

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

Notice of Change in Water Right Ownership

RECEIVED

JUL 30 2013

WATER RESOURCES
WESTERN REGION

1. List the numbers of all water rights and/or adjudication claim records to be changed. If you only acquired a portion of the water right or adjudication claim, check "Yes" in the "Split?" column. DEV ✓

Water Right/Claim No.	Split?	Water Right/Claim No.	Split?	Water Right/Claim No.	Split?
PD 65-2622	Yes ☐		Yes ☐		Yes ☐
PD 65-2706	Yes ☐		Yes ☐		Yes ☐
	Yes ☐		Yes ☐		Yes ☐
	Yes ☐		Yes ☐		Yes ☐
	Yes ☐		Yes ☐		Yes ☐

2. Previous Owner's Name: Ultimate Log and Custom Homes, LLC
Name of current water right holder/claimant

3. New Owner(s)/Claimant(s): Vintage Properties LLLP
New owner(s) as listed on the conveyance document Name connector ☐ and ☐ or ☐ and/or
- | | | | |
|-----------------------|--------------|-----------|--------------|
| <u>PO Box 1486</u> | <u>Boise</u> | <u>ID</u> | <u>83701</u> |
| Mailing address | City | State | ZIP |
| <u>(208) 345-9325</u> | | | |
| Telephone | Email | | |

4. If the water rights and/or adjudication claims were split, how did the division occur? n/a
- ☐ The water rights or claims were divided as specifically identified in a deed, contract, or other conveyance document.
- ☐ The water rights or claims were divided proportionately based on the portion of their place(s) of use acquired by the new owner.

5. Date you acquired the water rights and/or claims listed above: 10/31/2012

6. If the water right described herein has been rented from the Water Supply Bank, rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:

- Rental payments will go to the lessor(s) of record at the beginning of the rental season.
- If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
- New lessor(s) of record will receive payment after the following rental season.

7. This form must be signed and submitted with the following **REQUIRED** items:

- A copy of the conveyance document – warranty deed, quitclaim deed, court decree, contract of sale, etc. The conveyance document must include a legal description of the property or description of the water right(s) if no land is conveyed.
- Plat map, survey map or aerial photograph which clearly shows the place of use and point of diversion for each water right and/or claim listed above (if necessary to clarify division of water rights or complex property descriptions).
- Filing fee (see instructions for further explanation):
 - \$25 per *undivided* water right.
 - \$100 per *split* water right.
 - No fee is required for pending adjudication claims.

SUPPORT DATA

IN FILE # 605-2622

8. Signature: Fred P. Thompson, Jr. Chairman of Executive Mgmt. Inc., The General Partner of Vintage Properties LLLP Date _____
- Signature: _____ Date _____
Signature of new owner/claimant Title, if applicable

For IDWR Office Use Only:

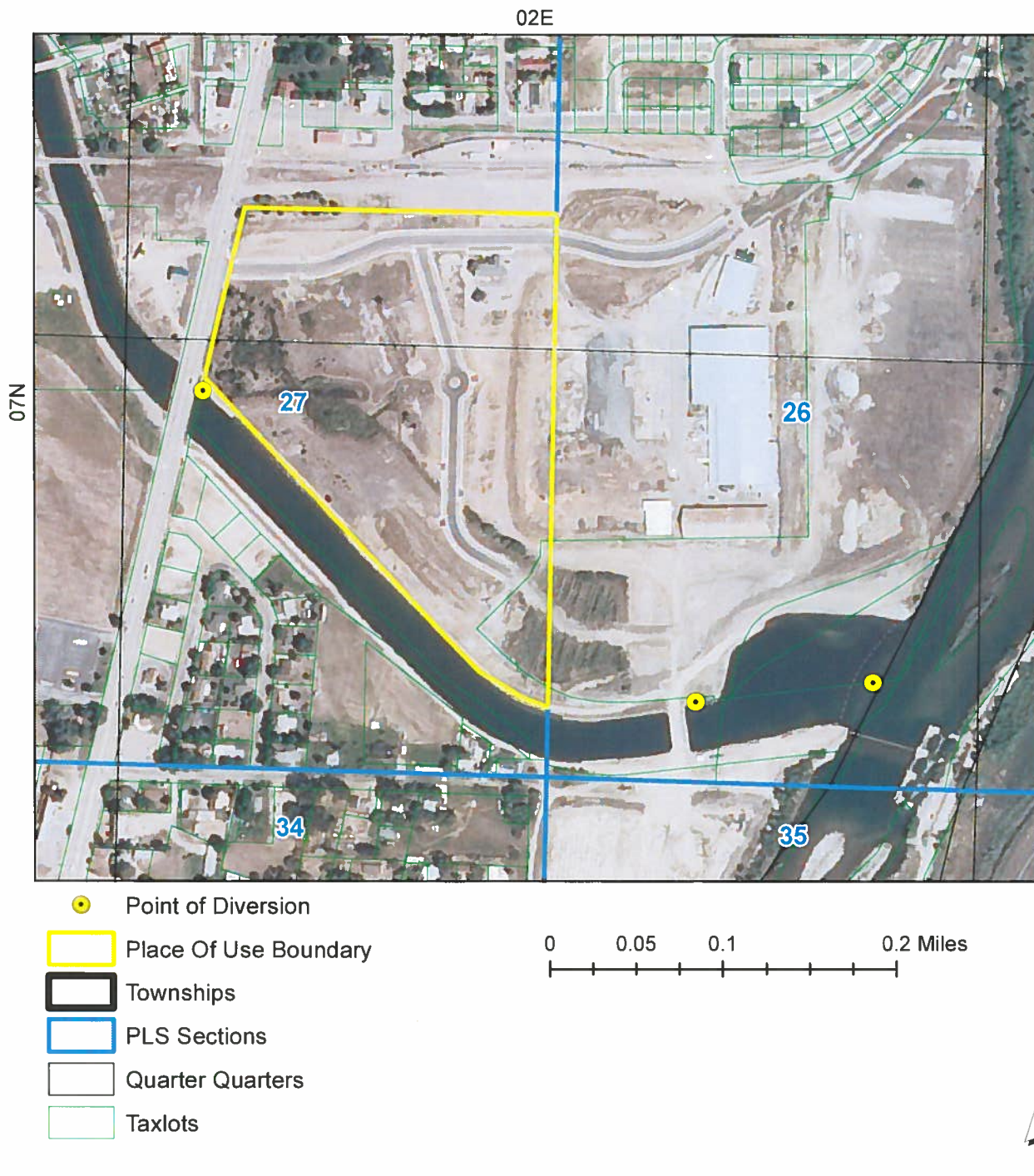
Received by RS Date 7-30-13 Receipt No. W041392 Receipt Amt. 50-
Approved by RS Processed by JA Date 10/21/13

State of Idaho
Department of Water Resources

**Water Right
65-2622**

INDUSTRIAL STORAGE

The map depicts the place of use for the water use listed above and point(s) of diversion of this right as currently derived from interpretations of the paper records and is used solely for illustrative purposes. Discrepancies between the computer representation and the permanent document file will be resolved in favor of the actual water right documents in the water right file.



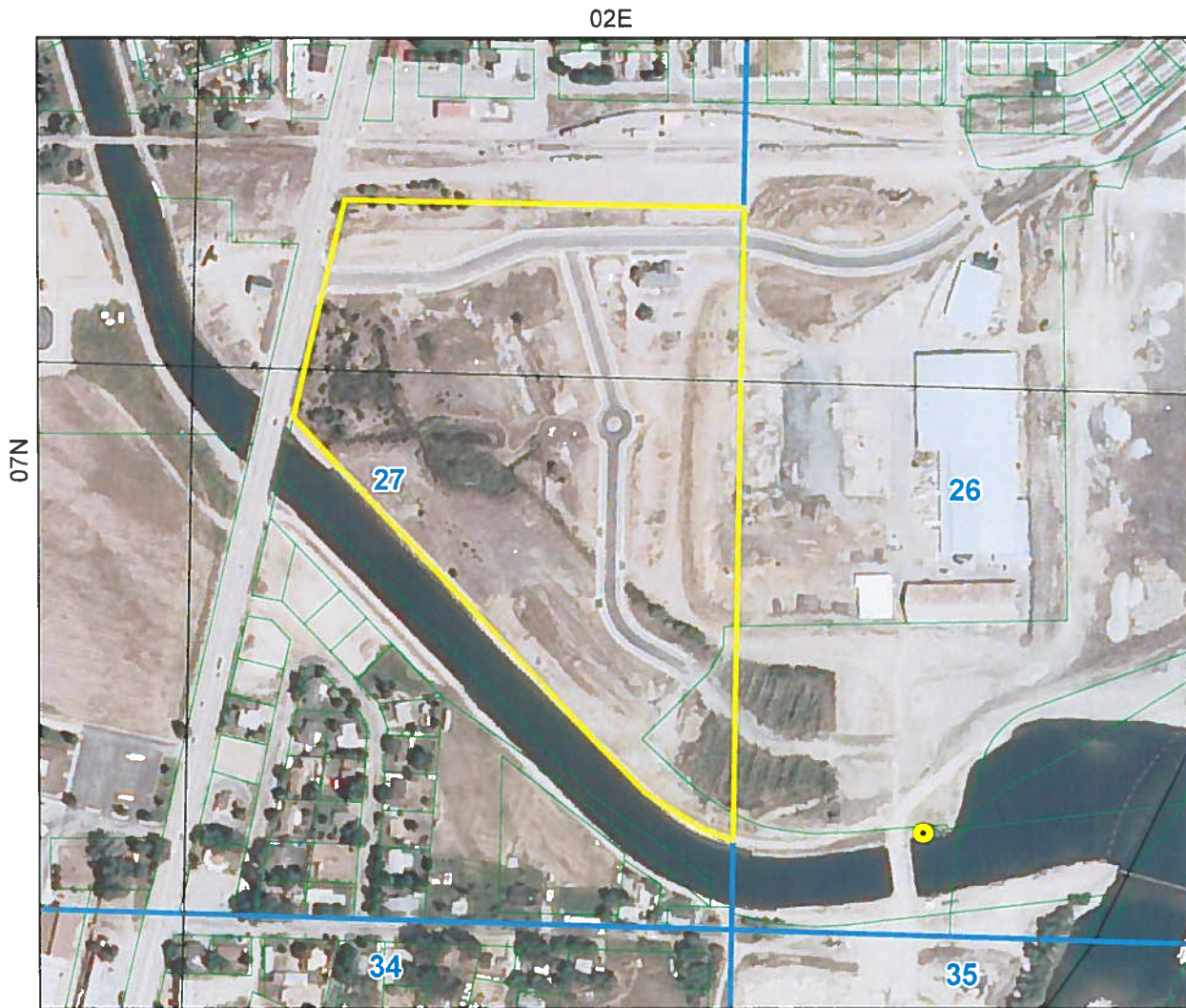
State of Idaho
Department of Water Resources

Water Right

65-2706

INDUSTRIAL

The map depicts the place of use for the water use listed above and point(s) of diversion of this right as currently derived from interpretations of the paper records and is used solely for illustrative purposes. Discrepancies between the computer representation and the permanent document file will be resolved in favor of the actual water right documents in the water right file.



- Point of Diversion
- Place Of Use Boundary
- Townships
- PLS Sections
- Quarter Quarters
- Taxlots

0 0.05 0.1 0.2 Miles



Instrument # 237314

IDAHO CITY, BOISE COUNTY, IDAHO
10-31-2012 09:08:22 AM No. of Pages: 5
Recorded for: PIONEER LENDER TRUSTEE SERVICE
MARY T. PRISCO Fee: \$22.00
Ex-Officio Recorder Deputy shirley george
Index to: DEEDS
Electronically Recorded by Simplifile

RECORDING REQUESTED BY

WHEN RECORDED MAIL TO

Vintage Properties LLLP

P. O. Box 1486
BOISE, ID 83701

Trustee's Sale No: ID-MOF-12002461

TRUSTEE'S DEED

Pioneer Title Company of Ada County, dba Pioneer Lender Trustee Services, as Successor Trustee under the Deed of or Transfer in Trust hereinafter particularly described, does hereby Bargain, Sell and Convey, without warranty, to VINTAGE PROPERTIES LLLP, (herein called Grantee), whose address is P. O. Box 1486, BOISE, ID 83701, all of the real property situate in the County of BOISE, State of Idaho, described as follows:

ATTACHED HERETO AS EXHIBIT 'A' AND INCORPORATED HEREIN AS THOUGH FULLY SET FORTH.

This conveyance is made pursuant to the powers conferred upon Trustee by the Deed of Trust between ULTIMATE LOG AND CUSTOM HOMES, LLC, as Grantor(s), to TITLEONE CORPORATION, as Trustee, in favor of VINTAGE PROPERTIES, LLLP, as Beneficiary, dated 9/13/2006, recorded 9/13/2006, under Instrument No. 210268, Mortgage records of BOISE County, IDAHO, and after the fulfillment of the conditions specified in said Deed of Trust authorizing this conveyance as follows:

- (a) Default occurred in the obligations for which said Deed of Trust was given as security and the beneficiary made demand upon the said Trustee to sell said property pursuant to the terms of said Deed of Trust. Notice of Default was recorded as Instrument No. 234050, BOISE County, Idaho Mortgage Records and in the office of the Recorder of each other county in which the property described in said Deed of Trust, or any part thereof is situated, the nature of such default being as set forth in said Notice of Default. Such default still existed at the time of sale.
- (b) After recordation of said Notice of Default, Trustee gave notice of the time and place of the sale of said property by registered or certified mail, by personal service upon the occupants of said real property, by posting in a conspicuous place on said premises and by publishing in a newspaper of general circulation in each of the counties in which the property is situated as more fully appears in affidavits recorded at least 20 days prior to date of sale as Instrument No. 234762, Instrument No. 234763, and Instrument No. 234764, BOISE County, Idaho Mortgage Records.
- (c) The provisions, recitals and contents of the Notice of Default referred to in paragraph (a) supra and of the Affidavits referred to in paragraph (b) supra shall be and they are hereby incorporated herein and made an integral part hereof for all purposes as though set forth herein at length.
- (d) All requirements of law regarding the mailing, personal service, posting, publication and recording of Notice of Default, and Notice of Sale, and of all other notices have been complied with.
- (e) Not less than 120 days elapsed between the giving of Notice of Sale by registered or certified mail and the sale of said property.

