Recording Date
 March 2, 1992

Request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale hereunder be mailed to the
 Grantor at his address hereinbefore set forth.

Lari Jane Taylor Rump
 Lari Jane Taylor Rump, Trustee

STATE OF IDAHO, COUNTY OF: Multnomah
 On this 8th day of June, 1992
 before me a Notary Public in and for said State, personally
 appeared

Lari Jane Taylor Rump,
 Trustee

known to me to be the person whose name is
 subscribed to the within instrument, and acknowledged to
 me that she has executed the same
 in her capacity as Trustee.

L. Bensalem
 Notary Public.

Residing at
 Commission

OFFICIAL SEAL

(Use for Real Estate in)

COMMISSION NO. 074803

STATE OF IDAHO, COUNTY OF:

I HEREBY CERTIFY That this instrument was filed for
 record at the request of
 at this minutes past o'clock M.
 day of 19
 in my office, and duly recorded in Book
 of Mortgages at page

Ex-officio Recorder.

Deputy.

Fees: \$
 Mail to:

32x10

25x10

JUN- 8-92 MON 14:20

SUN VALLEY TITLE CO.

FAX NO. 208 726 7495

P.10

Exhibit "A"

TOWNSHIP 4 NORTH, RANGE 17 EAST, BOISE MERIDIAN, BLAINE
COUNTY, IDAHO; SECTION 12: A tract of land in the NW 1/4 of the
SW 1/4 more particularly described as follows:
BEGINNING at the West quarter corner of Section 12;
THENCE South 0°28'56" West 1361.06 feet along the West
boundary
of the Section to the North line of Warm Springs Road;
THENCE South 80° 7'48" East along said North line 170 feet to
the TRUE POINT OF BEGINNING;
THENCE North 9°57'52" East 301.68 feet;
THENCE South 80° 2' 8" East 200 feet;
THENCE South 9°57'52" West 210 feet;
THENCE South 80° 4' East 250 feet;
THENCE South 9°57'52" West 100 feet, more or less, to the
North
line of Warm Springs Road;
THENCE Northwesterly along the arc of a right-of-way curve,
having a radius of 3288.78 feet, an arc distance of 242.60
feet
along said Northerly road line;
THENCE continuing along the road line North 80°7'48" West
207.58
feet to the TRUE POINT OF BEGINNING.

TAYLOR HOTEL GROUP
P.O. Box 2247
Ketchum, Idaho 83340



Dept. of Water Resources
1501 N Orchard St
Statehouse Mail
Boise, ID 83720

2x10

25x10

32x10

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

IN RE THE GENERAL ADJUDICATION
OF RIGHTS TO THE USE OF WATER FROM
THE SNAKE RIVER BASIN WATER SYSTEM.

CIVIL CASE NUMBER: 39576

RECEIVED

Ident. Number: A37-07789

Date Received: 8/16/1988

Receipt No: C002795

Received By: *JP 8/16/88*

AUG 25 1988

Department of Water Resources
Southern Region Office

NOTICE OF CLAIM TO A WATER RIGHT
ACQUIRED UNDER STATE LAW

1. Name: HEIDELBERG INN, INC. 208-726-5361
Address: BOX 304
SUN VALLEY, ID 83353
OR
Name: ROSS FITZPATRICK 208-336-8577
Address: 901 HAINES CT.
BOISE, ID 83712

2. Date of Priority: JUL 30, 1979

3. Source: GROUNDWATER Trib. to:

4. Point of Diversion:

Township	Range	Section	1/4 of	1/4 of	1/4 of	1st	County
04N	17E	12	NW	SW			BLAINE

5. Description of diverting works:
8" DIA WELL WITH 5 HP SUBM PUMP TO 3 PRESSURE TANKS

6. Water is used for the following purposes:

Purpose	From	To	C.F.S. (or)	A.F.A.
COMMERCIAL	01/01	12/31	0.120	
IRRIGATION	04/01	11/01	0.020	

7. Total Quantity Appropriated is:
0.120 C.F.S. (and/or) A.F.A.

8. Total consumptive use is 2.5 Acre Feet Per Annum.

9. Non-irrigation uses:
COMM. - 30-UNIT MOTEL INCLUDING 1 HOME/OFFICE, POOL, 1 ACRE LAWN

A37-07789

Page 1

Date: 08/16/88

10. Place of Use:

Township	Range	Section	1/4 of 1/4	Lot	Use	Acres
04N	17E	12	NW SW		COMMER IRR	1.0
Section Acres						1.0
Total Acres						1.0

11. Place of use in counties: BLAINE

12. Do you own the property listed above as place of use? YES

13. Other Water Rights Used:
NONE

14. Remarks:

15. Basis of Claim: PERMIT

16. Signature(s)

(a.) By signing below, I/We acknowledge that I/We have received, read and understand the form entitled "How you will receive notice in the Snake River Basin Adjudication." (b.) I/We do do not wish to receive and pay a small annual fee for monthly copies of the docket sheet.

Number of attachments: 0

For Organizations:

I do solemnly swear or affirm that I am PRESIDENT of HEIDELBERG INN INC. that I have signed the foregoing document in the space below as PRESIDENT of HEIDELBERG INN INC. and that the statements contained in the foregoing document are true and correct.

Rose H. H. H.
Signature of Authorized Agent
PRESIDENT HEIDELBERG INN INC.
Title and Organization
8.22.88
Date

State of Idaho }
County of Ada } ss.

Subscribed and sworn (or affirmed) before me this 22 day
of August 19 88
Seal [Signature]
Notary Public

Residing at Boise ID
My Commission Expires June 10, 1991

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

IN RE THE GENERAL ADJUDICATION
OF RIGHTS TO THE USE OF WATER FROM
THE SNAKE RIVER BASIN WATER SYSTEM.

CIVIL CASE NUMBER: 39576

Ident. Number: A37-07789

Date Received: 8/22/1988

Receipt No: C002295

Received By: O/C ALB

COPY FOR
YOUR FILES

NOTICE OF CLAIM TO A WATER RIGHT
ACQUIRED UNDER STATE LAW

COPY FOR
YOUR FILES

1. Name: IDAHO INVESTMENT TRUST
Address: PO BOX 2247
KETCHUM ID

208-726-5757

83340

2. Date of Priority: JUL 30, 1979

3. Source: GROUNDWATER Trib. to:

4. Point of Diversion:

Township	Range	Section	1/4 of	1/4 of	1/4	Lot	County
04N	17E	12	NW	SW			BLAINE

5. Description of diverting works:

8" DIA WELL WITH 5 HP SUBM PUMP TO 3 PRESSURE TANKS

6. Water is used for the following purposes:

Purpose	From	To	C.F.S	(or)	A.F.A.
COMMERCIAL	01/01	12/31	0.120		
IRRIGATION	04/01	11/01	0.020		

7. Total Quantity Appropriated is:

0.120 C.F.S. (and/or)

A.F.A.

8. Total consumptive use is 2.5 Acre Feet Per Annum.

9. Non-irrigation uses:

COMM. - 30-UNIT MOTEL INCLUDING 1 HOME/OFFICE, POOL, 1 ACRE LAWN

10. Place of Use:

Township	Range	Section	1/4 of	1/4	Lot	Use	Acres
04N	17E	12	NW	SW		COMMER	
			NW	SW		IRR	1.0

MICROFILMED

NOV 27 1986

10. Place of Use: Continued

Township	Range	Section	1/4 of 1/4	Lot	Use	Acres
					Section Acres	1.0
					Total Acres	1.0

11. Place of use in counties: BLAINE

12. Do you own the property listed above as place of use? YES

13. Other Water Rights Used:
NONE

14. Remarks:
OWNERSHIP CHANGE MADE 9/6/95 BY TLB.

15. Basis of Claim: PERMIT



State of Idaho

DEPARTMENT OF WATER RESOURCES

Southern Region, 222 Shoshone St. East, Twin Falls, Idaho 83301-6105 (208) 736-3033
Fax (208) 736-3037

PHILIP E. BATT
Governor

KARL J. DREHER
Director

SEPTEMBER 6, 1995

IDAHO INVESTMENT TRUST
PO BOX 2247
KETCHUM, ID 83340

RE: SRBA CLAIM A37-07789
HEIDELBERG INN

DEAR CLAIMANTS:

PURSUANT TO THE NOTIFICATION THAT YOU HAVE PURCHASED PROPERTY WITH THE ABOVE-REFERENCED ADJUDICATION CLAIM(S), WE HAVE CHANGED THE DEPARTMENT'S RECORDS AS YOU HAVE REQUESTED. **THIS COPY IS FOR YOUR RECORDS.** PLEASE REVIEW THE RECORDS FOR ACCURACY.

IF YOU HAVE ANY QUESTIONS, PLEASE FEEL FREE TO CONTACT ME AT THIS OFFICE.

SINCERELY,

TARA L. BACKLUND
SNAKE RIVER BASIN ADJUDICATION
RECORDS CLERK

/TLB
ENCLOSURES

MICROFILMED
NOV 27 1996

RECEIVED

SEP 06 1995

Department of Water Resources
Southern Region

ORIGINAL

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (the "Agreement") is entered this 4th day of June, 1992, between H.I.I., Inc., a corporation duly organized and existing under the laws of the State of Idaho, (the "Seller"), and Idaho Investment Trust, an irrevocable trust established under the laws of the State of Idaho, (the "Buyer").