- (f) Trustee, on October 26, 2012, at 02:00 PM, at ON THE FRONT STEPS OF THE BOISE COUNTY COURTHOUSE ANNEX, 383 HIGHWAY 55, HORSESHOE BEND, ID, at public auction, in one parcel, struck off to Grantee, being the highest bidder therefor, the property herein described, for the \$1,232,525.33, subject however to all prior liens and encumbrances. No person or corporation offered to take any part of said property less than the whole thereof for the amount of principal, interest, advances and costs.

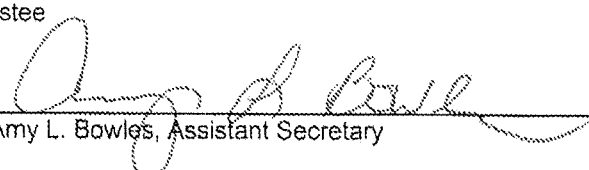
DATED: 10/29/2012.

Trustee Services

Pioneer Title Company of Ada County, dba Pioneer Lender

Trustee

By


Amy L. Bowles, Assistant Secretary

STATE OF Idaho

)

) ss.

COUNTY OF Ada

)

On 10/29/2012, before me a Notary Public in and for said State, personally appeared Amy L. Bowles, known and identified to me to be the Assistant Secretary of the corporation who executed this instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

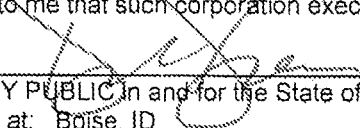

NOTARY PUBLIC in and for the State of Idaho
residing at: Boise, ID
My commission expires: 4/18/2014



EXHIBIT "A"

Parcel A

A parcel of land located in a portion of Government Lots 5 and 6 and a portion of the Amended Townsite Plat of Horseshoe Bend within Section 26 and a portion of the E ½ of Section 27, Township 7 North, Range 2 East, Boise Meridian, Horseshoe Bend, Boise County, Idaho, more particularly described as follows:

COMMENCING at a found 1 ½" Axle at the section corner common to Sections 26, 27, 34 and 35 of Township 7 North, Range 2 East, Boise Meridian as shown on Record of Survey No. 182866, from which a brass cap monument at the quarter common to said Sections 26 and 27 bears North 00°22'26" West a distance of 2639.46 feet as shown on said Record of Survey;

Thence along the section line common to said Sections 26 and 27, North 00°22'26" West a distance of 227.25 feet to a 5/8" rebar with plastic cap at the beginning of a curve to the right;

Thence 176.63 feet along the arc of a 475.00 foot radius curve, with a central angle of 21°18'19", a chord bearing North 55°39'18" West a distance of 175.61 feet;

Thence North 45°00'09" West a distance of 1229.25 feet to a point on the Easterly right-of-way line of State Highway 55;

Thence along said right-of-way line, North 11°12'14" East a distance of 32.09 feet to the TRUE POINT OF BEGINNING;

Thence along said right-of-way line North 11°12'14" East a distance of 441.30 feet to a point on the South right-of-way line of the Oregon Short Line Railroad;

Thence along said South right-of-way line, North 87°42'13" East a distance of 606.50 feet;

Thence South 02°17'47" East a distance of 70.00 feet;

Thence South 17°17'47" East a distance of 250.23 feet;

Thence North 89°57'19" East a distance of 258.15 feet;

Thence South 02°51'54" West a distance of 657.57 feet;

Thence South 87°36'39" West a distance of 19.47 feet;

Thence South 00°00'00" West a distance of 46.72 feet;

Thence South 27°38'21" West a distance of 70.00 feet;

Thence South 43°12'13" West a distance of 224.62 feet;

Thence North 47°29'58" West a distance of 41.42 feet;

Thence North 45°10'14" West a distance of 889.92 feet;

Thence South 44°49'46" West a distance of 2.00 feet;

Thence North 45°10'14" West a distance of 10.00 feet;

Thence North 44°49'46" East a distance of 2.00 feet;

Thence North 45°10'14" West a distance of 168.89 feet to the POINT OF BEGINNING.

Parcel D

A parcel of land located in a portion of Government Lots 5 and 6 and a portion of the Amended Townsite Plat of Horseshoe Bend within Section 26 and a portion of the E ½ of Section 27, Township 7 North, Range 2 East, Boise Meridian, Horseshoe Bend, Boise County, Idaho, more particularly described as follows:

COMMENCING at a found 1 ½" Axle at the section corner common to Sections 26, 27, 34 and 35 of Township 7 North, Range 2 East, Boise Meridian as shown on Record of Survey No. 182866, from which a brass cap monument at the quarter common to said Sections 26 and 27 bears North 00°22'26" West a distance of 2639.46 feet as shown on said Record of Survey;

Thence along the section line common to said Sections 26 and 27, North 00°22'26" West a distance of 227.25 feet to a 5/8" rebar with plastic cap at the beginning of a curve to the right;

Thence 176.63 feet along the arc of a 475.00 foot radius curve, with a central angle of 21°18'19", a chord bearing North 55°39'18" West a distance of 175.61 feet;

Thence North 45°00'09" West a distance of 1229.25 feet to a point on the Easterly right-of-way line of State Highway 55;

Thence along said right-of-way line, North 11°12'14" East a distance of 32.09 feet;

Thence along said right-of-way line North 11°12'14" East a distance of 441.30 feet to a point on the South right-of-way line of the Oregon Short Line Railroad;

Thence along said South right-of-way line, North 87°42'13" East a distance of 606.50 feet to the TRUE POINT OF BEGINNING;

Thence continuing North 87°42'13" East a distance of 849.00 feet to a point on the West right-of-way line of vacated Third Street;

Thence along said West right-of-way line, North 01°34'59" West a distance of 140.94 feet to the beginning of a non-tangent spiral curve (said spiral curve to the left having a spiral angle of 08°26'48", a long tangent of 146.75 feet, a short tangent of 63.55 feet and a central curve radius of 716.80 feet), the chord of which bears North 85°59'28" East a distance of 209.82 feet (along a spiral length of 211.34 feet) to the beginning of a curve to the left, said curve having a radius of 766.80 feet, a curve length of 182.65 feet, a central angle of 13°38'51", a chord bearing of North 73°16'46" East a distance of 182.21 feet;

Thence South 21°03'28" West a distance of 74.09 feet to the beginning of a non-tangent curve to the left, said curve having a radius of 310.00 feet, a length of 71.37 feet, through a central angle of 13°11'30", with a chord bearing North 85°43'41" West a distance of 71.22 feet;

Thence South 02°19'26" East a distance of 70.00 feet to the beginning of a curve to the left, said curve having a 240.00 foot radius, with a length of 73.31 feet, through a central angle of 17°30'07", a chord bearing South 78°55'30" West a distance of 73.03 feet;

Thence South 02°22'25" East a distance of 1027.04 feet;

Thence South 87°36'39" West a distance of 802.44 feet;

Thence North 02°51'54" East a distance of 657.57 feet;

Thence South 89°57'19" West a distance of 258.15 feet;

Thence North 17°17'47" West a distance of 250.23 feet;

Thence North 02°17'47" West a distance of 70.00 feet to the POINT OF BEGINNING.

EXCEPTING THEREFROM Parcel D-1

A parcel of land located in a portion of Government Lots 5 and 6 and a portion of the Amended Townsite Plat of Horseshoe Bend within Section 26 in a portion of the S ½ of Section 26, Township 7 North, Range 2 East, Boise Meridian, Horseshoe Bend, Boise County, Idaho, more particularly described as follows:

COMMENCING at a found 1 ½" Axle at the section corner common to Sections 26, 27, 34 and 35 of Township 7 North, Range 2 East, Boise Meridian as shown on Record of Survey No. 182866, from which a brass cap monument at the quarter common to said Sections 26 and 27 bears North 00°22'26" West a distance of 2639.46 feet as shown on said Record of Survey;

Thence along the section line common to said Sections 26 and 27, North 00°22'26" West a distance of 227.25 feet to a 5/8" rebar with plastic cap at the beginning of a curve to the right;

Thence 176.63 feet along the arc of a 475.00 foot radius curve, with a central angle of 21°18'19", a chord bearing North 55°39'18" West a distance of 175.61 feet;

Thence North 45°00'09" West a distance of 1229.25 feet to a point on the Easterly right-of-way line of State Highway 55;

Thence along said right-of-way line, North 11°12'14" East a distance of 32.09 feet;

Thence South 45°10'14" East a distance of 168.89 feet;

Thence South 44°49'46" West a distance of 2.00 feet;

Thence South 45°10'14" East a distance of 10.00 feet;

Thence North 44°49'46" East a distance of 2.00 feet;

Thence South 45°10'14" East a distance of 889.92 feet;

Thence South 47°29'58" East a distance of 169.54 feet to the beginning of a curve to the left, having a radius of 500.00 feet, a length of 147.31 feet, a central angle of 16°52'50", a chord bearing South 55°56'22" East a distance of 146.78 feet;

Thence South 64°22'47" East a distance of 41.03 feet to the beginning of a curve to the left, having a radius of 250.00 feet, a length of 94.80 feet, through a central angle of 21°43'34", a chord bearing South 75°14'34" East a distance of 94.23 feet;

Thence South 86°06'21" East a distance of 66.71 feet;

Thence North 88°09'16" East a distance of 80.55 feet;
 Thence North 83°33'34" East a distance of 177.20 feet;
 Thence North 07°23'38" West a distance of 77.47 feet to the beginning of a curve to the right, having a radius of 225.00 feet, a length of 29.04 feet, through a central angle of 07°23'38", a chord bearing North 03°41'39" West a distance of 29.02 feet;
 Thence North 00°00'00" East a distance of 163.02 feet to the beginning of a curve to the right, having a radius of 225.00 feet, a length of 344.05 feet, through a central angle of 87°36'39", a chord bearing North 43°48'19" East a distance of 311.49 feet;
 Thence North 87°36'39" East a distance of 136.46 feet;
 Thence North 02°22'25" West a distance of 690.21 feet to the TRUE POINT OF BEGINNING;
 Thence continuing, North 02°22'25" West a distance of 336.83 feet to the beginning of a non-tangent curve to the left, having a 240.00 foot radius, with a length of 74.37 feet, through a central angle of 17°45'15", a chord bearing South 61°17'49" West a distance of 74.07 feet;
 Thence South 52°25'12" West a distance of 99.26 feet;
 Thence South 15°52'36" West a distance of 250.16 feet;
 Thence North 89°57'07" East a distance of 226.02 feet to the POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM Parcel D-2

A parcel of land located in a portion of Government Lots 5 and 6 and a portion of the Amended Townsite Plat of Horseshoe Bend within Section 27, Township 7 North, Range 2 East, Boise Meridian, Horseshoe Bend, Boise County, Idaho, more particularly described as follows:

COMMENCING at a found 1 1/2" Axle at the section corner common to Sections 26, 27, 34 and 35 of Township 7 North, Range 2 East, Boise Meridian as shown on Record of Survey No. 182866, from which a brass cap monument at the quarter common to said Sections 26 and 27 bears North 00°22'26" West a distance of 2639.46 feet as shown on said record of Survey;
 Thence along the section line common to said Sections 26 and 27, North 00°22'26" West a distance of 227.25 feet to a 5/8" rebar with plastic cap at the beginning of a curve to the right;
 Thence 176.63 feet along the arc of a 475.00 foot radius curve, with a central angle of 21°18'19", a chord bearing North 55°39'18" West a distance of 175.61 feet;
 Thence North 45°00'09" West a distance of 1229.25 feet to a point on the Easterly right-of-way line of State Highway 55;
 Thence along said right-of-way line, North 11°12'14" East a distance of 32.09 feet;
 Thence along said right-of-way line North 11°12'14" East a distance of 441.30 feet to a point on the South right-of-way line, of the Oregon Short Line Railroad;
 Thence along said South right-of-way line, North 87°42'13" East a distance of 606.50 feet the TRUE POINT OF BEGINNING;
 Thence continuing, North 87°42'13" East a distance of 306.92 feet to a point on the East line of said Section 27;
 Thence South 00°22'26" East a distance of 321.00 feet along said East line;
 Thence leaving said East line, South 89°57'19" West a distance of 231.57 feet;
 Thence North 17°17'47" West a distance of 250.23 feet;
 Thence North 02°17'47" West a distance of 70.02 feet to the POINT OF BEGINNING.

Instrument # 210268

IDAHO CITY, BOISE COUNTY, IDAHO

2006-09-13

04:14:01 No. of Pages: 28

Recorded for : PIONEER TITLE

RORA A. CANODY

Fee: 84.00

Ex-Officio Recorder Deputy

Index to: UCC/MORTGAGE

DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING

THIS DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING (the "Deed of Trust") effective as of September 13, 2006, by ULTIMATE LOG AND CUSTOM HOMES, LLC, an Idaho limited liability company, whose address is ~~123 Main Road, P.O. Box 370, Horseshoe Bend, ID 83629~~ 123 Main Road, P.O. Box 370, Horseshoe Bend, ID 83629, as grantor (the "Borrower"), Pioneer Title Company of Ada County, as trustee (the "Trustee"), and VINTAGE PROPERTIES L.P., an Idaho limited liability company, its successors and assigns, whose address is 3366 Overland Rd., Boise, ID 83705, as beneficiary (the "Lender").