RECITALS

A. Seller operates a lodging business in Ketchum, State of Idaho (the "business") known as the Heidelberg Inn; the business includes certain assets, including real property which is described in the attached and incorporated Exhibit 1 (the "real estate".)

B. Buyer desires to purchase substantially all the assets of the business, and Seller desires to sell the same, all on the terms and conditions set forth below,

NOW, THEREFORE, the parties agree as follows:

1. Purchase and Deliver of Assets.

(a) Buyer agrees to purchase, and Seller agrees to sell, the assets of the business, and those assets are identified below:

(i) Seller's stock of merchandise, if any, to be itemized by physical count at the close of business on May 31, 1992;

(ii) All of Seller's tangible personal property, including but not limited to equipment, office supplies, furniture, furnishings, shelving, and other improvements to the

MICROFILMED
NOV 27 1996

real estate, all of those items being listed in the attached and incorporated Exhibit 2;

(iii) The interest of the Seller in the real estate;

(iv) The trade name "Heidelberg Inn" and the goodwill associated therewith.

(b) On June 5, 1992, (hereinafter referred to as the "closing date"), Seller shall deliver to Buyer a notarized Bill of Sale covering the assets of the business and a properly executed and acknowledged warranty deed conveying the real estate to the Buyer.

(c) This sale does not include Seller's cash on hand or on deposit or its accounts receivable as of the closing date. All accounts receivable sent to Buyer shall be immediately turned over to Seller in the form received, and Seller may endorse the name of the Seller and deposit such payments as his own. A copy of current accounts receivable as of the date of this agreement is attached hereto as Exhibit "3".

2. Purchase Price and Terms.

(a) The total purchase price of the assets being conveyed to Buyer is EIGHT HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$875,000.00) allocated among the assets of the business as follows:

(i)	Furniture and Fixtures,	\$49,750;
(ii)	Land,	\$288,750;
(iii)	Equipment,	\$41,250;

- (iv) Building & Improvements \$470,250;
- (v) The covenant not to complete called for below \$25,000;

(b) Subject to the requirements of the Bulk Sales Law set forth in paragraph 3 below, Buyer shall pay to Seller the total purchase price by executing and delivering a promissory note to Seller in the form of the promissory note attached as Exhibit 3.⁴ *JPB*

That promissory note shall provide for equal monthly payments of the principal of \$875,000. together with interest of 8.5% per annum from the date of the note, payable over twenty-five (25) years in equal, monthly installments of \$7,043.75 each, inclusive of interest, commencing one month from the date of closing and monthly thereafter. The note shall be pre-payable without penalty. Any monthly installments not fully paid within five (5) days of its due date shall accrue a 5% penalty. An additional 5% penalty shall accrue every 30 days on any such installment which remains unpaid.

(c) The real estate above described is presently encumbered by the lien of a Deed of Trust in favor of Heidelberg Inn, Inc., an Idaho Corporation, which Deed of Trust secures an obligation owed by Seller herein to Heidelberg Inn in the approximately amount of \$827,000 as of the date of closing. Prior to closing Seller shall either (i) pay off the remaining balance of the obligation to Heidelberg Inn, Inc., and obtain a reconveyance of the Deed of Trust now encumbering the real property, or (ii) renegotiate the terms of the present note evidencing the obligation

of Seller to Heidelberg Inn, Inc., and obtain the written agreement of Heidelberg Inn, Inc., consenting and allowing Buyer to assume the obligations of the Note and Deed of Trust on behalf of Seller.

(iii) Seller shall convey the real estate to Buyer by Warranty Deed in a form approved by the parties. Title conveyed shall be marketable, as demonstrated by a standard form of title insurance shall be marketable as demonstrated by a standard form of title insurance in a good and responsible title insurance company, subject only to usual standard printed policy exceptions of title insurers in Blaine County, Idaho, and existing rights of way, easements, tax liens and assessments for 1992 and future years, and the lien of the Heidelberg Inn, Inc. Deed of Trust, if that is to be assumed by Buyer. Prior to closing of the transaction Buyer shall have the opportunity to examine and approve a preliminary commitment for the issuance of title insurance. If the title proposed to be insured is not marketable, Seller shall have a reasonable time to make the title marketable. The Seller shall pay all costs for such title insurance if it cannot be made marketable.

(d) An escrow shall be opened to consummate the sale of the business pursuant to this Agreement through Sun Valley Title Company. The closing of this transaction shall take place on June 5, 1992, unless otherwise extended by agreement of the parties. The customary closing fees shall be shared equally by the parties. Sun Valley Title Company shall also act as escrow agent for the deferred payments to be made by Buyers to Seller. Such

escrow costs shall also be shared by the parties.

3. Possession. Buyer shall have possession of the business immediately subsequent to the closing.

4. Pro Rations. There shall be pro rated between Buyer and Seller on closing, all of the estimated real and personal property taxes and assessments, if any, against the assets if the business; and all prepaid utility expenses and similar expenses shall be prorated as of the closing date.

5. Compliance with Bulk Sales Law. On or before June 5, 1992, Seller shall furnish Buyer a sworn list of all Seller's creditors as required by the bulk transfers provisions of the Uniform Commercial Code. The list shall contain the names and business addresses of all creditors of Seller, with the amounts due to each, when known, and also the names and addresses of all persons who are known to Seller to assert claims against it, even though such claims are disputed. It is the intention of the parties that all such creditors shall be paid on the closing date from the closing proceeds provided by the Seller, and no further compliance with the bulk transfer provisions of the Uniform Commercial Code shall be required.

6. Debts and Liabilities. Seller shall pay all the debts and liabilities incurred in connection with the business prior to the closing date except for the present monthly obligation to Gem Linen, which ends June 30, 1992, and except for the Heidelberg Inn, Inc. obligation, if assumed by Buyer.

7. Representations and Warranties of Seller. Seller

represents and warrants to Buyer the following facts, with the knowledge that Buyer is purchasing Seller's assets in full reliance thereon:

(a) That Seller is a corporation duly organized and existing under the law of the State of Idaho, is in good standing with the Idaho Secretary of State, and has by proper corporate proceedings duly authorized the execution of this Agreement and the consummation of all transactions called for herein. Certified copies of proper resolutions by the shareholders and board of directors authorizing such actions shall be delivered to Buyer at the time of closing;

(b) That Seller has good and marketable title to the assets being sold to Buyer herein, and will convey the same to Buyer free and clear of all encumbrances except as to the Heidelberg Inn, Inc. obligation; and that there is no provision of the Heidelberg Inn, Inc. obligation which may cause that obligation to become due as the result of the transfer called for by this Agreement;

(c) That between the date of this Agreement and the closing date, Seller will operate and maintain its business in the usual course, will take no corporate action out of the ordinary, will declare no dividends, and will specifically refrain from disposing of any assets, creating any liens, entering into any contracts, or making any unusual payments of distributions to any of its officer, directors, shareholders, or employees, other than any action, of those enumerated, that may arise in the normal and

usual course of business as conducted on a day-to-day basis;

(d) That all payroll and other taxes incurred by Seller will be paid or provided for as of the date of closing, and that all tax returns required to be made by Seller have been or will be properly filed as required by law;

(e) That to the best of Seller's knowledge, it has complied with all applicable laws, rules, and regulations of the city, county, state, and federal governments; and that the use of the assets that make up the business are not subject to termination pursuant to any governmental regulation calling for the amortization of nonconforming uses and activities; and

(f) That there is no litigation or claims of any nature whatsoever pending or threatened against Seller, that Seller does not know or have reasonable grounds to know of any basis for any such action, and that no material fact regarding Seller has been omitted which would reasonably affect a prudent investor's decision to purchase the assets being sold by Buyer herein.

8. Covenant Not to Compete. Both Seller and the shareholders and directors of Seller agree not to directly or indirectly compete with Buyer in the operation of a hotel, motel, bed and breakfast establishment or any facility which is operated to provide tourist accommodations within Blaine County, Idaho, for a period of two years from the closing date. Indirect competition shall be deemed to include any shareholder or director holding a shareholder] position as a shareholder, partner, officer, agent, or employee of any competing business. In the event of any breach of

this covenant by Se, its shareholders or directors. Buyer shall be entitled to injunctive relief, as well as to damages sustained and the recovery of a reasonable attorney's fee.

9. Indemnity and Right of Setoff. Seller agrees to indemnify and hold Buyer harmless from any and all loss or additional expense resulting from any misrepresentation or breach of warranty made herein, including the expense and legal fees that might be incurred because of such misrepresentation or breach. If any such loss or expense occurs, whether due to a defect in title to the assets purchased herein, Seller's failure to fully comply with its obligations under the Bulk Sales Law, or otherwise, then Buyer shall have the right, in addition to any other actions permitted in this Agreement, to offset the amount of any such loss or expense against the unpaid purchase price for the assets otherwise due Seller hereunder. Buyer's right of setoff against the unpaid installments of the purchase price shall not be deemed Buyer's exclusive remedy for Seller's breach of any representations, warranties, or agreements set forth herein, all of which shall survive the closing and any setoffs made by Buyer.

10. Collateral Security for Seller. As security for the performance of Buyer's obligations, Seller shall be the beneficiary of a Deed of Trust, executed on a form approved by Seller, encumbering the above described real property. That deed of trust shall be subordinate to the Heidelberg Inn, Inc. Deed of Trust presently encumbering the real property. The Deed of Trust shall incorporate this agreement by reference, and a default by the Buyer

under this agreement shall be considered a default under the Deed of Trust. As additional security for the performance of Buyer's obligations, Seller shall have a security interest in equipment, furniture, machinery and other personal property, including fixtures, as more fully set forth on Exhibit "2" attached hereto. Buyer agrees to execute at closing and provide to Seller such security agreements, financing statements, and other documentation as may be required to create and perfect such security interests pursuant to Idaho Code § 28-9-101, et seq.