*P.O. Box 140369 Garden City Idaho 83714-0369

RECITALS

A. Borrower is indebted to Lender in the original principal sum of One Million and No/100 Dollars (\$1,000,000.00) with interest thereon, which indebtedness is evidenced and represented by that certain Deed of Trust Note of even date from Borrower to Lender, with final payment due and payable on the date two (2) years from the date hereof (the Deed of Trust Note together with all substitutions, consolidations, modifications, replacements, restatements, increases, renewals, and extensions thereof, in whole or in part, shall collectively be referred to as the "Note").

B. Lender, as a condition precedent to the extension of credit and the making of the loan evidenced by the Note, has required that Borrower provide Lender with security for the repayment of the indebtedness evidenced by the Note as well as for the performance, observance and discharge by Borrower of various covenants, conditions and agreements made by Borrower to, with, in favor of, and for the benefit of, Lender with respect to such indebtedness and security.

1. Grants of Security.

1.1 **Property Granted.** In consideration of and in order to secure the repayment of the indebtedness evidenced and represented by the Note, together with interest on such indebtedness, as well as the payment of all sums advanced pursuant to this Deed of Trust to protect and preserve the Property and the lien and security interest created hereby and all other sums of money secured hereby, as provided below; and to secure the observance, performance and discharge by Borrower of all covenants, conditions and agreements set forth in the Note, this Deed of Trust and in all other documents and instruments executed and delivered by Borrower to and in favor of Lender for the purpose of further securing the repayment of the indebtedness evidenced and represented by the Note (all of the forgoing obligations are referred to as the "Secured Obligations"), Borrower grants, bargains, sells, aliens, remises, releases, conveys, assigns, transfers, pledges, delivers, sets over, hypothecates, warrants, and confirms to Trustee, in trust, with power of sale, for the benefit and security of Lender, as beneficiary hereunder, subject to the terms and conditions of this Deed of Trust, all estate, right, title and interest which Borrower now has or may later acquire in and to the following described properties, rights and interests and all replacements of, substitutions for, and additions thereto (all of which are referred to below as the "Property"):

1.1.1 Real Property. The real property in Boise County, Idaho, consisting of (a) Parcel A excluding that portion described as Parcel D-2, and (b) Parcel D excluding that portion described as Parcel D-1, as described in *Exhibit A* attached hereto and made a part hereof (the "Real Property"), which Real Property is either located within an incorporated city or village, or does not exceed forty (40) acres.

1.1.2 Improvements. All buildings, structures and other improvements of any kind, nature or description now or hereafter erected, constructed, placed or located upon the Real Property (the "Improvements").

1.1.3 Appurtenances. All tenements, hereditaments, strips and gores of land, rights-of-way, easements, privileges and other appurtenances now or hereafter belonging or in any way appertaining to the Real Property, including, without limitation, all right, title and interest of the Borrower in any after-acquired right, title, interest, remainder or reversion, in and to the beds of any ways, streets, avenues, roads, alleys, passages and public places, open or proposed, in front of, running through, adjoining or adjacent to the Real Property; to the extent owned by Borrower, all minerals, royalties, gas rights, water, water rights, water stock, flowers, shrubs, lawn plants, crops, trees, timber and other emblements now or hereafter located on, under, or above all or any part of the Real Property (the "Appurtenances").

1.1.4 Leases and Rents. All leases and other agreements affecting the use, enjoyment or occupancy of all or any part of the Real Property or the Improvements heretofore or hereafter entered into whether before or after the filing by or against Borrower of any petition for relief under 11 U.S.C. §§ 101, et seq. (the "Bankruptcy Code"), as the same may be amended from time to time (the "Leases") and all right, title and interest of Borrower, its successors and assigns therein and thereunder, including, without limitation, cash or securities deposited thereunder to secure the performance by the lessees of their obligations thereunder and all rents, additional rents, revenues, issues and profits (including all oil and gas or other mineral royalties and bonuses) from the Real Property and the Improvements whether paid or accruing before or after the filing by or against Borrower of any petition for relief under the Bankruptcy Code (the "Rents") and all proceeds from the sale or other disposition of the Leases and the right to receive and apply the Rents to the payment of the Secured Obligations.

1.1.5 Condemnation Awards. Any and all awards, payments or settlements, including interest thereon, and the right to receive the same, as a result of (a) the exercise of the right of eminent domain, (b) the alteration of the grade of any street, and (c) any other injury, damage or casualty to, taking of, or decrease in the value of, the Property, to the extent of all amounts that may be secured by this Deed of Trust at the date of any such award or payment, including but not limited to Reasonable Attorneys' Fees (as defined below), costs, and disbursements incurred by Lender in connection with the collection of such award or payment.

1.1.6 Fixtures. All fixtures (including, but not limited to all heating, air conditioning, plumbing, lighting, communications and elevator fixtures) and other fixtures of every kind and nature whatsoever owned by Borrower, or in which Borrower has or shall have an interest, now or hereafter located upon the Real Property or the Improvements, or appurtenant thereto, and used in connection with the present or future operation and occupancy of the Real Property and the Improvements (together referred to as the "Fixtures" which term expressly excludes any toxic waste or substance deemed hazardous under federal, regional, state, or local laws).

1.1.7 Insurance Proceeds. All proceeds of and any unearned premiums on any insurance policies covering the Property, including, without limitation, the right to receive and apply the proceeds of any insurance judgments, or settlements made in lieu thereof, for damage to the Property.

1.1.8 Agreements. All agreements, contracts, certificates, instruments, franchises, permits, licenses, plans, specifications and other documents, now or hereafter entered into, and all rights therein and thereto, respecting or pertaining to the use, occupation, construction, management or operation of the Real Property and any part thereof and any Improvements or respecting any business or activity conducted on the Real Property and any part thereof and all right, title and interest of Borrower therein and thereunder, including, without limitation, the right to receive and collect any sums payable to Borrower thereunder.

1.1.9 Intangibles. All trade names, trademarks, service marks, logos, copyrights, goodwill, books and records and all other general intangibles specific to or used in connection with the operation of the Property.

1.2 Security Agreement. This Deed of Trust is both a real property deed of trust and a "security agreement" within the meaning of the Idaho Uniform Commercial Code. The Property includes all rights and interests, whether tangible or intangible in nature, of Borrower in the Property. By executing and delivering this Deed of Trust, Borrower grants Lender, as security for the Secured Obligations, a security interest in the Property to the full extent that the Property may be subject to the Idaho Uniform Commercial Code. This Deed of Trust shall operate as and constitute a financing statement filed as a fixture filing, covering any of the Property that now is or later becomes fixtures attached to the Real Property or the Improvements.

2. Borrower Covenants. Borrower covenants and agrees as follows:

2.1 Payment of Principal and Interest. Borrower shall pay the Note, together with all interest thereon, in accordance with the terms of the Note, promptly at the times, at the place and in the manner that said principal and interest shall become due, and to promptly and punctually pay all other sums required to be paid by Borrower pursuant to the terms of the Note, this Deed of Trust, and all other documents and instruments executed as further evidence of, as additional security for, or executed in connection with, the indebtedness evidenced by the Note and secured by this Deed of Trust are collectively referred to as the "Loan Documents."

2.2 Performance of Other Obligations. Borrower shall perform, comply with, and abide by each and every one of the covenants, agreements and conditions contained and set forth in the Note, this Deed of Trust, and the other Loan Documents and shall comply with all laws, ordinances, rules, regulations and orders of any governmental authorities having jurisdiction over the Property that now or hereafter affect the Property or requires any alterations or improvements to be made thereon, and shall perform all of its obligations under any covenant, condition, restriction or agreement of record affecting the Property and shall insure that at all times the Property constitutes one or more legal lots capable of being conveyed without violation of any subdivision or platting laws, ordinances, rules or regulations, or other laws relating to the division or separation of real property.

2.3 Preservation and Maintenance of Property. Borrower shall keep all Improvements now existing or hereafter erected on the Real Property in good order and repair and shall not do or permit any waste, impairment or deterioration thereof or thereon, nor alter, remove, or demolish any of the Improvements or any Fixtures or Property attached or appertaining thereto, without the prior written consent of Lender. Borrower shall not initiate, join in, or consent to any change in any private restrictive covenant, zoning ordinance or other public or private restrictions limiting or defining the uses that may be made of the Property or any part thereof, nor do or permit any other act whereby the Property shall become less valuable, be used for purposes contrary to applicable law, or be used in any manner that will increase the premium for or result in a termination or cancellation of the insurance policies hereinafter required to be kept and maintained on the Property. Borrower shall effect such repairs as Lender may reasonably require, and from time to time make all needful and proper replacements so that the Improvements, Appurtenances, Fixtures and Property will, at all times, be in good condition, fit and proper for the respective purposes for which they were originally erected or installed.

2.4 Accessibility.

2.4.1 Borrower at all times shall maintain the Property in full compliance with all existing and hereafter enacted federal, state, county, regional or local laws, ordinances, rules and regulations governing accessibility for the disabled, including but not limited to The Architectural Barriers Act of 1968, The Rehabilitation Act of 1973, The Fair Housing Act of 1988, and The Americans with Disabilities Act (the "Accessibility Laws").

2.4.2 Borrower shall indemnify Lender and hold Lender harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against Lender for, with respect to, or as a direct or indirect result of, the non-compliance of the Property with the Accessibility Laws whether or not caused by, or within the control of, Borrower.

2.4.3 Liability under this Section 2.5 and similar provisions in this Deed of Trust and the other Loan Documents concerning Accessibility Laws shall survive repayment of the Note

and satisfaction of this Deed of Trust; provided, however, Borrower shall not be liable under this Section 2.5 for compliance with any Accessibility Laws if such Accessibility Laws first become effective, or such violations result from alterations or improvements to the Property that are performed subsequent to Lender's acquisition of the Property by foreclosure or acceptance of a deed in lieu thereof or subsequent to any transfer which was approved or authorized by Lender pursuant to this Deed of Trust, provided that such transferee assumes in writing all obligations pertaining to Accessibility Laws pursuant to this Deed of Trust and the other Loan Documents.

2.5 Payment of Taxes, Assessments and Other Charges. Borrower shall pay all taxes, assessments, and other charges that are or may be hereafter levied or assessed upon or against the Property, when the same shall become due and payable according to law, before the same become delinquent, and before any interest or penalty shall attach thereto. Borrower shall deliver official receipts evidencing the payment of the same to Lender not later than thirty (30) days following payment. Borrower shall have the right to contest, in good faith, the proposed assessment of ad valorem taxes or special assessments by governmental authorities having jurisdiction over the Property; provided, however, Borrower shall give written notice thereof to Lender and Lender may, in its sole discretion, require Borrower to post a bond or other collateral satisfactory to Lender in connection with any such action by Borrower.

2.6 Payment of Liens, Charges and Encumbrances. Borrower shall immediately pay and discharge from time to time when the same shall become due all lawful claims and demands of mechanics, materialmen, laborers and others which, if unpaid, might result in, or permit the creation of, a lien, charge or encumbrance upon the Property or any part thereof, or on the rents, issues, income, revenues, profits and proceeds arising therefrom and, in general, to do or cause to be done everything necessary so that the lien of this Deed of Trust shall be fully preserved, at the cost of Borrower, without expense to Lender. Borrower shall have the right to contest, in good faith and in accordance with applicable laws and procedures, mechanics' and materialmen's liens filed against the Property; provided however, that Borrower shall give written notice thereof to Lender, and Lender may, in its sole discretion, require Borrower to post a bond or other collateral satisfactory to Lender (and acceptable to the title insurance company insuring this Deed of Trust) in connection with any such action by Borrower.

2.7 Payment of Junior Encumbrances. Borrower shall not permit default or delinquency under any lien, imposition, charge or encumbrance against the Property, even though junior and inferior to the lien of this Deed of Trust; provided however, the foregoing shall not be construed to permit any other lien or encumbrance against the Property.

2.8 Payment of Mortgage Taxes. Borrower shall pay any and all taxes that may be levied or assessed directly or indirectly upon the Note and/or this Deed of Trust (except for income taxes payable by Lender) or the debt secured hereby, without regard to any law that may be hereafter enacted imposing payment of the whole or any part thereof upon Lender, its successors or assigns.

2.9 Insurance.

2.9.1 Borrower shall obtain and maintain, or cause to be maintained, insurance for Borrower and the Property providing at least the following coverages:

(a) **Property Insurance.** Insurance with respect to the Improvements and building equipment insuring against any peril included within the classification "All Risks of Physical Loss," in an amount equal to amounts at all times sufficient to prevent Lender from becoming a co-insurer within the terms of the applicable policies and under applicable law, but in any event such insurance shall be maintained in an amount equal to the full insurable value of the Improvements and building equipment on the Property. The term "full insurable value" means the actual replacement cost of the Improvements and building equipment (without taking into account any depreciation, and exclusive of excavations, footings and foundations, landscaping, and paving).

(b) **Liability Insurance.** Comprehensive general liability insurance, including bodily injury, death and property damage liability insurance, against any and all claims, including all legal liability to the extent insurable and imposed upon Lender and all court costs and attorneys' fees and expenses, arising out of or connected with the possession, use, leasing, operation, maintenance or condition of the Property in such amounts as are generally available at commercially reasonable premiums and are generally required by institutional lenders for properties comparable to the Property but in no event for a combined single limit of less than \$2,000,000.

(c) **Flood Insurance.** Flood insurance in an amount at least equal to the lesser of (A) the principal balance of the Note, or (B) the maximum limit of coverage available for the Property under the National Flood Insurance Act of 1968, The Flood Disaster Protection Act of 1973 or the National Flood Insurance Reform Act of 1994, as each may be amended, or any successor law (the "Flood Acts"), if any portion of the Improvements is now or at any time in the future located within an area identified by the Secretary of Housing and Urban Development or any successor thereto as an area having special flood hazards pursuant to the Flood Acts.

(d) **Other Insurance.** Such other insurance with respect to the Property against loss or damage of the kinds from time to time customarily insured against and in such amounts as are generally available at commercially reasonable premiums and are generally required by institutional lenders for properties comparable to the Property.

2.9.2 All insurance provided for in Subsection 2.11.1 shall be obtained under valid and enforceable policies (the "Policies" or in the singular, the "Policy"), and shall be issued by one or more domestic primary insurer(s) having (i) an investment grade rating or claims paying ability assigned by one or more credit rating agencies approved by Lender (a "Rating Agency") and (ii) a general policy rating of A or better and a financial class of VI or better by A.M. Best Company, Inc. (each such insurer shall be referred to below as a "Qualified Insurer"). All insurers providing insurance required by this Deed of Trust shall be authorized to issue insurance in the state in which the Property is located. The Policy referred to in Paragraph (b) above shall name Lender as an additional named insured and the Policy referred to in Paragraphs (a), (c), (d), and (e) above shall

provide that all proceeds be payable to Lender as set forth in this Deed of Trust. The Policies referred to in Paragraphs (a), (d), and (e) shall also contain: (i) a standard "non-contributory mortgagee" endorsement or its equivalent (such as the Lender's Loss Payable endorsement 438 BFU, in long form) relating, *inter alia*, to recovery by Lender notwithstanding the negligent or willful acts or omission of Borrower; (ii) to the extent available at commercially reasonable rates, a waiver of subrogation endorsement as to Lender; and (iii) an endorsement providing for a deductible per loss of an amount not more than that which is customarily maintained by prudent owners of similar properties in the general vicinity of the Property, but in no event in excess of an amount approved by Lender. All Policies described in Subsection 2.11.1 shall contain (i) a provision that such policies shall not be canceled or terminated, nor shall they expire, without at least thirty (30) days' prior written notice to Lender in each instance; and (ii) include effective waivers by the insurer of all claims for Insurance Premiums (defined below) against any loss payees, additional insureds and named insureds (other than Borrower). Certificates of insurance with respect to all renewal and replacement Policies shall be delivered to Lender not less than thirty (30) days prior to the expiration date of any of the Policies required to be maintained hereunder which certificates shall bear notations evidencing payment of applicable premiums (the "Insurance Premiums"). Originals or certificates of such replacement Policies shall be delivered to Lender promptly after Borrower's receipt thereof but in any case within thirty (30) days after the effective date thereof. If Borrower fails to maintain and deliver to Lender the original Policies or certificates of insurance required by this Deed of Trust, Lender may procure such insurance at Borrower's sole cost and expense.

2.9.3 Borrower shall comply with all insurance requirements and shall not bring or keep or permit to be brought or kept any article upon any of the Property or cause or permit any condition to exist thereon that would be prohibited by an insurance requirement, or would invalidate the insurance coverage required hereunder to be maintained by Borrower on or with respect to any part of the Property pursuant to this Section.

2.9.4 If the Property shall be damaged or destroyed, in whole or in part, by fire or other casualty, Borrower shall give prompt notice of such damage to Lender and provided that Borrower shall have received the Net Proceeds (defined below), Borrower shall promptly commence and diligently prosecute the completion of the repair and restoration of the property as nearly as possible to the condition the Property was in immediately prior to such fire or other casualty, with such alterations as may be approved by Lender (the "Restoration") and otherwise in accordance with Section 2.13 of this Deed of Trust.

2.9.5 The insurance coverage required under Subsection 2.11.1 may be effected under a blanket policy or policies covering the Property and other properties and assets not constituting a part of the security hereunder; provided that any such blanket policy shall specify, except in the case of public liability insurance, the portion of the total coverage of such policy that is allocated to the Property, and any sublimit in such blanket policy applicable to the Property, and shall in any case comply in all other respects with the requirements of this Section.

2.9.6 Borrower waives any and all right to claim or recover against Lender, its officers, employees, agents and representatives, by way of subrogation or otherwise, for any loss sustained by Borrower, or any loss or damage to the Property, Borrower's property or the property of others under Borrower's control from any cause insured against or required to be insured against by the provisions of this Deed of Trust.

2.9.7 Borrower shall deliver receipts evidencing payments of all premiums payable for such insurance policies to Lender not later than thirty (30) days following payment.

2.10 Condemnation. Borrower shall promptly give Lender notice of the actual or threatened commencement of any condemnation or eminent domain proceeding and shall deliver to Lender copies of any and all papers served in connection with such proceedings. Lender may participate in any such proceedings to the extent permitted by law. Upon an Event of Default, Borrower shall deliver to Lender all instruments requested by it to permit such participation. Borrower shall, at its expense, diligently prosecute any such proceedings, and shall consult with Lender, its attorneys and experts, and cooperate with them in the carrying on or defense of any such proceedings. Notwithstanding any taking by any public or quasi-public authority through eminent domain or otherwise (including, but not limited to any transfer made in lieu of or in anticipation of the exercise of such taking), Borrower shall continue to pay the Secured Obligations at the time and in the manner provided for its payment in the Note and in this Deed of Trust and the Secured Obligations shall not be reduced until any award or payment therefor shall have been actually received and applied by Lender, after the deduction of expenses of collection, to the reduction or discharge of such obligations. Lender shall not be limited to the interest paid on the award by the condemning authority but shall be entitled to receive out of the award interest at the rate or rates provided herein or in the Note. If the property or any portion thereof is taken by the power of eminent domain, Borrower shall promptly commence and diligently prosecute the Restoration of the Property in accordance with this Deed of Trust. If the Property is sold, through foreclosure or otherwise, prior to the receipt by Lender of the award or payment, Lender shall have the right, whether or not a deficiency judgment on the Note shall have been sought, recovered or denied, to receive the award or payment, or a portion thereof sufficient to pay the Secured Obligations.

2.11 Restoration After Casualty or Condemnation. In the event of a casualty or a taking by eminent domain, the following provisions shall apply in connection with the Restoration of the Property:

2.11.1 If (i) the Net Proceeds (defined below) do not exceed \$10,000 ("Casualty Amount"); (ii) the costs of completing the Restoration as reasonably estimated by Borrower shall be less than or equal to the Casualty Amount; (iii) no Event of Default shall have occurred and be continuing under the Note, this Deed of Trust or any of the other Loan Documents; (iv) the Property and the use thereof after the Restoration will be in compliance with, and permitted under, all applicable zoning laws, ordinances, rules and regulations; and (v) such fire or other casualty or taking, as applicable, does not materially impair access to the Property or the Improvements, then the Net Proceeds will be disbursed directly to Borrower and Borrower shall commence and diligently

prosecute to completion, the Restoration of the Property to as nearly as possible the condition it was in immediately prior to such fire or other casualty or such taking. Except upon the occurrence and continuance of an Event of Default, Borrower shall settle any insurance claims with respect to the Net Proceeds which in the aggregate are less than or equal to the Casualty Amount. Lender shall have the right to participate in and reasonably approve any settlement for insurance claims with respect to the Net Proceeds that in the aggregate are equal to or greater than the Casualty Amount. If an Event of Default shall have occurred and be continuing, Borrower irrevocably empowers Lender, in the name of Borrower as its true and lawful attorney-in-fact, to file and prosecute such claim and to collect and to make receipt for any such payment. If the Net Proceeds are received by Borrower, such Net Proceeds shall, until the completion of the related work, be held in trust for Lender and shall be segregated from other funds of Borrower to be used to pay for the cost of the Restoration in accordance with the terms hereof.

2.11.2 If the Net Proceeds are greater than the Casualty Amount, such Net Proceeds shall be paid to Lender to be held by Lender to be made available to Borrower for the Restoration in accordance with the provisions of this Subsection. Borrower shall commence and diligently prosecute to completion the Restoration (in the case of a taking, to the extent the Property is capable of being restored). The term "Net Proceeds" for purposes of this Section shall mean: (i) the net amount of all insurance proceeds under the Policies carried pursuant to Paragraphs 2.11.1(a), (d), (e), and (f) of this Deed of Trust as a result of such damage or destruction, after deduction of its reasonable costs and expenses (including, but not limited to reasonable counsel fees), if any, in collecting the same, or (ii) the net amount of all awards and payments received by Lender with respect to a taking referenced in Section 2.12 of this Deed of Trust, after deduction of its reasonable costs and expenses (including, but not limited to reasonable counsel fees), if any, in collecting the same, whichever the case may be.

(a) The Net Proceeds shall be made available to Borrower for payment of, or reimbursement of Borrower's expenses in connection with, the Restoration, subject to the following conditions:

(i) No Event of Default shall have occurred and be continuing under the Note, this Deed of Trust or any of the other Loan Documents;

(ii) Lender shall, within a reasonable period of time prior to request for initial disbursement, be furnished with an estimate of the cost of the Restoration accompanied by an architect's certification as to such costs and appropriate plans and specifications for the Restoration;

(iii) The Net Proceeds, together with any cash or cash equivalent deposited by Borrower with Lender, are sufficient to cover the cost of the Restoration as such costs are certified by the architect;

(iv) Lender shall be satisfied that any operating deficits, including all scheduled payments of principal and interest under the Note which will be incurred with respect to the Property as a result of the occurrence of any such fire or other casualty or taking, whichever the case may be, will be covered out of (1) the Net Proceeds, or (2) other funds of Borrower;

(v) Lender shall be satisfied that, upon the completion of the Restoration and related lease-up, if applicable, the Property will achieve the Debt Service Coverage required by the Term Loan Agreement;

(vi) The Property and the use thereof after the Restoration will be in compliance with, and permitted under, all applicable zoning laws, ordinances, rules and regulations; and

(vii) Such fire or other casualty or taking, as applicable, does not materially impair access to the Property or the Improvements.

(b) The Net Proceeds shall be held by Lender and, until disbursed in accordance with the provisions of this Subsection, shall constitute additional security for the Secured Obligations. The Net Proceeds other than the Net Proceeds paid under the Policy described in Paragraph 2.11.1(c) shall be disbursed by Lender to, or as directed by, Borrower from time to time during the course of the Restoration, upon receipt of evidence satisfactory to Lender that (A) all materials installed and work and labor performed (except to the extent that they are to be directly paid for out of the requested disbursement) in connection with the Restoration have been paid for in full, and (B) there exist no notices of pendency, stop orders, mechanic's or materialman's liens or notices of intention to file same, or any other liens or encumbrances of any nature whatsoever on the Property arising out of the Restoration which have not either been fully bonded and discharged of record or in the alternative fully insured to the satisfaction of Lender by the title insurance company insuring the lien of this Deed of Trust.

(c) Lender shall have the use of the plans and specifications and all permits, licenses and approvals required or obtained in connection with the Restoration. The identity of the contractors, subcontractors and materialmen engaged in the Restoration, as well as the contracts under which they have been engaged, shall be subject to prior review and acceptance by Lender and an independent consulting engineer selected by Lender (the "Casualty Consultant"), such acceptance not to be unreasonably withheld or delayed. All costs and expenses incurred by Lender in connection with making the Net Proceeds available for the Restoration including, without limitation, reasonable counsel fees and disbursements and the Casualty Consultant's fees, shall be paid by Borrower.

(d) Lender shall not be obligated to make disbursements of the Net Proceeds in excess of an amount equal to the costs actually incurred from time to time for work in place as part of the Restoration, as certified by the Casualty Consultant.

(e) Lender shall not be obligated to make disbursements of the Net Proceeds more frequently than once every calendar month.

(f) If at any time the Net Proceeds or the undisbursed balance thereof shall not, in the opinion of Lender, be sufficient to pay in full the balance of the costs which are estimated by the Casualty Consultant to be incurred in connection with the completion of the Restoration, Borrower shall deposit the deficiency (the "Net Proceeds Deficiency") with Lender before any further disbursement of the Net Proceeds shall be made. The Net Proceeds Deficiency deposited with Lender shall be held by Lender and shall be disbursed for costs actually incurred in connection with the Restoration on the same conditions applicable to the disbursement of the Net Proceeds, and until so disbursed pursuant to this Paragraph shall constitute additional security for the Secured Obligations.

(g) The excess, if any, of the Net Proceeds and the remaining balance, if any, of the Net Proceeds Deficiency deposited with Lender after the Casualty Consultant certifies to Lender that the Restoration has been completed in accordance with the provisions of this Section, and the receipt by Lender of evidence satisfactory to Lender that all costs incurred in connection with the Restoration have been paid in full, shall be remitted by Lender to Borrower, provided no Event of Default shall have occurred and shall be continuing under the Note, this Deed of Trust or any of the other Loan Documents.

2.12 Compliance with Laws. Borrower shall observe, abide by, and comply with all statutes, ordinances, laws, orders, requirements or decrees relating to the Property enacted, promulgated or issued by any federal, state, county or local governmental authority or any agency or subdivision thereof having jurisdiction over Borrower or the Property. Borrower shall observe and comply with all conditions and requirements necessary to preserve and extend any and all rights, licenses, permits (including, but not limited to, zoning, variances, special exceptions and nonconforming uses), privileges, franchises and concessions that are applicable to the Property or that have been granted to or contracted for by Borrower in connection with any existing, presently contemplated or future use of the Property.

2.13 Maintenance of Permits. Borrower shall obtain, keep, and constantly maintain in full force and effect during the entire term of this Deed of Trust all certificates, licenses and permits necessary to keep the Property operating as a business park. Except as specifically provided for in this Deed of Trust, Borrower shall not assign, transfer or in any manner change such certificates, licenses or permits without first receiving the written consent of Lender.