11. Closing and Risk of Loss.

(a) Closing shall be at Sun Valley Title, Ketchum, Idaho, on or before the 5th day of June, 1992.

12. Expenses and Absence of Commissions. Buyer and Seller each agree to bear their own legal, accounting, and other expenses in connection with the preparation and consummation of this Agreement. The parties acknowledge and warrant to the other that neither has incurred any liability for commissions, finder's fees, or similar claims in connection with this transaction.

13. Conditions Precedent to Closing. Buyer's obligation to perform its undertaking provided in this Agreement is conditioned on the fulfillment of each of the following conditions precedent:

(a) The due performance by Seller of each and every undertaking and agreement to be performed by it hereunder and the truth of each representation and warranty made in the Agreement by Seller at the time as of which the same is made and as of the

closing date;

(b) Sun Valley Title Company shall have provided its assurance that it is in a position to issue the title insurance policy described in this Agreement;

14. Right of Seller to Share in Profits upon Sale.

Although nothing herein shall require Buyer to ever transfer the assets being purchased herein to any third party, or to refinance the debt incurred by Buyer pursuant to this agreement; nevertheless, if Buyer should at any time sell, exchange or transfer the assets purchased hereunder to any third party other than to the beneficiary of the Buyer and/or the heirs of the beneficiary of the Buyer, refinance the debt hereby incurred, or borrow money using the assets purchased hereunder as collateral, Seller shall be entitled to Twenty Percent (20% of the net value of the assets sold hereunder at the time of such transfer, sale, exchange, refinancing or borrowing. The net value of said assets at any relevant time shall be determined as follows:

(a) The sale price of the assets shall be determined, if there has been no sale, the fair market value of the assets shall be determined.

(b) The costs of sale or borrowing, including, but not limited to, real estate commissions, title insurance, appraisals, closing costs, surveys and other similar costs shall be deducted from (a):

(c) The sum of all expenditures for capital improvements made by Buyer, as defined by Section ¹⁰¹⁶~~1014~~ of the Internal Revenue

Code shall be deducted from (a):

(d) The original purchase price, \$875,000, shall be deducted from (a)

[a - b - c - d = Net Value]

Payment of Seller's 20% interest in the net value shall be made in cash within 30 days of the closing of the sale, exchange, transfer, refinancing or borrowing. Provided, that, if a sale or transfer requires deferred payments of any portion of the net value, Seller shall receive its 20% share, together with any interest that may accrue thereon, on the same deferred payment schedule agreed to by Buyer. In the case of a sale or exchange of the assets, the fair market value established by the exchange shall be the fair market value of the assets for purposes of this paragraph. In any other circumstance requiring payment under this agreement, the fair market value of the assets shall be as agreed upon by the parties hereto. If the parties cannot agree on the fair market value, the same shall be determined by arbitration. Each of the parties shall select one arbitrator and the two thus chosen shall select a third arbitrator. The majority decision of the board of arbitrators shall be conclusive and binding on the parties as to the question of fair market value. The arbitrators shall utilize the procedures set forth at Idaho Code § 7-901, et seq.

15. Waiver of Warranties and Representations.

Buyer acknowledges that it is purchasing the assets described in Paragraph 1 of this Agreement on the basis of its own knowledge and

inspection of the same, and, except as specifically set forth elsewhere in this Agreement, without any warranty or representation by Seller or any person acting on behalf of Seller.

16. Miscellaneous Provisions.

(a) Paragraph Headings. The headings in this Agreement are inserted for convenience and identification only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any of the provisions of this Agreement.

(b) Provisions Severable. Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the Agreement.

(c) Rights and Remedies Cumulative. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by any party shall not preclude nor waive its rights to use any or all other remedies. Any rights provided to the parties under this Agreement are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

(d) Attorney Fees. In the event of any action or proceeding brought by either party against the other under this Agreement, the prevailing party shall be entitled to recover all reasonable attorneys fees, including attorneys fees on appeal, and all costs of the litigation. If an action or proceeding is not

commenced, but it is necessary for the party who sought compliance with this Agreement to retain the services of legal counsel in that process, then that party shall be entitled to receive from the party who has failed to perform all reasonable attorneys fees and related costs.

(e) Successors and Assigns. While nothing herein shall be construed to approve the assignment or transfer of any interest in this Agreement if there are provisions in the Agreement which prohibit, restrict or condition such assignment or transfer, this Agreement and the terms and provisions of it shall inure to the benefit of and be binding upon the successors and assigns of the parties.

(f) Entire Agreement. This Agreement contains the entire agreement between the parties respecting the matters herein set forth and supersedes all prior agreements between the parties hereto respecting such matters.

(g) Governing Law. This Agreement shall be governed by, and construed in accordance with, the statutes, laws, legal decisions and rules and regulations of the State of Idaho.

(h) Preparation of Agreement. No presumption shall exist in favor of or against any party to this Agreement as the result of the drafting and preparation of the document.

(i) No Waiver. No waiver of any breach by either party of the terms of this Agreement shall be deemed a waiver of any subsequent breach of the Agreement.

(j) Amendment. No amendment of this Agreement shall be effective unless the amendment is in writing, signed by all of the parties.

(k) Signature. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original. An executed version of this Agreement which has been signed and transmitted by facsimile or other electronic or mechanical means shall be deemed an original.

(l) Notices. Any notice, demand, request, instruction or other communications from any party to this Agreement relating to the substance of the Agreement shall be given by certified mail, postage prepaid by the sender, to the following addresses:

If to Buyer: c/o Trustee Lari Jane Taylor Rumpff
6699 S. E. Scott Drive
Portland, Oregon 97215

If to Seller: P. O. Box 2224
Ketchum, Idaho 83340

Notice shall be deemed to have been given forty-eight (48) hours after the same has been deposited in any United States Mail Post Office Box in the state to which the notice is addressed; or seventy-two (72) hours after deposit in any such United States Mail Post Office Box in a state other than in the state to which the notice is addressed. The addresses provided in this paragraph may be changed by giving written notice of such change.

(m) Other Documents. The parties agree to execute and deliver such other documents as may be necessary or desirable

to carry out the purposes of this Agreement.

(n) Time of the Essence. Time and timely performance is of the essence of this Agreement.

(o) Due on Sale. Due on Encumbrance.

Buyer shall not, without the express written consent of the Seller first having been obtained, sell, assign, transfer, contract, convey or encumber the above-described real property to any third party other than the beneficiary under the Buyer and/or the heirs of the Beneficiaries of the Buyer. Buyer's failure to comply with this paragraph shall accelerate the full balance remaining due and owing under the promissory note above described. Seller hereby agrees that they shall not withhold their consent unreasonably.

(p) Right of First Refusal. Buyer grants to Seller the right of first refusal with respect to the purchase, transfer or exchange of the real property above described. If Buyer is in receipt of a bona fide written offer to purchase the above described real property from any third party, Buyer shall, prior to accepting such offer, forward a copy thereof by certified mail to Seller at the address for notice provided elsewhere herein. Seller shall have Fifteen 15 days from the receipt of such offer to notify Buyer that Seller intends to purchase the real property on the identical terms and conditions stated therein. If Seller timely gives such notice, the notice shall be considered an acceptance of the terms of sale conveyed and the transaction shall close in accordance therewith as soon as reasonably possible. If timely

notice is not given Buyer by Seller, Buyer may proceed to sell the real property to the third party offeror on terms no more favorable to the third party offeror than those initially offered.

(q) Survival of Closing and Reconveyance of Deed of Trust. The provisions of this agreement shall survive closing of this transaction. Further, the provisions of paragraph 14 and paragraph 15(p) of this agreement shall survive and remain enforceable between the parties following the reconveyance of the Deed of Trust to be granted by Buyer to Seller.

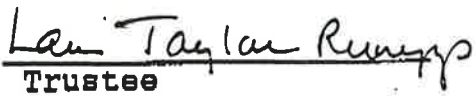
IN WITNESS WHEREOF, the parties have signed this Agreement the day and year first above written.

H.I.I., INC.

By: 

President

IDAHO INVESTMENT TRUST

By: 

Trustee

TAYLOR\HIIAGT.DR3

notice is not given Buyer by Seller, Buyer may proceed to sell the real property to the third party offeror on terms no more favorable to the third party offeror than those initially offered.

(q) Survival of Closing and Reconveyance of Deed of Trust. The provisions of this agreement shall survive closing of this transaction. Further, the provisions of paragraph 14 and paragraph 15(p) of this agreement shall survive and remain enforceable between the parties following the reconveyance of the Deed of Trust to be granted by Buyer to Seller.

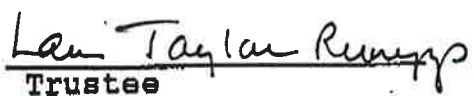
IN WITNESS WHEREOF, the parties have signed this Agreement the day and year first above written.

H.I.I., INC.