2.14 Obligations of Borrower as Lessor. Borrower shall perform every obligation of Borrower (as the lessor) and enforce every obligation of the lessee in each lease or other occupancy agreement of the Property or any part thereof (the "Occupancy Leases"). Borrower shall not modify, alter, waive, or cancel any Occupancy Lease or any part thereof, without the prior written consent of Lender. Borrower shall not collect for more than thirty (30) days in advance any rents that may be collectible under any Occupancy Lease and, except as provided for in this Deed of Trust, shall not

assign any Occupancy Lease or any rents to any party other than Lender, without the prior written consent of Lender. In the event of default under any Occupancy Lease by reason of failure of the Borrower to keep or perform one or more of the covenants, agreements or conditions thereof, Lender is authorized and empowered, and may, at its sole option, remedy, remove or cure any such default, and further, Lender may, at its sole option and in its sole discretion, but without obligation to do so, pay any sum of money deemed necessary by it for the performance of said covenants, agreements and conditions, or for the curing or removal of any such default, and incur all expenses and obligations which it may consider necessary or reasonable in connection therewith, and Borrower shall repay on demand all such sums so paid or advanced by Lender together with interest thereon until paid at the then applicable interest rate of the Note plus five (5) basis points. All such sums, if unpaid, shall be added to and become part of indebtedness secured hereby. All Occupancy Leases hereafter made shall be subject to the approval of Lender and (a) shall be at competitive market rental rates then prevailing in the geographic area for property comparable to the Property, and (b) at Lender's option, shall be superior or subordinate in all respects to the lien of this Deed of Trust. Lender shall not require approval in advance of any Occupancy Leases that conform to the Borrower's Form Lease (as defined below) as previously approved by Lender, except as set forth below.

2.14.1 Lender has approved in writing a form(s) of leases to be used by Borrower in connection with the Property, being the form of lease in effect for G. R. Peterson Enterprises, Inc. (the "Form Lease"). Borrower shall not, without the prior written consent of Lender, modify or alter the Form Lease in any material respect. In addition, Borrower shall not, without the prior written consent of Lender, surrender or terminate, either orally or in writing, any Occupancy Lease now existing or hereafter made for all or part of the Property, permit an assignment or sublease of any such Occupancy Lease, except as set forth in the Occupancy Lease, or request or consent to the subordination of any Occupancy Lease to any lien subordinate to this Deed of Trust. If requested, Borrower shall furnish Lender with copies of all executed Occupancy Leases of all or any part of the Property now existing or hereafter made, and Borrower shall assign to Lender (which assignment shall be in form and content acceptable to Lender), as additional security for the Note, all Occupancy Leases now existing or hereafter made for all or any part of the Property. Additionally, if any tenant lease contains a provision allowing the tenant to terminate their lease upon payment of a lease termination fee, Borrower agrees that all such sums shall be paid to Lender so long as this Deed of Trust is in effect and held by Lender to be applied to the obligations secured by this Deed of Trust until a new tenant is secured for the space at the same or higher rent. All funds held by Lender shall be applied to regular payments due under the Deed of Trust Note and not for prepayment unless there is a default hereunder.

2.14.2 Borrower shall notify Lender in writing of all prospective tenants and shall deliver to Lender, at Borrower's sole cost and expense, information about the prospective tenant reasonably requested by Lender.

2.15 Examination of Borrower's Records. Borrower shall maintain complete and accurate books and records showing in detail the income and expenses of the Property, and shall

permit Lender and its representatives to examine such books and records and all supporting vouchers and data during normal business hours and from time to time upon request by Lender, in such place as such books and records are customarily kept, and shall furnish to Lender, within thirty (30) days after the close of each fiscal year of Borrower, annual statements (income statements and a balance sheet) for the Borrower and the Property in a form acceptable to Lender and shall be prepared in accordance with generally accepted accounting principles, and shall include a rent roll, certified as true and correct by Borrower and showing in detail all income derived from and expenses incurred in connection with the ownership of the Property. Upon the occurrence of an Event of Default, Lender shall have the right to require that the financial statements be audited and certified by a certified public accountant acceptable to Lender, at the sole cost and expense of Borrower.

3. Representations and Warranties. Borrower represents and warrants to Lender that:

3.1 Warranty of Title. Borrower has good title to the Property and has the right to mortgage, grant, bargain, sell, pledge, assign, warrant, transfer and convey the same and that Borrower possesses an unencumbered fee simple absolute estate in the Real Property and the Improvements and that it owns the Property free and clear of all liens, encumbrances and charges whatsoever except for real property taxes for years subsequent to 2006 (which are not yet due and payable) and those matters set forth in the Lender's Policy of Title Insurance insuring the first priority lien of this Deed of Trust (the "Permitted Exceptions"). Borrower shall forever warrant, defend and preserve the title and the validity and priority of the lien of this Deed of Trust and shall forever warrant and defend the same to Lender against the claims of all persons whomsoever.

3.2 Status of Property.

3.2.1 Borrower has obtained all necessary certificates, licenses and other approvals, governmental and otherwise, necessary for the operation of the Property and the conduct of its business and all required zoning, building code, land use, environmental and other similar permits or approvals, all of which are in full force and effect as of the date hereof and not subject to revocation, suspension, forfeiture or modification.

3.2.2 All public roads and streets necessary for service of and access to the Property for the current or contemplated use thereof have been completed, are serviceable and all-weather and are physically and legally open for use by the public.

3.2.3 The Property complies with the Americans With Disabilities Act and any regulations promulgated thereunder.

3.2.4 No part of the Real Property consists of or is classified as wetlands, tidelands, or swamp and overflow lands.

3.3 Leases. Except as disclosed in the rent roll for the Property delivered to and approved by Lender, (a) Borrower is the sole owner of the entire lessor's interest in the Leases;

(b) the terms of all alterations, modifications and amendments to the Leases are reflected in the certified rent roll delivered to and approved by Lender; (c) none of the Rents reserved in the Leases have been assigned or otherwise pledged or hypothecated (except to Lender); (d) the premises demised under the Leases have been completed and the tenants under the Leases have accepted the same and have taken possession of the same on a rent-paying basis; (e) the Leases are valid and enforceable against Borrower and the tenants set forth therein; (f) no person or entity has any possessory interest in, or right to occupy, the Property except under and pursuant to a Lease; and (g) each Lease (other than a residential Lease) is subordinate to this Security Interest, either pursuant to its terms or a recorded subordination agreement.

3.4 Taxes. Borrower has filed all federal, state, county, municipal, and city income and other tax returns required to have been filed by it and have paid all taxes and related liabilities which have become due pursuant to such returns or pursuant to any assessments received by it. Borrower does not know of any basis for any additional assessment in respect of any such taxes and related liabilities for prior years.

4. Further Assurances.

4.1 Inspection by Lender. Lender, and/or its agents, shall have the right and shall be permitted, but shall not be required, at all reasonable times, to enter upon and inspect the Property to insure compliance with the covenants, agreements, and conditions set forth in this Deed of Trust.

4.2 Execution of Additional Documents. Borrower shall, at the cost of Borrower, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, mortgages, assignments, notices of assignments, transfers, assurances and other instruments, including security agreements and financing statements, as Lender shall from time to time require for the purpose of better assuring, conveying, assigning, transferring and confirming unto Lender the Property and rights hereby encumbered, created, conveyed, assigned or intended now or hereafter so to be encumbered, created, conveyed or assigned or that Borrower may now be or may hereafter become bound to encumber, create, convey, or assign to Lender, or for the purpose of carrying out the intention or facilitating the performance of the terms of this Deed of Trust, or for filing, registering, or recording this Deed of Trust, and to pay all filing, registration, or recording fees and all taxes, costs and other expenses, including Reasonable Attorneys' Fees, incident to the preparation, execution, acknowledgment, delivery, and recordation of any of the same.

5. Sale and Further Encumbrance Prohibited. Borrower shall not, without the prior written consent of Lender, sell, convey, mortgage, grant, bargain, encumber, pledge, assign, or otherwise transfer the Property or any part thereof or permit the Property or any part thereof to be sold, conveyed, mortgaged, granted, bargained, encumbered, pledged, assigned, or otherwise transferred. A sale, conveyance, mortgage, grant, bargain, encumbrance, pledge, assignment, or transfer within the meaning of this Section shall be deemed to include, but not limited to (a) an installment sales agreement wherein Borrower agrees to sell the Property or any part thereof for a price to be paid in installments; (b) an agreement by Borrower leasing all or a substantial part of the Property for other

than actual occupancy by a space tenant thereunder or a sale, assignment or other transfer of, or the grant of a security interest in, Borrower's right, title and interest in and to any Leases or any Rents; (c) if Borrower or any general partner or managing member (or if no managing member, any member) of Borrower is a corporation, the voluntary or involuntary sale, conveyance, transfer or pledge of such corporation's stock (or the stock of any corporation directly or indirectly controlling such corporation by operation of law or otherwise) or the creation or issuance of new stock by which an aggregate of more than 49% of such corporation's stock shall be vested in a party or parties who are not now owners of more than 49% of such corporation's stock; and (d) if Borrower or any general partner or managing member (or if no managing member, any member) of Borrower is a limited or general partnership or joint venture, the change, removal or resignation of a general partner or the transfer or pledge of the partnership interest of any general partner or any profits or proceeds relating to such partnership interest, and (e) if Borrower or any general partner or member of Borrower is a limited liability company, the change, removal or resignation of a managing member (or if no managing member, any member) or the transfer of the membership interest of a managing member (or if no managing member, any member) or any profits or proceeds relating to such membership interest. Notwithstanding the foregoing, the following transfers shall not be deemed to be a sale, conveyance, mortgage, grant, bargain, encumbrance, pledge, assignment or transfer within the meaning of this Section: (a) transfer by devise or descent or by operation of law upon the death of a member, general partner or stockholder of Borrower or any member or general partner thereof, and (b) a sale, transfer or hypothecation of a membership, partnership or shareholder interest in Borrower, whichever the case may be, by a current member, general partner or shareholder, as applicable, to an immediate family member (i.e., parents, spouses, siblings, children or grandchildren) of such member, general partner or shareholder, or to a trust for the benefit of an immediate family member of such member, general partner or shareholder.

6. **Default.** The occurrence of any one or more of the following events shall constitute an "Event of Default":

6.1 Failure to make any payment of (i) interest or principal when due, (ii) any other amount of the Secured Obligations when due, or (iii) the entire amount of the Secured Obligations on or before the Maturity Date.

6.2 If any representation or warranty of Borrower or any Guarantor, or any member, general partner, principal or beneficial owner of any of the foregoing, made herein, or in any other Loan Document, or in any guaranty, or in any certificate, report, financial statement or other instrument or document furnished to Lender shall have been false or misleading in any material respect when made.

6.3 If Borrower or any Guarantor shall make an assignment for the benefit of creditors or if Borrower shall generally not be paying its debts as they become due.

6.4 If (i) Borrower or any Guarantor shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy,

insolvency, reorganization, conservatorship or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or the Borrower or any Guarantor shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against Borrower or any Guarantor any case, proceeding or other action of a nature referred to in clause (i) above which (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of sixty (60) days; or (iii) there shall be commenced against the Borrower or any Guarantor any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets which results in the entry of any order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within sixty (60) days from the entry thereof; or (iv) the Borrower or any Guarantor shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) the Borrower or any Guarantor shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due.

6.5 Except for the specific defaults set forth in this Section, any other default under any Loan Document by Borrower, which default is not cured within thirty (30) days after written notice from Lender to Borrower; provided that if such default cannot reasonably be cured within such thirty (30) day period and Borrower shall have commenced to cure such default within such thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be extended for so long as it shall require Borrower in the exercise of due diligence to cure such default, it being agreed that no such extension shall be for a period in excess of one hundred twenty (120) days, unless, only in the case of cures that require construction or remedial work, such cure cannot with diligence be completed within such one hundred twenty (120) day period, in which case such period shall be extended for an additional one hundred twenty (120) days.

7. Rights and Remedies.

7.1 **Remedies.** Upon the occurrence of any Event of Default, Lender may take such action, without notice or demand, as it deems advisable to protect and enforce its rights against Borrower and in and to the Property, including, but not limited to the following actions, each of which may, to the extent permitted by applicable law, be pursued concurrently or otherwise, at such time and in such order as Lender may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of Lender:

7.1.1 Declare the entire unpaid Secured Obligations to be immediately due and payable.

7.1.2 Institute proceedings, judicial or otherwise, for the complete foreclosure of this Deed of Trust under any applicable provision of law in which case the Property or any interest

therein may be sold for cash or upon credit in one or more parcels or in several interests or portions and in any order or manner.

7.1.3 Sell for cash or upon credit the Property or any part thereof and all estate, claim, demand, right, title and interest of Borrower therein and rights of redemption thereof, pursuant to power of sale or otherwise, at one or more sales, as an entity or in parcels, at such time and place, upon such terms and after such notice thereof as may be required or permitted by law.

7.1.4 Institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained herein, in the Note or in the other Loan Documents.

7.1.5 Apply for the appointment of a receiver, trustee, liquidator or conservator of the Property, without notice and without regard for the adequacy of the security for the Secured Obligations and without regard for the solvency of Borrower or of any person, firm or other entity liable for the payment of the Secured Obligations.

7.1.6 Subject to any applicable law, the license granted to Borrower under Subsection 1.2 shall automatically be revoked and Lender may enter into or upon the Property, either personally or by its agents, nominees or attorneys and dispossess Borrower and its agents and servants therefrom, without liability for trespass, damages or otherwise and exclude Borrower and its agents or servants wholly therefrom, and take possession of all books, records and accounts relating thereto and Borrower agrees to surrender possession of the Property and of such books, records and accounts to Lender upon demand, and thereupon Lender may (i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Property and conduct the business thereat; (ii) complete any construction on the Property in such manner and form as Lender deems advisable; (iii) make alterations, additions, renewals, replacements and improvements to or on the Property; (iv) exercise all rights and powers of Borrower with respect to the Property, whether in the name of Borrower or otherwise, including without limitation, the right to make, cancel, enforce or modify Leases, obtain and evict tenants, and demand, sue for, collect, and receive all Rents of the Property and every part thereof; (v) require Borrower to pay monthly in advance to Lender, or any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation of such part of the Property as may be occupied by Borrower; (vi) require Borrower to vacate and surrender possession of the Property to Lender or to such receiver and, in default thereof, Borrower may be evicted by summary proceedings or otherwise; and (vii) apply the receipts from the Property to the payment of the Secured Obligations, in such order, priority and proportions as Lender shall deem appropriate in its sole discretion after deducting therefrom all expenses (including reasonable attorneys' fees) incurred in connection with the aforesaid operations and all amounts necessary to pay the Taxes, Other Charges, insurance and other expenses in connection with the Property, as well as just and reasonable compensation for the services of Lender, its counsel, agents and employees.

7.1.7 Exercise any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the

foregoing: (i) the right to take possession of the Property or any part thereof, and to take such other measures as Lender may deem necessary for the care, protection and preservation of the Property, and (ii) request Borrower at its expense to assemble the Property and make it available to Lender at a convenient place acceptable to Lender. Any notice of sale, disposition or other intended action by Lender with respect to the Property sent to Borrower in accordance with the provisions hereof at least five (5) days prior to such action, shall constitute commercially reasonable notice to Borrower.

7.1.8 Apply the undisbursed balance of any Net Proceeds or any Net Proceeds Deficiency deposit, together with interest thereon, to the payment of the Secured Obligations in such order, priority and proportions as Lender shall deem to be appropriate in its discretion.

7.1.9 Pursue such other remedies as Lender may have under applicable law.

Notwithstanding the provisions of this Section to the contrary, if any Event of Default as described in Subsection 6.4(i) or (ii) shall occur, the entire unpaid Secured Obligations shall be automatically due and payable, without any further notice, demand or other action by Lender.

7.2 Foreclosure by Power of Sale. If Lender elects to foreclose by exercise of the power of sale herein contained, Lender shall notify Trustee and shall deposit with the Trustee this Deed of Trust, the Note and such receipts and evidence of expenditures made and secured hereby as Trustee may require. Upon receipt of such notice from Lender, Trustee shall cause to be recorded and given all notices required by law. Trustee shall, without demand on Borrower, after lapse of such time as may then be required by law and after recordation of such Notice of Default and after Notice of Sale having been given as required by law, sell the Property at the time and place of sale fixed by it in said Notice of Sale either as a whole, or in separate lots or parcels as Trustee shall deem expedient, unless Lender specifies certain terms and conditions that are permitted by applicable law, 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 the time of sale. The Trustee may postpone any sale by public announcement at the time and place noticed for the sale. Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds 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 without limitation, Borrower, Trustee or Lender, may purchase at such sale.

7.3 Application of Proceeds. The purchase money, proceeds and avails of any disposition of the Property, or any part thereof, or any other sums collected by Lender pursuant to the Note, this Deed of Trust or the other Loan Documents, may be applied by Lender to the payment of the Secured Obligations in such priority and proportions as Lender in its discretion shall deem proper, subject to any applicable law.

7.4 Right to Cure Defaults. Upon the occurrence of any Event of Default, Lender may, but without any obligation to do so and without notice to or demand on Borrower and without releasing Borrower from any obligation hereunder, cure the same in such manner and to such extent

as Lender may deem necessary to protect the security hereof. Lender is authorized to enter upon the Property for such purposes, or appear in, defend, or bring any action or proceeding to protect its interest in the Property or to foreclose this Deed of Trust or collect the Secured Obligations, and the cost and expense thereof (including reasonable attorneys' fees to the extent permitted by law), with interest as provided in this Section, shall constitute a portion of the Secured Obligations and shall be due and payable to Lender upon demand. All such costs and expenses incurred by Lender in remedying such Event of Default or in appearing in, defending, or bringing any such action or proceeding shall bear interest at the default rate specified in the Note (the "Default Rate"), for the period after notice from Lender that such cost or expense was incurred to the date of payment to Lender. All such costs and expenses incurred by Lender together with interest thereon calculated at the Default Rate shall be deemed to constitute a portion of the Secured Obligations and be secured by this Deed of Trust and the other Loan Documents and shall be immediately due and payable upon demand by Lender therefor.

7.5 Examination of Books and Records. Lender, its agents, accountants and attorneys shall have the right upon prior written notice to examine the records, books, management and other papers of Borrower and its affiliates that reflect upon their financial condition, at the Property or at any office regularly maintained by Borrower, its affiliates or any guarantor where the books and records are located. Lender and its agents shall have the right upon notice to make copies and extracts from the foregoing records and other papers. In addition, Lender, its agents, accountants and attorneys shall have the right to examine and audit the books and records of Borrower and its affiliates or of any guarantor pertaining to the income, expenses and operation of the Property during reasonable business hours at any office of Borrower, its affiliates or any guarantor where the books and records are located.

7.6 Other Rights.

7.6.1 The failure of Lender to insist upon strict performance of any term hereof shall not be deemed to be a waiver of any term of this Deed of Trust. Borrower shall not be relieved of Borrower's obligations hereunder by reason of (i) the failure of Lender to comply with any request of Borrower to take any action to foreclose this Deed of Trust or otherwise enforce any of the provisions hereof or of the Note or the other Loan Documents, (ii) the release, regardless of consideration, of the whole or any part of the Property, or of any person liable for the Secured Obligations or any portion thereof, or (iii) any agreement or stipulation by Lender extending the time of payment or otherwise modifying or supplementing the terms of the Note, this Deed of Trust or the other Loan Documents.

7.6.2 The risk of loss or damage to the Property is on Borrower, and Lender shall have no liability whatsoever for decline in value of the Property, for failure to maintain the Policies, or for failure to determine whether insurance in force is adequate as to the amount of risks insured. Possession by Lender shall not be deemed an election of judicial relief, if any such possession is requested or obtained, with respect to any Property or collateral not in Lender's possession.

7.6.3 Lender may resort for the payment of the Secured Obligations to any other security held by Lender in such order and manner as Lender, in its discretion, may elect. Lender may take action to recover the Secured Obligations, or any portion thereof, or to enforce any covenant hereof without prejudice to the right of Lender thereafter to foreclose this Deed of Trust. The rights of Lender under this Deed of Trust shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Lender shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision. Lender shall not be limited exclusively to the rights and remedies herein stated but shall be entitled to every right and remedy now or hereafter afforded at law or in equity.

7.7 **Lender's Power.** Lender may release or reconvey any portion of the Property for such consideration as Lender may require without, as to the remainder of the Property, in any way impairing or affecting the lien or priority of this Deed of Trust, or improving the position of any subordinate lienholder with respect thereto, except to the extent that the obligations hereunder shall have been reduced by the actual monetary consideration, if any, received by Lender for such release or reconveyance, and may accept by assignment, pledge or otherwise any other property in place thereof as Lender may require without being accountable for so doing to any other lienholder. This Deed of Trust shall continue as a lien and security interest in the remaining portion of the Property. Without affecting the liability of any other person liable for the payment and/or performance of the Obligations and without in any way impairing or affecting the lien or priority of this Deed of Trust, Lender may, from time to time and without notice (i) release any person so liable; (ii) extend the maturity or alter any of the terms of any Secured Obligation; (iii) grant other indulgences; or (iv) make compositions or other arrangements with debtors in relation thereto.

7.8 **Right of Entry.** Lender and its agents shall have the right upon prior written notice to enter and inspect the Property at all reasonable times upon notice to Borrower.

7.9 **Acceptance of Trust; Powers and Duties of Trustee.** Trustee accepts this trust when this Deed of Trust is recorded. From time to time upon written request of Lender and presentation of this Deed of Trust, or a certified copy thereof, for endorsement, and without affecting the personal liability of any person for payment of any indebtedness or performance of any other Obligation, Trustee may, without liability therefor and without notice: (a) reconvey all or any part of the Property; (b) consent to the making of any map or plat of the Property; (c) join in granting any easement on the Property; (d) join in any declaration of covenants and restrictions; or (e) join in any extension agreement or any agreement subordinating the lien or charge of this Deed of Trust. Nothing contained in the immediately preceding sentence shall be construed to limit, impair or otherwise affect the rights of Trustee in any respect. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Borrower, Lender, or Trustee shall be a party unless brought by Trustee.

7.10 **Substitution of Trustee.** Lender may at any time, and from time to time, and without notice, replace and substitute a new trustee in place of the existing Trustee under this Deed of Trust, in the manner provided for under, and as allowed by, current Idaho law.

7.11 Reconveyance by Trustee. Upon written request of Lender stating that all sums secured hereby have been paid and upon surrender of this Deed of Trust to Trustee for cancellation and retention and upon payment by Borrower of Trustee's fees, Trustee shall reconvey to Borrower, or the person or persons legally entitled thereto, without warranty, any portion of the Property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof.

8. Indemnification. If Lender shall become a party either as plaintiff or as defendant, in any action, suit, appeal or legal proceeding (including, without limitation, foreclosure, condemnation, bankruptcy, administrative proceedings or any proceeding wherein proof of claim is by law required to be filed), hearing, motion or application before any court or administrative body in relation to the Property or the lien and security interest granted or created hereby or herein, or for the recovery or protection of said indebtedness or the Property, or for the foreclosure of this Deed of Trust, Borrower shall save and hold Lender harmless from and against any and all costs and expenses incurred by Lender on account thereof, including, but not limited to, Reasonable Attorneys' Fees, title searches and abstract and survey charges, at all trial and appellate levels, and Borrower shall repay, on demand, all such costs and expenses, together with interest thereon until paid at the then applicable rate of interest of the Note plus five (5) basis points; all of which sums, if unpaid, shall be added to and become a part of the indebtedness secured hereby.

9. Usury Savings Clause. Notwithstanding any provisions in the Note or in this Deed of Trust to the contrary, the total liability for payments in the nature of interest including but not limited to default interest and late payment charges shall not exceed the limits imposed by the laws of the State of Idaho or, if controlling, the United States relating to maximum allowable charges of interest. Lender shall not be entitled to receive, collect or apply, as interest on the indebtedness evidenced by the Note, any amount in excess of the maximum lawful rate of interest permitted to be charged by applicable law. If Lender ever receives, collects or applies as interest any such excess, such amount that would be excessive interest shall be applied to reduce the unpaid principal balance of the indebtedness evidenced by the Note. If the unpaid principal balance of such indebtedness has been paid in full, any remaining excess shall be paid to Borrower.

10. Notices. All notices or other written communications hereunder shall be deemed to have been properly given (a) upon delivery, if delivered in person or by facsimile transmission with receipt acknowledged by the recipient thereof, (b) one (1) business day after having been deposited for overnight delivery with any reputable overnight courier service, or (c) three (3) business days after having been deposited in any post office or mail depository regularly maintained by the U.S. Postal Service and sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to Borrower:

~~425 Mill Road~~
~~P. O. Box 370~~
~~Horseshoe Bend, ID 83629~~
Attention: Kathryn J. Volin
Facsimile No.: 208/472-0450

PO Box 140369
GARDEN CITY, ID
83714

KJ ✓

With a copy to:

Attention:
Facsimile No.:

If to Lender:

Vintage Properties L.P.
3366 Overland Road
Boise, ID 83705
Attention: Fred Thompson
Facsimile No.:

With a copy to:

Batt & Fisher LLP
P. O. Box 1308
Boise, ID 83702
Attention: David B. Lincoln
Facsimile No.: 208/331-2400

or addressed as such party may from time to time designate by written notice to the other parties. Either party by notice to the other may designate additional or different addresses for subsequent notices or communications.

11. Governing Law. This Deed of Trust is to be governed by and construed in accordance with the laws of the state of Idaho and, if controlling, by the laws of the United States and shall be binding upon Borrower, its heirs, personal representatives, successors and assigns and shall inure to the benefit of Lender, its successors and assigns.

12. Miscellaneous.

12.1 Successors and Assigns: Terminology. The provisions hereof shall be binding upon Borrower and the heirs, personal representatives, successors and assigns of Borrower, and shall inure to the benefit of Lender, its successors and assigns. Where more than one Borrower is named herein, the obligations and liabilities of said Borrower shall be joint and several. Wherever used in this Deed of Trust, unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, the word "Borrower" shall mean Borrower and/or any subsequent owner or owners of the Property, the word "Lender" shall mean Lender or any subsequent holder or holders of this Deed of Trust, the word "Note" shall mean Note(s) secured by this Deed of Trust, and

the word "person" shall mean an individual, trustee, trust, corporation, partnership or unincorporated association. As used herein, the phrase "Reasonable Attorneys' Fees" shall mean fees charged by attorneys selected by Lender based upon such attorneys' then prevailing hourly rates as opposed to any statutory presumption specified by any statute then in effect in the State of Idaho.

12.2 Provisions Subject to Applicable Law. All rights, powers and remedies provided in this Security Instrument may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of law and are intended to be limited to the extent necessary so that they will not render this Security Instrument invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any Applicable Law.

12.3 Inapplicable Provision. If any term of this Security Instrument or any application thereof shall be invalid or unenforceable, the remainder of this Security Instrument and any other application of the term shall not be affected thereby.

12.4 Attorney's Fees for Enforcement. Borrower shall pay to Lender on demand any and all expenses, including legal expenses and attorney's fees, incurred or paid by Lender in protecting its interest in the Property or in collecting any amount payable hereunder or in enforcing its rights hereunder with respect to the Property, whether or not any legal proceeding is commenced hereunder or thereunder and whether or not any default or Event of Default shall have occurred and is continuing, together with interest thereon at the Default Rate from the date paid or incurred by Lender until such expenses are paid by Borrower.

12.5 Modifications. This Deed of Trust cannot be changed, altered, amended or modified except by an agreement in writing and in recordable form, executed by both Borrower and Lender.

12.6 Captions. The captions set forth at the beginning of the various sections of this Deed of Trust are for convenience only and shall not be used to interpret or construe the provisions of this Deed of Trust.

12.7 Liability. If Borrower consists of more than one person, the obligations and liabilities of each such person hereunder shall be joint and several.