By: 

President

IDAHO INVESTMENT TRUST

By: 

Trustee

TAYLOR\HIIAGT.DR3

EXHIBIT "1"

The land referred to in this Commitment is situated in the County of **BLAINE**, State of **IDAHO**, and is described as follows:

TOWNSHIP 4 NORTH, RANGE 17 EAST, BOISE MERIDIAN, BLAINE COUNTY, IDAHO: SECTION 12: A tract of land in the $W\frac{1}{2}$ of the $SW\frac{1}{4}$ more particularly described as follows:

BEGINNING at the West quarter corner of Section 12;

THENCE South $0^{\circ}28'56''$ West 1361.06 feet along the West boundary of the Section to the North line of Warm Springs Road;

THENCE South $80^{\circ}7'48''$ East along said North line 170 feet to the **TRUE POINT OF BEGINNING**;

THENCE North $9^{\circ}57'52''$ East 301.68 feet;

THENCE South $80^{\circ}2'8''$ East 200 feet;

THENCE South $9^{\circ}57'52''$ West 210 feet;

THENCE South $80^{\circ}4'$ East 250 feet;

THENCE South $9^{\circ}57'52''$ West 100 feet, more or less, to the North line of Warm Springs Road;

THENCE Northwesterly along the arc of a right-of-way curve, having a radius of 3255.76 feet, an arc distance of 242.60 feet along said Northerly road line;

THENCE continuing along the road line North $80^{\circ}7'48''$ West 207.58 feet to the **TRUE POINT OF BEGINNING**.

MICROFILMED
NOV 27 1996

EXHIBIT "2"

H. I. I., Inc.
 Property, Plant & Equipment
 Tax year: ending 06/08/92

W/P Ref.	Description	Date Placed in Service
	<u>Equipment</u>	
(1)	Refrigerator	09/05/90
(1)	Maid's carts	04/27/90
(1)	Massage table	07/17/90
(2)	Vacuum	02/23/90
(1)	Pool cover	05/31/91
(30)	Coffee makers	06/30/91
(1)	Automatic sprinklers	06/30/91
(1)	SPA upgrade	08/31/91
(2)	Vacuum cleaners	08/31/91
(1)	First-aid kit	10/31/91
(31)	Tvs	06/30/91
(31)	Refrigerator	06/30/91
	VCR tapes	07/01/91
(1)	Air purifier	03/23/92

	<u>Computers / Telephone</u>	
(1)	Dkts phone system	12/21/90
(4)	Phones	05/15/90
(1)	Computer	12/01/91
(1)	Computer Software	12/01/91
(27)	Telephones	02/07/91
(1)	Tape backup	03/03/92

MICROFILMED
 4 7 1996

H. I. I., Inc.
 Property, Plant & Equipment
 Tax year: ending 06/09/92

W/P Ref.	Description	Date Placed in Service
	<u>Furniture & Fixtures</u>	
	Personal property	
	Purchase with hotel	10/25/89
	Microwave ovens	12/18/89
	Linens	11/10/89
	Linens	12/18/89
	Blinds	12/04/89
	Fixtures	12/10/89
	Towel racks	12/10/89
	Art work	02/28/90
(1)	Bed	04/06/90
(68)	Lamps	12/31/90
(42)	Down comforters	03/09/90
	Linens	03/09/90
	Linens	10/11/90
	Mirrors	01/10/90
	Carpet	02/23/90
	Drapes	03/09/90
	Mats	04/27/90
	Blinds	08/03/90
(64)	Lights	01/22/90
	Art work	03/09/90
	Art work	06/25/90
	Linens	01/01/90
	Fixtures	02/23/90
(40)	Art work	04/10/91
(28)	Art work	07/31/91
(*)	Pool furniture	08/31/91
(1)	Credenza	10/31/91
(14)	Art work	12/09/91
(1)	Maid shelf	12/09/91
(1)	Office desk /cabinets	01/13/92
(1)	Table and chairs(4)	02/07/92
(30)	Dressers	03/25/92

* - 16 chairs, 4 umbrella tables, 4 umbrellas, 6 lounges

MICROFILMED
 NOV 27 1996

H. I. I., Inc.
Property, Plant & Equipment
Tax year: ending 06/08/92

W/P Ref.	Description	Date Placed in Service
	<u>Land & Building</u>	
	Land	10/25/89
	Building	10/25/89
	Land Improv - sidewalk	06/04/90
	Bldg. Improv - Doors	02/28/90
	Bldg. Improv - Stairs	06/25/90
	Bldg. Improv - Gutters	09/24/90
	Bldg. Improv - Doors	12/31/90
	Bldg. Improv - Shower	12/31/90
	Land Improv - Pool Deck	06/30/91

MICROFILMED
NOV 27 1996

EXHIBIT "3"

The Heidelberg Inn MONDAY JUNE 8, 1992 9206
Report: 400-516 CITY LEDGER - COMPANIES / Sequence: Alphabetic Page 1

Number	Name	Balance Due	Max. Age	Phone
CUSTOM	CUSTOM POOLS AND SPAS	566.22	4	
IDPOW1	IDAHO POWER COMPANY	53.34	4	

=====
City Ledger - Companies : 619.56

MICROFILMED
NOV 27 1996

EXHIBIT "4"

PROMISSORY NOTE

\$875,000

Ketchum, Idaho
June 5, 1992

FOR VALUE RECEIVED, the undersigned promises to pay to H.I.I., INC., an Idaho Corporation, at Ketchum, Idaho, or such other address as the Note Holder shall designate, the principal sum of Eight Hundred Seventy Five Thousand and No/100 Dollars (\$875,000.00), which shall accrue interest thereon at the rate of 8.5% per annum and be payable over Twenty-Five (25) years in equal monthly installments of \$7043.75 each, inclusive of interest, commencing with the 5th day of July, 1992, and continuing the 5th day of each month thereafter until the 5th day of June, 2017, at which time all remaining principal and accrued interest shall be fully due and payable.

Prepayment may be made in whole or in part at any time without penalty provided that such sums shall be applied first to accrued interest and then to principal and shall not relieve Borrowers from making the next regular installments due and owing hereunder. Provided, further, that any monthly installment not fully paid within five (5) days of its due date shall accrue a 5% penalty. An additional 5% penalty shall accrue every 30 days on any such installment which remains unpaid.

If any installment under this Note is not paid when due and remains unpaid after a date specified by a notice to Borrower, the entire principal amount outstanding thereon, shall at once become due and payable at the option of the Note holder. The date specified shall not be less than thirty days from the date such notice is mailed. The Note holder may exercise this option to accelerate during any default by Borrower regardless of any prior forbearance. If suit is brought to collect this Note, the Note holder shall be entitled to collect all reasonable costs and expenses of suit, including, but not limited to, reasonable attorney's fees.

Borrower shall not, without the express written consent of the Note Holder first having been obtained, sell, assign, transfer, contract, convey or encumber the real property described in the Deed of Trust of even date herewith between the parties, to any third party. Borrower's failure to comply with this paragraph shall accelerate the full balance remaining due and owing under the promissory note above described.

MICROFILMED
NOV 27 1996

Presentment, notice of dishonor, and protest are hereby waived by all makers, sureties, guarantors and endorsers hereof. This Note shall be the joint and several obligation of all makers, sureties, guarantors and endorsers, and shall be binding upon them and their successors and assigns.

The indebtedness evidenced by this Note is secured by a Deed of Trust of even date herewith, and reference is made to the Deed of Trust for rights as to acceleration of the indebtedness evidenced by this Note.

IDAHO INVESTMENT TRUST

BY: Lari Jane Taylor Rumpf
LARI JANE TAYLOR RUMPF
Trustee

Address: 6699 S.E. Scott Drive
Portland, OR 97215



NEW PROPERTY OWNER NOTICE OF CHANGE OF WATER RIGHT OWNERSHIP RECEIVED

Please print or type

(see instructions on back of page)

AUG 24 1995

DATE OF CLOSING: 6/5/92

LEGAL DESCRIPTION OF PROPERTY: Township 4 NORTH Range 17 EAST Department of Water Resources
 Section 12, 1/4 of 1/4 of 1/4 Govt. Lot , BM.
 Lot , Block, , Subdivision/Townsite .
 If you have additional legal descriptions, please attach separate sheet.

RECEIVED

☐ Served Only by a Public Service Water Supply (all water is received from a city or company who maintains water supply system, owns the water right, and bills the customer on a regular basis) AUG 28 1995
 Department of Water Resources
 Southern Region

☐ Water Right Number(s) 37-07789
 Assigned by IDWR:

☐ Name and Address of Former Owner/Claimant(s)(Seller): Heidelberg Inn, Inc
Box 229

☐ New Owner/Claimant (Purchaser): Ketchum, ID 83340
Idaho Investment Trust

☐ New Mailing Address: PO Box 2247
Ketchum, ID 83340

☐ New Telephone Number: (208) 726-5757

☐ Does the change in ownership result in a splitting of the water right owned/claimed? yes ☒ no
 If yes, then describe the portion of the water right that is now owned/claimed by the new owner:

☐ Attach proof of ownership, describe proof attached: Copy of Deed of Trust

(proof of ownership must describe either the property conveyed or include the claim number. Proof of ownership is not required if this form is signed by the former owner/claimant.)

☐ Signature of New Owner/Claimant(s) Lani Jane Taylor Rumm, trustee Date 8.21.95

Date

☐ Signature of Former Owner/Claimant(s): Date

Date

(Signature of former claimant(s) is not required if proof of ownership is attached.)

FOR IDWR USE ONLY:

Initial Review and Data-Entry

Date: 8/21/95 By: HSBFurther Action Needed: Further information

Further Action Taken

Date: By:

Final Review and Data-Entry

Date: By:

Claim Numbers of Split, if any:

MICROFILMED

Original to be mailed to Idaho Department of Water Resources
 Copies to Former Owner and New Owner

NOV 27 1995

ORDER No. 22-11171

LOAN No.

THIS DEED OF TRUST, Made this 4th **day of** June , 1992 ,
BETWEEN LARI JANE TAYLOR RUMPP, Trustee of the IDAHO INVESTMENT TRUST DATED
MARCH 30, 1990
whose address is 6699 S.E. Scott Drive, Portland, Oregon 97215
Sun Valley Title Company, Inc., an Idaho corporation, herein called TRUSTEE, and
H.I.I., INC., an Idaho Corporation

herein called BENEFICIARY, WITNESSETH: That Grantor
does hereby irrevocably GRANT, BARGAIN, SELL AND CONVEY TO TRUSTEE IN TRUST, WITH
POWER OF SALE, that property in the County of Blaine
State of Idaho, described as follows and containing not more than twenty acres:

SEE EXHIBIT "1" attached hereto and made a part hereof

The terms and conditions of that certain Purchase and Sale Agreement
by and between the parties hereto, dated June 4, 1992,
a copy of which is attached hereto as Exhibit "2" shall be
incorporated herein, and any default under said agreement shall be
considered an event of default under this Deed of Trust.

TOGETHER WITH the rents, issues and profits thereof, SUBJECT, HOWEVER, to the right, power and authority hereinafter
given to and conferred upon Beneficiary to collect and apply such rents, issues and profits, for the purpose of securing payment
of the indebtedness evidenced by a promissory note, of even date herewith, executed by Grantor in the sum of
EIGHT HUNDRED SEVENTY FIVE THOUSAND DOLLARS & NO/100 ***** Dollars (\$ 875,000.00),
final payment due June 5, 2017 and to secure payment of all such further sums as may
hereafter be loaned or advanced by the Beneficiary herein to the Grantor herein, or any or either of them, while record owner of
present interest, for any purpose, and of any notes, drafts or other instruments representing such further loans, advances or
expenditures together with interest on all such sums at the rate therein provided. Provided, however, that the making of such
further loans, advances or expenditures shall be optional with the Beneficiary, and provided, further, that it is the express in-
tention of the parties to this Deed of Trust that it shall stand as continuing security until paid for all such advances together
with interest thereon.

To protect the security of this Deed of Trust, Grantor agrees:

By the execution of this deed of trust and the note secured thereby, there are hereby incorporated and made an integral
part hereof, for all purposes as though set forth herein at length, the provisions 1 to 6, inclusive, of Part A and provisions 1 to 9,
inclusive, of Part B of either of the deeds of trust, which provisions are identical in each, wherein SUN VALLEY TITLE COMPANY
was Trustee which was recorded in the mortgage records in the office of the county recorders of the following County on the
respective date and under instrument number hereinafter designated:

County

MICROFILMED
NOV 27 1996

DO NOT RECORD

THE FOLLOWING IS A COPY OF PROVISIONS 1 TO 8 INCLUSIVE OF PART A AND PROVISIONS 1 TO 8 INCLUSIVE OF PART B WHICH ARE INCORPORATED BY REFERENCE IN THE DEED OF TRUST APPEARING ON THE REVERSE SIDE HEREOF.

A. To protect the security of this Deed of Trust, Grantor agrees:

1. To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereon; not to commit, suffer or permit any act upon said property in violation of laws to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.
2. To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Grantor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.
3. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear.
4. To pay, at least ten days before delinquency all taxes and assessments affecting said property, when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust. In addition to the payments due in accordance with the terms of the note hereby secured the Grantor shall, at the option, and on demand of the Beneficiary, pay each month 1/12 of the estimated annual taxes, assessments, insurance premiums, maintenance and other charges upon the property, nevertheless in trust for Grantor's use and benefit and for the payment by Beneficiary of any such items when due. Grantor's failure to pay shall constitute a default under this trust.
5. To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, with interest from date of expenditure at the highest lawful rate permissible under Idaho law.
6. Should Grantor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Grantor and without releasing Grantor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof. Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, or in enforcing this Deed of Trust by judicial foreclosure, pay necessary expenses, employ counsel and pay his reasonable fees.

B. It is mutually agreed that:

1. Any award of damages in connection with any condemnation for public use or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.
2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.
3. At any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said note for enforcement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey all or any part of said property; consent to the making of any map or plat thereof; join in granting any statement thereon; or join in any extension agreement or any agreement substituting the lien or charge hereof.
4. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention, and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in any reconveyance executed under the deed of trust of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."
5. As additional security, Grantor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Grantor the right, prior to any default by Grantor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.
6. Upon default by Grantor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In the event of default, Beneficiary shall execute or cause the Trustee to execute a written notice of such default and of his election to cause to be sold the hereby described property to satisfy the obligations hereof, and shall cause such notice to be recorded in the office of the recorder of each county wherein said real property or some part thereof is situated.
7. Notice of sale having been given as then required by law, and not less than the time then required by law having elapsed, Trustee, without demand on Grantor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee shall deliver to the purchaser its deed conveying the property so sold, but without any covenant or warranty express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Grantor, Trustee, or Beneficiary, may purchase at such sale.
8. After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title and reasonable counsel fees in connection with the sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the highest lawful rate permissible under Idaho law; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.
9. Notwithstanding any other provisions hereof or of any other agreement between the parties hereto, under no circumstances shall the amount paid or agreed to be paid to such beneficiary for the use, subsistence or detention of money exceed the highest lawful rate permissible, and if a court of competent jurisdiction shall determine that the performance of any provision hereof or thereof shall result in payment of amount in excess thereof, then such provision shall be deemed appropriately modified to the extent necessary to reduce such amount to that not in excess of such rate, and any excess amount theretofore received shall be deemed applied to the principal amount of the debt.
10. This Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby; or, if the note has been pledged, the pledgee thereof. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.
11. Trustee is not obligated to notify any party herein of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor, Beneficiary or Trustee shall be a party unless brought by Trustee.
12. In the event of dissolution or resignation of the Trustee, the Beneficiary may substitute a trustee or trustees to execute the trust hereby created, and when any such substitution has been filed for record in the office of the Recorder of the county in which the property herein described is situated, it shall be conclusive evidence of the appointment of such trustee or trustees, and such new trustee or trustees shall succeed to all of the powers and duties of the trustee or trustees named herein.

UST
ALE

my, Inc.

19

ce

V, Inc.

MICROFILMED

JUN 27 1996

Exhibit "A"

TOWNSHIP 4 NORTH, RANGE 17 EAST, BOISE MERIDIAN, BLAINE COUNTY, IDAHO: SECTION 12: A tract of land in the W $\frac{1}{4}$ of the SW $\frac{1}{4}$ more particularly described as follows:
BEGINNING at the West quarter corner of Section 12;
THENCE South 0°28'56" West 1361.06 feet along the West boundary
of the Section to the North line of Warm Springs Road;
THENCE South 80° 7'48" East along said North line 170 feet to the TRUE POINT OF BEGINNING;
THENCE North 9°57'52" East 301.68 feet;
THENCE South 80° 2' 8" East 200 feet;
THENCE South 9°57'52" West 210 feet;
THENCE South 80° 4' East 250 feet;
THENCE South 9°57'52" West 100 feet, more or less, to the North
line of Warm Springs Road;
THENCE Northwesterly along the arc of a right-of-way curve, having a radius of 3255.76 feet, an arc distance of 242.60 feet
along said Northerly road line;
THENCE continuing along the road line North 80°7'48" West 207.58
feet to the TRUE POINT OF BEGINNING.

ORDER No. 22-11171

LOAN No.

THIS DEED OF TRUST, Made this 4th day of June, 1992,
BETWEEN LARI JANE TAYLOR RUMPP, Trustee of the IDAHO INVESTMENT TRUST DATED
MARCH 30, 1990
whose address is 6699 S.E. Scott Drive, Portland, Oregon 97215
Sun Valley Title Company, Inc., an Idaho corporation, herein called GRANTOR,
H.I.I., INC., an Idaho Corporation

herein called BENEFICIARY, WITNESSETH: That Grantor
does hereby irrevocably GRANT, BARGAIN, SELL AND CONVEY TO TRUSTEE IN TRUST, WITH
POWER OF SALE, that property in the County of Blaine
State of Idaho, described as follows and containing not more than twenty acres:

SEE EXHIBIT "1" attached hereto and made a part hereof

The terms and conditions of that certain Purchase and Sale Agreement
by and between the parties hereto, dated June 4, 1992,
a copy of which is attached hereto as Exhibit "2" shall be
incorporated herein, and any default under said agreement shall be
considered an event of default under this Deed of Trust.

TOGETHER WITH the rents, issues and profits thereof, SUBJECT, HOWEVER, to the right, power and authority hereinafter
given to and conferred upon Beneficiary to collect and apply such rents, issues and profits, for the purpose of securing payment
of the indebtedness evidenced by a promissory note, of even date herewith, executed by Grantor in the sum of
EIGHT HUNDRED SEVENTY FIVE THOUSAND DOLLARS & NO/100 ***** Dollars (\$ 875,000.00),
final payment due June 5, 2017 and to secure payment of all such further sums as may
hereafter be loaned or advanced by the Beneficiary herein to the Grantor herein, or any or either of them, while record owner of
present interest, for any purpose, and of any notes, drafts or other instruments representing such further loans, advances or
expenditures together with interest on all such sums at the rate therein provided. Provided, however, that the making of such
further loans, advances or expenditures shall be optional with the Beneficiary, and provided, further, that it is the express in-
tention of the parties to this Deed of Trust that it shall stand as continuing security until paid for all such advances together
with interest thereon.