12.8 Duplicate Originals; Counterparts. This Deed of Trust may be executed in any number of duplicate originals and each duplicate original shall be deemed to be an original. This Deed of Trust may be executed in several counterparts, each of which counterparts shall be deemed an original instrument and all of which together shall constitute a single Deed of Trust. The failure of any party hereto to execute this Deed of Trust, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder.

12.9 Entire Agreement. The Note, this Deed of Trust and the other Loan Documents constitute the entire understanding and agreement between Borrower and Lender with respect to the transactions arising in connection with the Secured Obligations and supersede all prior written or oral understandings and agreements between Borrower and Lender with respect thereto.

IN WITNESS WHEREOF, Borrower has executed this Deed of Trust as of the day and year first written above.

BORROWER

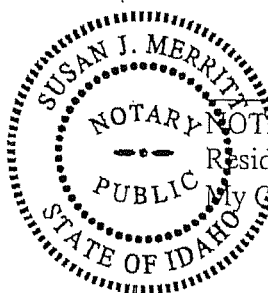
Ultimate Log and Custom Homes, LLC

By: Kathryn J. Volin
Name: Kathryn J. Volin
Title: Manager and President

STATE OF Idaho)
) ss
COUNTY OF Ada)

On this 12th day of September, 2006, before me, Susan J. Merritt, a Notary Public in and for said State, personally appeared Kathryn J. Volin, known or identified to me to be the person whose name is subscribed to the within instrument as the Manager of Ultimate Log and Custom Homes, LLC, an Idaho limited liability company, and acknowledged to me that she executed the same as such Manager of the limited liability company.

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



Susan J. Merritt
NOTARY PUBLIC FOR _____
Residing at _____
My Commission Expires _____
RESIDING AT: CALDWELL, ID
MY COMMISSION EXPIRES 05-05-2011

EXHIBIT A

Parcel A

A parcel of land located in a portion of Government Lots 5 and 6 and a portion of the Amended Townsite Plat of Horseshoe Bend within Section 26 and a portion of the E ½ of Section 27, Township 7 North, Range 2 East, Boise Meridian, Horseshoe Bend, Boise County, Idaho, more particularly described as follows:

COMMENCING at a found 1 ½" Axle at the section corner common to Sections 26, 27, 34 and 35 of Township 7 North, Range 2 East, Boise Meridian as shown on Record of Survey No. 182866, from which a brass cap monument at the quarter common to said Sections 26 and 27 bears North 00°22'26" West a distance of 2639.46 feet as shown on said Record of Survey;

Thence along the section line common to said Sections 26 and 27, North 00°22'26" West a distance of 227.25 feet to a 5/8" rebar with plastic cap at the beginning of a curve to the right;

Thence 176.63 feet along the arc of a 475.00 foot radius curve, with a central angle of 21°18'19", a chord bearing North 55°39'18" West a distance of 175.61 feet;

Thence North 45°00'09" West a distance of 1229.25 feet to a point on the Easterly right-of-way line of State Highway 55;

Thence along said right-of-way line, North 11°12'14" East a distance of 32.09 feet to the TRUE POINT OF BEGINNING;

Thence along said right-of-way line North 11°12'14" East a distance of 441.30 feet to a point on the South right-of-way line of the Oregon Short Line Railroad;

Thence along said South right-of-way line, North 87°42'13" East a distance of 606.50 feet;

Thence South 02°17'47" East a distance of 70.00 feet;

Thence South 17°17'47" East a distance of 250.23 feet;

Thence North 89°57'19" East a distance of 258.15 feet;

Thence South 02°51'54" West a distance of 657.57 feet;

Thence South 87°36'39" West a distance of 19.47 feet;

Thence South 00°00'00" West a distance of 46.72 feet;

Thence South 27°38'21" West a distance of 70.00 feet;

Thence South 43°12'13" West a distance of 224.62 feet;

Thence North 47°29'58" West a distance of 41.42 feet;

Thence North 45°10'14" West a distance of 889.92 feet;

Thence South 44°49'46" West a distance of 2.00 feet;

Thence North 45°10'14" West a distance of 10.00 feet;

Thence North 44°49'46" East a distance of 2.00 feet;

Thence North 45°10'14" West a distance of 168.89 feet to the POINT OF BEGINNING.

Parcel D

A parcel of land located in a portion of Government Lots 5 and 6 and a portion of the Amended Townsite Plat of Horseshoe Bend within Section 26 and a portion of the E ½ of Section 27, Township 7 North, Range 2 East, Boise Meridian, Horseshoe Bend, Boise County, Idaho, more particularly described as follows:

COMMENCING at a found 1 ½" Axle at the section corner common to Sections 26, 27, 34 and 35 of Township 7 North, Range 2 East, Boise Meridian as shown on Record of Survey No. 182866, from which a brass cap monument at the quarter common to said Sections 26 and 27 bears North 00°22'26" West a distance of 2639.46 feet as shown on said Record of Survey;

Thence along the section line common to said Sections 26 and 27, North 00°22'26" West a distance of 227.25 feet to a 5/8" rebar with plastic cap at the beginning of a curve to the right;

Thence 176.63 feet along the arc of a 475.00 foot radius curve, with a central angle of 21°18'19", a chord bearing North 55°39'18" West a distance of 175.61 feet;

EXHIBIT A

Thence North 45°00'09" West a distance of 1229.25 feet to a point on the Easterly right-of-way line of State Highway 55;

Thence along said right-of-way line, North 11°12'14" East a distance of 32.09 feet;

Thence along said right-of-way line North 11°12'14" East a distance of 441.30 feet to a point on the South right-of-way line of the Oregon Short Line Railroad;

Thence along said South right-of-way line, North 87°42'13" East a distance of 606.50 feet to the TRUE POINT OF BEGINNING;

Thence continuing North 87°42'13" East a distance of 849.00 feet to a point on the West right-of-way line of vacated Third Street;

Thence along said West right-of-way line, North 01°34'59" West a distance of 140.94 feet to the beginning of a non-tangent spiral curve (said spiral curve to the left having a spiral angle of 08°26'48", a long tangent of 146.75 feet, a short tangent of 63.55 feet and a central curve radius of 716.80 feet), the chord of which bears North 85°59'28" East a distance of 209.82 feet (along a spiral length of 211.34 feet) to the beginning of a curve to the left, said curve having a radius of 766.80 feet, a curve length of 182.65 feet, a central angle of 13°38'51", a chord bearing of North 73°16'46" East a distance of 182.21 feet;

Thence South 21°03'28" West a distance of 74.09 feet to the beginning of a non-tangent curve to the left, said curve having a radius of 310.00 feet, a length of 71.37 feet, through a central angle of 13°11'30", with a chord bearing North 85°43'41" West a distance of 71.22 feet;

Thence South 02°19'26" East a distance of 70.00 feet to the beginning of a curve to the left, said curve having a 240.00 foot radius, with a length of 73.31 feet, through a central angle of 17°30'07", a chord bearing South 78°55'30" West a distance of 73.03 feet;

Thence South 02°22'25" East a distance of 1027.04 feet;

Thence South 87°36'39" West a distance of 802.44 feet;

Thence North 02°51'54" East a distance of 657.57 feet;

Thence South 89°57'19" West a distance of 258.15 feet;

Thence North 17°17'47" West a distance of 250.23 feet;

Thence North 02°17'47" West a distance of 70.00 feet to the POINT OF BEGINNING.

EXCEPTING THEREFROM Parcel D-1

A parcel of land located in a portion of Government Lots 5 and 6 and a portion of the Amended Townsite Plat of Horseshoe Bend within Section 26 in a portion of the S ½ of Section 26, Township 7 North, Range 2 East, Boise Meridian, Horseshoe Bend, Boise County, Idaho, more particularly described as follows:

COMMENCING at a found 1 ½" Axle at the section corner common to Sections 26, 27, 34 and 35 of Township 7 North, Range 2 East, Boise Meridian as shown on Record of Survey No. 182866, from which a brass cap monument at the quarter common to said Sections 26 and 27 bears North 00°22'26" West a distance of 2639.46 feet as shown on said Record of Survey;

Thence along the section line common to said Sections 26 and 27, North 00°22'26" West a distance of 227.25 feet to a 5/8" rebar with plastic cap at the beginning of a curve to the right;

Thence 176.63 feet along the arc of a 475.00 foot radius curve, with a central angle of 21°18'19", a chord bearing North 55°39'18" West a distance of 175.61 feet;

Thence North 45°00'09" West a distance of 1229.25 feet to a point on the Easterly right-of-way line of State Highway 55;

Thence along said right-of-way line, North 11°12'14" East a distance of 32.09 feet;

Thence South 45°10'14" East a distance of 168.89 feet;

Thence South 44°49'46" West a distance of 2.00 feet;

Thence South 45°10'14" East a distance of 10.00 feet;

Thence North 44°49'46" East a distance of 2.00 feet;

Thence South 45°10'14" East a distance of 889.92 feet;

Thence South 47°29'58" East a distance of 169.54 feet to the beginning of a curve to the left, having a radius of 500.00 feet, a length of 147.31 feet, a central angle of 16°52'50", a chord bearing South 55°56'22" East a distance of 146.78 feet;

EXHIBIT A

Thence South 64°22'47" East a distance of 41.03 feet to the beginning of a curve to the left, having a radius of 250.00 feet, a length of 94.80 feet, through a central angle of 21°43'34", a chord bearing South 75°14'34" East a distance of 94.23 feet;
 Thence South 86°06'21" East a distance of 66.71 feet;
 Thence North 88°09'16" East a distance of 80.55 feet;
 Thence North 83°33'34" East a distance of 177.20 feet;
 Thence North 07°23'38" West a distance of 77.47 feet to the beginning of a curve to the right, having a radius of 225.00 feet, a length of 29.04 feet, through a central angle of 07°23'38", a chord bearing North 03°41'39" West a distance of 29.02 feet;
 Thence North 00°00'00" East a distance of 163.02 feet to the beginning of a curve to the right, having a radius of 225.00 feet, a length of 344.05 feet, through a central angle of 87°36'39", a chord bearing North 43°48'19" East a distance of 311.49 feet;
 Thence North 87°36'39" East a distance of 136.46 feet;
 Thence North 02°22'25" West a distance of 690.21 feet to the TRUE POINT OF BEGINNING;
 Thence continuing, North 02°22'25" West a distance of 336.83 feet to the beginning of a non-tangent curve to the left, having a 240.00 foot radius, with a length of 74.37 feet, through a central angle of 17°45'15", a chord bearing South 61°17'49" West a distance of 74.07 feet;
 Thence South 52°25'12" West a distance of 99.26 feet;
 Thence South 15°52'36" West a distance of 250.16 feet;
 Thence North 89°57'07" East a distance of 226.02 feet to the POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM Parcel D-2

A parcel of land located in a portion of Government Lots 5 and 6 and a portion of the Amended Townsite Plat of Horseshoe Bend within Section 27, Township 7 North, Range 2 East, Boise Meridian, Horseshoe Bend, Boise County, Idaho, more particularly described as follows:

COMMENCING at a found 1 ½" Axle at the section corner common to Sections 26, 27, 34 and 35 of Township 7 North, Range 2 East, Boise Meridian as shown on Record of Survey No. 182866, from which a brass cap monument at the quarter common to said Sections 26 and 27 bears North 00°22'26" West a distance of 2639.46 feet as shown on said record of Survey;
 Thence along the section line common to said Sections 26 and 27, North 00°22'26" West a distance of 227.25 feet to a 5/8" rebar with plastic cap at the beginning of a curve to the right;
 Thence 176.63 feet along the arc of a 475.00 foot radius curve, with a central angle of 21°18'19", a chord bearing North 55°39'18" West a distance of 175.61 feet;
 Thence North 45°00'09" West a distance of 1229.25 feet to a point on the Easterly right-of-way line of State Highway 55;
 Thence along said right-of-way line, North 11°12'14" East a distance of 32.09 feet;
 Thence along said right-of-way line North 11°12'14" East a distance of 441.30 feet to a point on the South right-of-way line, of the Oregon Short Line Railroad;
 Thence along said South right-of-way line, North 87°42'13" East a distance of 606.50 feet the TRUE POINT OF BEGINNING;
 Thence continuing, North 87°42'13" East a distance of 306.92 feet to a point on the East line of said Section 27;
 Thence South 00°22'26" East a distance of 321.00 feet along said East line;
 Thence leaving said East line, South 89°57'19" West a distance of 231.57 feet;
 Thence North 17°17'47" West a distance of 250.23 feet;
 Thence North 02°17'47" West a distance of 70.02 feet to the POINT OF BEGINNING.

251629

This instrument was prepared by:

Tony J. Steenkolk, Esq.
Boise Cascade Corporation
1111 West Jefferson Street
P.O. Box 50
Boise, ID 83728

After recording mail to:

Kathryn Volin
Ultimate Log and Custom Homes, LLC
2626 East 82nd Street
Suite 228, The Atrium
Minneapolis, MN 55425

Instrument # 201391

IDAHO CITY, BOISE COUNTY, IDAHO
2005-04-01 03:13:25 No. of Pages: 15
Recorded for : PIONEER TITLE
RORA A. CANODY
Ex-Officio Recorder Deputy *[Signature]* Fee: 45.00
Index to: DEEDS

For Recorder's Use Only

SPECIAL WARRANTY DEED

KJ

This **SPECIAL WARRANTY DEED**, made this 31st day of March 2005, from **BOISE BUILDING SOLUTIONS MANUFACTURING, L.L.C.**, a Delaware limited liability company, having an address of 1111 West Jefferson Street, Boise, Idaho 83728 ("Grantor"), to **ULTIMATE LOG AND CUSTOM HOMES, LLC**, a Minnesota limited liability company, having an address of 2626 East 82nd Street, Suite 228, Minneapolis, MN 55425 ("Grantee").