To protect the security of this Deed of Trust, Grantor agrees:

By the execution of this deed of trust and the note secured thereby, there are hereby incorporated and made an integral
part hereof, for all purposes as though set forth herein at length, the provisions 1 to 6, inclusive, of Part A and provisions 1 to 9,
inclusive, of Part B of either of the deeds of trust, which provisions are identical in each, wherein SUN VALLEY TITLE COMPANY
was Trustee which was recorded in the mortgage records in the office of the county recorders of the following County on the
respective date and under instrument number hereinafter designated:

County
Blaine

Instrument No.
224262

Recording Date
March 2, 1982

Request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale hereunder be mailed to the
Grantor at his address hereinbefore set forth.

Lari Jane Taylor Rumpp
Lari Jane Taylor Rumpp, Trustee

OREGON
STATE OF IDAHO, COUNTY OF: Multnomah
On this 8th day of June, 1992
before me a Notary Public in and for said State, personally
appeared
Lari Jane Taylor Rumpp,
Trustee

known to me to be the person whose name is
subscribed to the within instrument, and acknowledged to
me that she has executed the same.
in her capacity as Trustee.

S. Bernkleau
Notary Public.

Residing at

Commission

es: OFFICIAL SEAL

S. BERNKLEAU

NOTARY PUBLIC - OREGON

COMMISSION NO 004803

STATE OF IDAHO, COUNTY OF:

I HEREBY CERTIFY That this instrument was filed for
record at the request of
at minutes past o'clock M.,
this day of 19
in my office, and duly recorded in Book
of Mortgages at page

Ex-officio Recorder.

Deputy.

Fees: \$

Mail to:

DO NOT RECORD

THE FOLLOWING IS A COPY OF PROVISIONS 1 TO 8 INCLUSIVE OF PART A AND PROVISIONS 1 TO 8 INCLUSIVE OF PART B WHICH ARE INCORPORATED BY REFERENCE IN THE DEED OF TRUST APPEARING ON THE REVERSE SIDE HEREOF.

A. To protect the security of this Deed of Trust, Grantor agrees:

1. To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished thereon; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereon; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.
2. To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Grantor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.
3. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear.
4. To pay, at least ten days before delinquency all taxes and assessments affecting said property, when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust. In addition to the payments due in accordance with the terms of the note hereby secured the Grantor shall, at the option, and on demand of the Beneficiary, pay each month 1/12 of the estimated annual taxes, assessments, insurance premiums, maintenance and other charges upon the property, notwithstanding in trust for Grantor's use and benefit and for the payment by Beneficiary of any such items when due. Grantor's failure to pay shall constitute a default under this trust.
5. To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, with interest from date of expenditure at the highest lawful rate permissible under Idaho law.
6. Should Grantor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Grantor and without releasing Grantor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof. Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, or in enforcing this Deed of Trust by judicial foreclosure, pay necessary expenses, employ counsel and pay his reasonable fees.

B. It is mutually agreed that:

1. Any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.
2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure to pay.
3. At any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey all or any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.
4. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for reconveyance executed under this deed of trust of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."
5. As additional security, Grantor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Grantor the right, prior to any default by Grantor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.
6. Upon default by Grantor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In the event of default, Beneficiary shall execute or cause the Trustee to execute a written notice of such default and of his election to cause to be sold the hereby described property to satisfy the obligations hereof, and shall cause such notice to be recorded in the office of the recorder of each county wherein said real property or some part thereof is situated.

Notice of sale having been given as then required by law, and not less than the time then required by law having elapsed, Trustee, without demand on Grantor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee shall deliver to the purchaser its deed conveying the property as sold, but without any covenant or warranty express or implied. The initials in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Grantor, Trustee, or Beneficiary, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title and reasonable counsel fees in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the highest lawful rate permissible under Idaho law; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

Notwithstanding any other provisions hereof or of any other agreement between the parties hereto, under no circumstances shall the amount paid or agreed to be paid to such beneficiary for the use, forbearance or detention of money exceed the highest lawful rate permissible, and if a court of competent jurisdiction shall determine that the performance of any provision hereof or thereof shall result in payment of amount in excess thereof, then such provision shall be deemed appropriately modified to the extent necessary to reduce such amount to that not in excess of such rate, and any excess amount theretofore received shall be deemed applied to the principal amount of the debt.

7. This Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby; or, if the note has been pledged, the pledgee thereof. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

8. Trustee is not obligated to notify any party herein of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor, Beneficiary or Trustee shall be a party unless brought by Trustee.

9. In the event of dissolution or resignation of the Trustee, the Beneficiary may substitute a trustee or trustees to execute the trust hereby created, and when any such substitution has been filed for record in the office of the Recorder of the county in which the property herein described is situated, it shall be conclusive evidence of the appointment of such trustee or trustees, and such new trustee or trustees shall succeed to all of the powers and duties of the trustee or trustees named herein.

DEED OF TRUST
WITH POWER OF SALE

GRANTOR

Sun Valley Title Company, Inc.

TRUSTEE

BENEFICIARY

Dated 19

Chicago Title Insurance
Company of Idaho

Sun Valley Title Company, Inc.

P.O. Drawer 2365

Ketchum, Idaho 83340

THE PROMISSORY NOTE OR NOTES, AND ANY EVIDENCES OF FURTHER AND/OR
ADDITIONAL ADVANCES MUST BE PRESENTED WITH THIS REQUEST

Idaho,

19

To SUN VALLEY TITLE COMPANY, INC., Trustee:

You are hereby authorized and requested to execute a reconveyance hereunder and deliver same to

The undersigned hereby certifies that
the owner and holder of the debt mentioned in said deed of trust and that the same has never been assigned or transferred.

Address

Telephone No.

HOTEL GROUP

P.O. Box 2247
Boise, Idaho 83340



Dep't. of Water Resources
1301 N Orchard St
Statehouse Mail
Boise, ID 83720



MICROFILM
MAY 7 7 1996

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

IN RE THE GENERAL ADJUDICATION
OF RIGHTS TO THE USE OF WATER FROM
THE SNAKE RIVER BASIN WATER SYSTEM.

CIVIL CASE NUMBER: 39576

Ident. Number: A37-07789

Date Received: 8/16/1988

Receipt No: C002295

Received By: JP 8/23/88

RECEIVED

AUG 25 1988

Department of Water Resources
Southern Region Office

NOTICE OF CLAIM TO A WATER RIGHT
ACQUIRED UNDER STATE LAW

1. Name: HEIDELBERG INN, INC. 208-726-5361
Address: BOX 304
SUN VALLEY, ID 83353

OR
Name: ROSS FITZPATRICK 208-336-8577
Address: 901 HAINES CT.
BOISE, ID 83712

2. Date of Priority: JUL 30, 1979

3. Source: GROUNDWATER Trib. to:

4. Point of Diversion:

Township	Range	Section	1/4 of	1/4 of	1/4	Lot	County
04N	17E	12	NW	SW			BLAINE

5. Description of diverting works:
8" DIA WELL WITH 5 HP SUBM PUMP TO 3 PRESSURE TANKS

6. Water is used for the following purposes:

Purpose	From	To	C.F.S.	(or)	A.F.A.
COMMERCIAL	01/01	12/31	0.120		
IRRIGATION	04/01	11/01	0.020		

7. Total Quantity Appropriated is:
0.120 C.F.S. (and/or) A.F.A.

8. Total consumptive use is 2.5 Acre Feet Per Annum.

9. Non-irrigation uses:
COMM. - 30-UNIT MOTEL INCLUDING 1 HOME/OFFICE, POOL, 1 ACRE LAWN

A37-07789

Page 1

Date: 08/16/88

MICROFILMED
FEB 24 1993

10. Place of Use:

Township	Range	Section	1/4 of 1/4	Lot	Use	Acres
04N	17E	12	NW NW	SW SW	COMMER IRR	1.0
Section Acres						1.0
Total Acres						1.0

11. Place of use in counties: BLAINE

12. Do you own the property listed above as place of use? YES

13. Other Water Rights Used:
NONE

14. Remarks:

15. Basis of Claim: PERMIT

16. Signature(s)

(a.) By signing below, I/We acknowledge that I/We have received, read and understand the form entitled "How you will receive notice in the Snake River Basin Adjudication." (b.) I/We do _____ do not _____ wish to receive and pay a small annual fee for monthly copies of the docket sheet.

Number of attachments: 0

For Organizations:

I do solemnly swear or affirm that I am PRESIDENT of
Title
HEIDELBERG INN, INC., that I have signed the foregoing
Organization

document in the space below as PRESIDENT of
Title
HEIDELBERG INN, INC. and that the statements contained in the
Organization
foregoing document are true and correct.

[Signature]
Signature of Authorized Agent

PRESIDENT, HEIDELBERG INN, INC.
Title and Organization

8.22.88
Date

State of Idaho)
County of Ada) SS.

Subscribed and sworn (or affirmed) before me this 22 day
of August 19 88

[Signature]
Notary Public

Seal

Residing at Boise ID
My Commission Expires June 10, 1994

01/11/2007

IDAHO DEPARTMENT OF WATER RESOURCES
PRELIMINARY RECOMMENDATION OF WATER RIGHTS ACQUIRED UNDER STATE LAW

RIGHT NUMBER: 37-7789

NAME AND ADDRESS: THUNDER SPRING III LLC
1120 NYE ST
SAN RAPHAEL CA 94901

VERIFIED BY KKC

SOURCE: GROUND WATER

TRIBUTARY:

QUANTITY: 0.120 CFS
6.400 AFY

PRIORITY DATE: 07/30/1979

POINT OF DIVERSION:

T04N R17E S12 NWSWSW Within BLAINE County

PURPOSE AND
PERIOD OF USE:

<u>PURPOSE OF USE</u>	<u>PERIOD OF USE</u>	<u>QUANTITY</u>
IRRIGATION	04/15 10/15	0.030 CFS 3.50 AFY
COMMERCIAL	01/01 12/31	0.120 CFS 3.40 AFY

PLACE OF USE:

IRRIGATION in BLAINE County

T04N R17E S12 NWSW 0.40 T04N R17E S12 SWSW 0.60

COMMERCIAL in BLAINE County

T04N R17E S12 NWSW

1 ACRES TOTAL

OTHER PROVISIONS NECESSARY FOR DEFINITION OR ADMINISTRATION OF THIS WATER RIGHT:

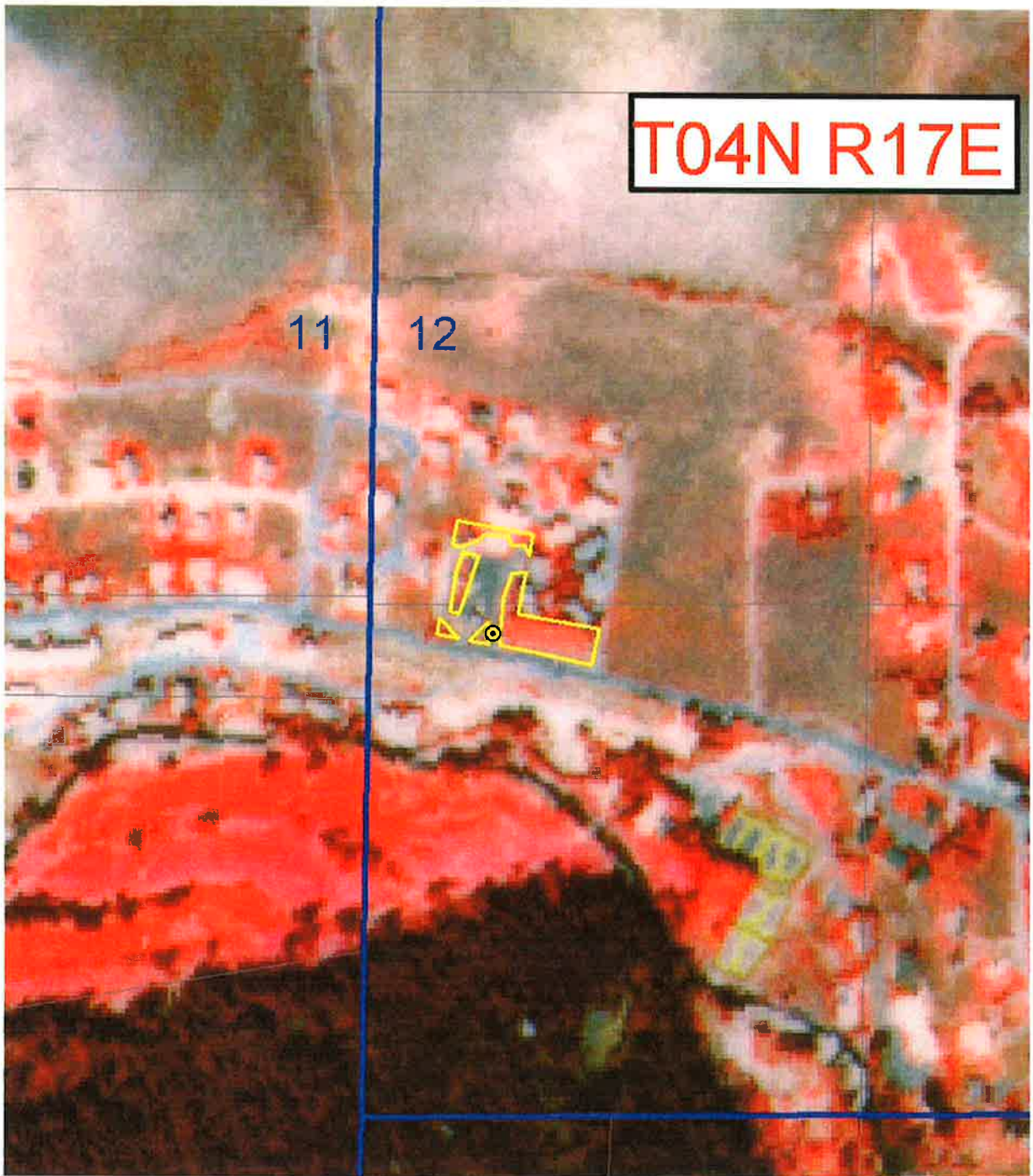
This partial decree is subject to such general provisions necessary for the definition of the rights or for the efficient administration of the water rights as may be ultimately determined by the Court at a point in time no later than the entry of a final unified decree. Section 42-1412(6), Idaho Code.

Commercial use is for a motel.

EXPLANATORY MATERIAL: BASIS OF CLAIM - License

IDAHO DEPARTMENT OF WATER RESOURCES

Water Rights: 37-7789



528 0 528 Feet

LEGEND

-  POU
-  POD
-  Township Boundaries
-  Sections
-  GCDB



GIS PLACE OF USE PRESENTATION
1987/1988 AERIAL PHOTOGRAPHY
DATA ENTRY: 01/11/2006
T. D. BAKER

State of Idaho
Department of Water Resources

WATER RIGHT LICENSE

WATER RIGHT NO. 37-07789

Priority: July 30, 1979

Maximum Diversion Rate:
Maximum Diversion Volume:¹

0.12 CFS
6.4 AF

This is to certify, that HEIDELBERG INN INC.

P.O. BOX 229

KETCHUM, ID 83340

has complied with the terms and conditions of the permit, issued pursuant to Application for Permit dated July 30, 1979; and has submitted Proof of Beneficial Use on July 17, 1984. An examination indicates that the works have a diversion capacity of .120 cfs of water from a GROUNDWATER source, and a water right has been established as follows:

<u>BENEFICIAL USE</u>	<u>PERIOD OF USE</u>	<u>RATE OF DIVERSION</u>	<u>ANNUAL VOLUME</u>
IRRIGATION	04/15 to 10/15	0.03 CFS	3.0 AF
COMMERCIAL	01/01 to 12/31	0.12 CFS	3.4 AF
Totals		0.12 CFS	6.4 AF

LOCATION OF POINT(S) OF DIVERSION:

NWSW , Sec. 12, Township 04N, Range 17E
BLAINE County

PLACE OF USE: IRRIGATION

TWN RGE SEC

ACRES

ACRES

ACRES

TOTAL

04N 17E 12

NWSW 1

1

Total number of acres irrigated:

1

PLACE OF USE: COMMERCIAL, same as IRRIGATION use

CONDITIONS/REMARKS:

1. The maximum diversion volume is defined as the maximum allowable volume of water that may be diverted annually from the source under this right. The use of water confirmed by this right is limited to the amount which can actually be beneficially used. The maximum diversion volume may be adjusted to more accurately describe the beneficial use or to implement accepted standards of diversion and use efficiency.
2. This water right is appurtenant to the described place of use.
3. This right is subject to all prior water rights and may be forfeited by five years of non-use.
4. Modifications to or variance from this license must be made within the limits of Section 42-222, Idaho Code, or the applicable Idaho law.
5. Commercial use is for a motel.

MICROFILMED

MAR 05 1991

WATER RIGHT LICENSE

WATER RIGHT NO. 37-07789

This license is issued pursuant to the provisions of Section 42-219, Idaho Code.
Witness the seal and signature of the Director, affixed at Boise, this 18th
day of JANUARY, 19 91.

Acting for


R. Keith Higginson, Director

MICROFILMED

MAR 05 1991

Phone No. 726-5361

- [illegible]



main office where pressure TANK.
ARE located

Permit 37-1187
Heidelberg Inn Inc.

peanut shape
swimming pool



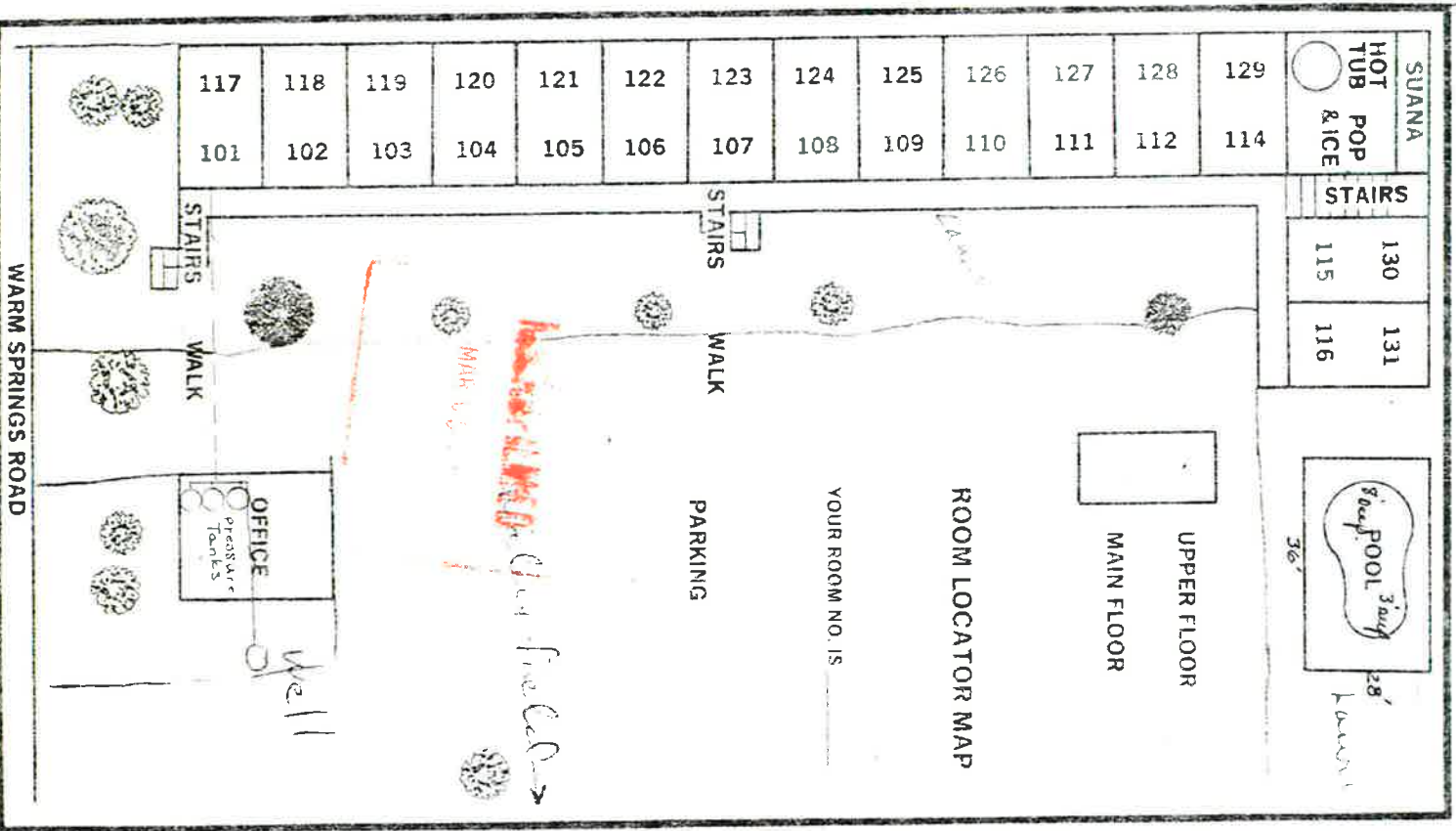
3 pressure tanks
w/2 1/2" dia Inlet and
outlet.

motel rooms



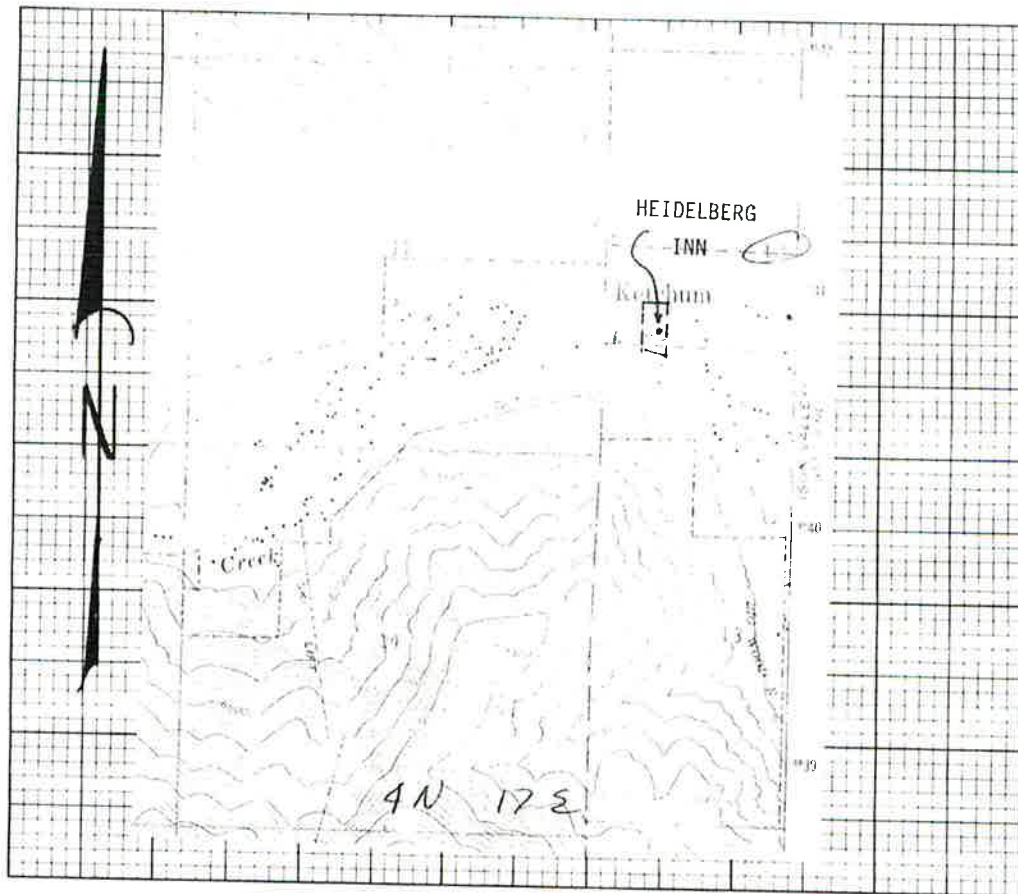
RECEIVED

1991



LAUNDRY

10. Other water rights on these lands _____
11. Other water right diverted from same p.d. _____
12. **Diversion and Delivery System Diagram:** Indicate all major components and distances between components. Indicate ditch size/pipe i.d. as applicable. Indicate on systems with measurement port the distance between the port and the nearest component/pipe bend/restriction both upstream and downstream, and the inside pipe diameter at the measurement port. On multiple diversion systems indicate how diversion systems are connected.



13. ☐ Photo of Diversion & System Attached ☐ Aerial Photo of Place of Use Attached or Map of Irrigated Acreage Attached
14. Remarks Swimming pool 3' x 8' deep 3' x 8' x 28' wide p.u. = 0.141
Shape pool See brochure (1) 1/2 5/16 =
1 Acre of lawn -
15. Recommended Amendments
☐ Change P.D. as reflected above ☐ Add P.D. as reflected above ☒ None
☐ Change P.U. as reflected above ☐ Add P.U. as reflected above ☒ Other
16. Examiner's/Consultant's Signature Harry J. Jundt Date 11-30-84
 Consultant's License Number _____
 IDWR Director's Authorization to Conduct
 Beneficial Use Examination _____

Date

CONSULTANT SEAL

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
LICENSING REPORT

RECEIVED

MAR 3 1986

37-7789
Permit No.

1. Measurement Calculations

Department of Water Resources

a) Field Measurement Calculations (Include theoretical capacities and system capacity)

Theoretical Cap - 0.12 cfs. more practical -

1 person/bed at (2) beds/unit = 100 gal/day

100 gal/day $\times$ 30 units = 3000 gal/day = .0046 cfs

w/2 hr day usage -

b) Volume Calculations for Irrigation:

$V_{i,r} = (\text{Acres Irrigated}) \times (\text{Irrigation Requirement}) = 1 \times 3 = 3$

$V_{o,r} = [\text{Diversion Rate (cfs)}] \times (\text{Days in Irrigation Season}) \times 1.9835 = (.12)(215)1.98$

$V = \text{Smaller of } V_{i,r} \text{ and } V_{o,r} =$

c) Volume Calculations for Other Uses:

$(.12 \text{ cfs}) (365 \text{ dy}) (1.98) = 86.7 \text{ AFA}$

$(3000/\text{dy} @ 365 \text{ dy/yr} \div 325,400 \text{ gal/Ac-Ft}) = \underline{\underline{3.4 \text{ AFA}}}$

2. Overlap Review

a) Other water rights with same place of use: NO

b) Other water rights with same point of diversion: _____

c) Analysis: _____

MICROFILMED

MAR 05 1991

RECOMMENDED AMOUNTS

Permit No.	Priority	Amount	App. Date	Date Proof Submitted	System Capacity
37-7789					

4. Permit Holder: _____
Address: _____

5. Source: glaciers tributary to the ocean

6. Beneficial Use	Period of Use		Rate of Diversion Q (cfs)	Annual Volume V (afa)
	From	To		
Commercial	1-1	12-31	0.12	3.4
Industrial	4	11-1	0.02	3.0

Allowable Maximums: 640

7. Point(s) of Diversion:

[illegible]

8. Place(s) of Use

[illegible]

9. Recommended Conditions/Remarks: _____

10. Recommended Amendments

☐ Change P.D. as reflected above ☐ Add P.D. as reflected above ☒ None

☐ Change P.U. as reflected above ☐ Add P.U. as reflected above ☒ Other

11. Examiner's Signature Dany J. L. L. L.

Checked in Regional Office by J. E. Stanton

Approved in State Office by _____

Date 11/29/85

Date 1-7-86

Date _____

MAR 15 1991