WITNESSETH, that Grantor, in consideration of Ten and 00/100 Dollars (\$10.00) and other good and valuable consideration paid by Grantee, does hereby grant, bargain, sell, convey and confirm unto Grantee, and the heirs or successors and assigns of Grantee:

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the County of Boise and State of Idaho, as further described on "Exhibit A" attached hereto and made a part hereof (the "Property");

TOGETHER with all right, title and interest, if any, of Grantor in and to any streets and roads abutting the Property to the center lines thereof, and all access rights of Grantor in and to the Property (collectively, the "Access Rights"); and

TOGETHER with the hereditaments and appurtenances and all the estate and rights of Grantor in and to the Property, including, without limitation, timber rights, mineral rights and water rights (collectively, the "Property Rights");

TOGETHER with these certain water rights: Grantor hereby conveys to Grantee, without warranty, Water Right No. 65-02622 with the priority date of 02/11/1957 and Water Right No. 65-02706 with the priority date of 12/23/1961, and Grantor represents to the best of its knowledge that such water rights are all of the certified water rights appurtenant to the Property. Grantor further agrees to cooperate in the filing of all documentation necessary to accomplish this conveyance.

SUBJECT only to taxes, assessments and other governmental charges not yet delinquent, and the following exceptions, none of which, individually or in the aggregate, materially impair the current use (or materially detract from the value as currently used) of either the Property, the Access Rights or the Property Rights: (i) mechanic's, workmen's, repairmen's, warehousemen's, carriers, or other like liens arising or incurred in the ordinary course of business for amounts which are not yet delinquent; (ii) easements, quasi-easements, licenses, covenants, rights-of-way and other similar restrictions, including any other agreements, conditions, restrictions or other matters which would be shown by a current title report or other similar report or listing; (iii) any conditions that may be shown by a current survey, title report or physical inspection; and (iv) zoning, building and other similar restrictions (collectively, the "Permitted Exceptions").

SUBJECT to the Special Exceptions of record listed on Schedule C, as Item Nos. 1-26 on the Title Commitment No. 251629, dated March 14, 2005, issued by First American Title Company, and attached hereto as Exhibit B.

RESTRICTIVE COVENANT REGARDING SAWMILL USE

No part of the Property shall be used for sawmill operations or any other forms of lumber production where green trees are used for the incoming raw material and which production exceeds 10 million board feet of lumber production from green trees in any one calendar year. Such restrictive covenant shall remain in effect until 20 years from the date of this instrument or until such time as Grantor (and buyers and successors or assigns of its business) terminates its interests in the wood products production business, whichever occurs first. This restriction is specifically not intended to prohibit or limit the volume of lumber production on the Property which uses dead standing timber for incoming raw material. Until such restrictive covenant expires, such restrictive covenant shall (a) burden all and each portion of the land comprising the Property, and (b) run with all and each portion of the land comprising the Property, (c) be binding on all persons claiming under the Property, and (d) be for the benefit of and limitation upon all successors and assigns of Grantee and all future owners of said Property or any portion of the Property. In the event of future conveyance of any portion of the Property while the restrictive covenant remains in effect, the person conveying shall provide written notice of this restrictive covenant to the transferee and the conveyance instrument used for that conveyance shall make specific reference to this restrictive covenant. This restrictive covenant shall not be modified or terminated early except by the express written consent of Grantor or its successors or assigns. In the event of violation of this restrictive covenant, Grantor or its successors or assigns may bring and maintain any action or claim to enforce compliance with this restrictive covenant, and Grantor or its successors or assigns shall be entitled to injunctive relief, specific performance, damages or any other remedy available in law or equity, and shall be entitled to judgment for reasonable attorneys' fees and costs incurred at trial and on appeal for prevailing in such action or claim. Acceptance of this deed by Grantee shall constitute an acceptance of all the terms, conditions, limitations, restrictions, and uses to which the Property conveyed by this deed is made.

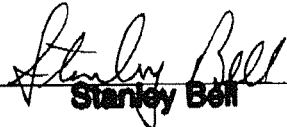
GRANTOR hereby binds itself and its successors to warrant and forever defend the right and title unto Grantee, its assigns and successors, subject to the Permitted Exceptions and Special

Exceptions, for all purposes, against the claims of all persons owning, holding or claiming by, through or under Grantor, but against none other, and Grantor hereby represents and warrants further that it has no knowledge that such warranties are untrue as against the claims of any persons owning, holding or claiming, by, through or under any holders in title to the Property prior to Grantor.

TO HAVE AND TO HOLD the Property, the Access Rights and the Property Rights, unto Grantee, the heirs or successors and assigns of Grantee, forever.

IN WITNESS WHEREOF, Grantor has duly executed this deed by its duly authorized officer or representative on the day and year first above written.

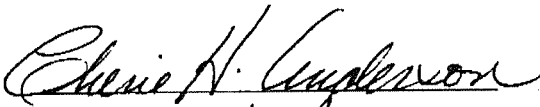
**BOISE BUILDING SOLUTIONS
MANUFACTURING, L.L.C.**

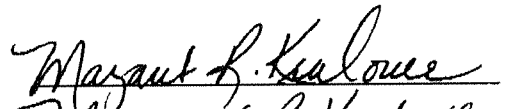
OK
By: 

Name: Stanley Bell

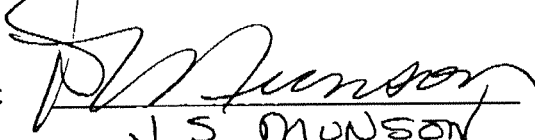
Its: SENIOR VICE PRESIDENT

WITNESS:

By: 
Name: CHERIE H. ANDERSON

By: 
Name: Margaret H. Kralovec

ATTEST

By: 
Name: J S MUNSON

Its: Assistant Secretary

Mail Tax Bills To:

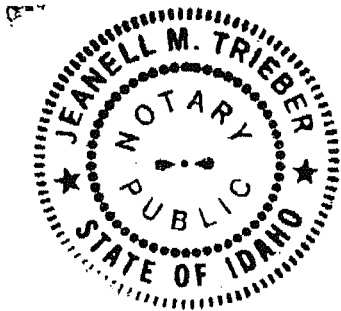
Kathryn Volin
Ultimate Log and Custom Homes, LLC
2626 East 82nd Street
Suite 228, The Atrium
Minneapolis, MN 55425

STATE OF IDAHO)

) ss.
COUNTY OF ADA)

On this 31st day of March 2005, before me, the undersigned, a notary public in and for said state, personally appeared Stanley Bee and U.S. Munson, known to me to be the SENIOR VICE PRESIDENT and Assistant Secretary, respectively, of BOISE BUILDING SOLUTIONS MANUFACTURING, L.L.C., that executed the above instrument on behalf of said corporation and acknowledged to me that said corporation executed the same.

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



A handwritten signature of Jeanell M. Trieber in cursive script.

NOTARY PUBLIC FOR IDAHO

Residing at:

My Commission Expires: 10-1-09

EXHIBIT A
LEGAL DESCRIPTION

Highway 55
Horseshoe Bend, Boise County, ID
NCS86081
Site No. 3-1-1-6 aka 6-1-5-2

PARCEL I

A property description of a portion of the Amended Townsite Plat of Horseshoe Bend and a portion of Lot 6 in Section 26, Township 7 North, Range 2 East, Boise Meridian, Horseshoe Bend, Boise County, Idaho, more particularly described as follows:

BEGINNING at the found 1 ½" axle at the section corner common to Sections 26, 27, 34 and 35 of Township 7 North, Range 2 East, Boise Meridian as shown on Record of Survey No. 182866, from which a found brass cap at the quarter corner common to said Sections 26 and 27 bears North 00°22'26" West a distance of 2639.46 feet as shown on said Record of Survey;

Thence North along the section line common to said Sections 26 and 27, North 00°22'26" West, a distance of 2639.46 feet to the found brass cap at the quarter corner common to said Sections 26 and 27;

Thence continuing along said section line common to said Sections 26 and 27, North 00°04'05" West, a distance of 67.00 feet to a point in the Southerly line of the original location of Canyon Street as called for in Instrument No. 175171;

Thence along said Southerly line North 87°45'08" East, a distance of 503.44 feet to a found ½ inch rebar in concrete;

Thence South 01°51'12" East, a distance of 168.99 feet to a found ½ inch rebar in concrete;

Thence South 02°48'06" East, a distance of 111.15 feet to a 5/8 inch rebar with plastic cap stamped "FLSI PLS 7612" and the TRUE POINT OF BEGINNING for this description, said point is 88.00 feet North of the center line of vacated Boise Avenue;

Thence along a line parallel with and 88.00 feet North of said center line of Boise Avenue North 87°46'32" East, a distance of 756.91 feet to a found ½ inch rebar in a ¾ inch pipe in concrete (set cap stamped "FLSI PLS 7612") on the West right of way of the Oregon Short Line Railroad and the beginning of a non-tangent curve to the right, said curve has a radius of 666.80 feet, a central angle of 52°01'58", a chord bearing of South 39°19'01" West, a chord length of 584.96 feet;

Thence along said curve to the right and said West right of way an arc length of 605.55 feet to a found ½ inch rebar (set cap stamped "FLSI PLS 7612") at a point on the North right of way of said Oregon Short Line Railroad;

Thence along said North right of way South 87°45'59" West, a distance of 300.09 feet to a found ½ inch rebar with no cap (set cap stamped "FLSI PLS 7612") on the East right of way of Third Street;

Thence along said East right of way North 02°15'36" West, a distance of 60.00 feet to a found disturbed ½ inch rebar with no cap (replaced with a set 5/8 inch rebar with plastic cap stamped "FLSI PLS 7612") on the North right of way of Ada Street;

Thence continuing along said North right of way South 87°46'50" West, a distance of 480.09 feet to a 5/8 inch rebar with plastic cap stamped "FLSI PLS 7612";

Thence North 02°10'02" West a distance of 320.14 feet to a found ½ inch rebar with no cap on the North right of way of vacated Boise Avenue;

Thence North 87°38'45" East along said North right of way a distance of 159.96 feet to a found ½ inch rebar in concrete;

Thence North 87°55'39" East along said North right of way a distance of 251.54 feet to a 5/8 inch rebar with plastic cap stamped "FLSI PLS 7612";

Thence North 02°48'06" West, a distance of 58.00 feet to the TRUE POINT OF BEGINNING.

The Basis of Bearings for this description is between the found 1 ½" axle at the section corner common to Sections 26, 27, 34 and 35 of Township 7 North, Range 2 East, Boise Meridian as shown on Record of Survey No. 182866, from which a found brass cap at the quarter corner common to said Sections 26 and 27 Bears North 00°22'26" West a distance of 2639.46 feet as shown on said Record of Survey.

PARCEL II

A property description of a portion of Government Lot 5 and 6 and a portion of the Amended Townsite Plat of Horseshoe Bend within Section 26 and a portion of the East ½ of the Southeast ¼ of Section 27, Township 7 North, Range 2 East, Boise Meridian, Horseshoe Bend, Boise County, Idaho, more particularly described as follows:

BEGINNING at the found 1 ½" axle at the section corner common to Sections 26, 27, 34 and 35 of Township 7 North, Range 2 East, Boise Meridian as shown on Record of Survey No. 182866, from which a found brass cap at the quarter corner common to said Section 26 and 27 bears North 00°22'26" West a distance of 2639.46 feet as shown on said Record of Survey;

Thence along the section line common to said Sections 26 and 35 North 87°27'37" East a distance of 869.14 feet to a 5/8 inch rebar with plastic cap "FLSI PLS 7612" at the meander corner on the right bank of the Payette River as shown on said Record of Survey;

Thence continuing along said right bank meander line North 23°08'11" East a distance of 296.95 feet to a point of intersection with the North line of the Horseshoe Bend Hydroelectric Company Canal and the TRUE POINT OF BEGINNING;

Thence Westerly along the North line of the Horseshoe Bend Hydroelectric Company Canal the following courses and distances:

South 82°36'22" West a distance of 743.86 feet to a 5/8 inch rebar with plastic cap stamped "FLSI PLS 7612" at the beginning of a curve to the right, said curve having a radius of 450.00 feet, a central angle of 26°11'41", a chord bearing of North 84°17'47" West, a chord length of 203.95 feet, along said curve to the right an arc length of 205.73 feet to a point, from which a found 5/8 inch rebar with plastic cap "J-U-B PLS 7612" bears North 86°16'24" East, a distance of 31.14 feet;

South 18°48'03" West a distance of 25.00 feet to the beginning of a non-tangent curve to the right, said curve having a radius of 475.00 feet, a central angle of 26°11'48", a chord bearing of North 58°06'03" West, a chord length of 215.29 feet, along said curve the right an arc length of 217.18 feet;

North 45°00'09" West, a distance of 1229.25 feet to the East right of way of State Highway 55, from which a found 5/8 inch rebar stamped "J-U-B PLS 7612" bears South 11°12'14" West a distance of 252.69 feet;

Thence leaving said North line of the Horseshoe Bend Hydroelectric Company Canal and following said East right of way North 11°12'14" East a distance of 473.39 feet to a found 5/8 inch rebar stamped "PLS 6552" at a point on the South right of way line of the Oregon Short Line Railroad;

Thence along said South right of way line of the Oregon Short Line Railroad the following courses and distances:

North 87°42'13" East, a distance of 1455.49 feet to a found chiseled "X" in concrete on the West right of way of vacated Third Street;

North 01°34'59" West, along said West right of way of vacated Third Street a distance of 140.94 feet to a 5/8 inch rebar with plastic cap stamped "FLSI PLS 7612" and the beginning of a non-tangent spiral curve, said spiral curve having a spiral angle of 08°26'48", a long tangent of 146.75 feet, a short tangent of 63.55 feet and a central curve radius of 716.80 feet, the chord of which bears North 85°59'28" East, a chord length of 209.82 feet, along said spiral to the left a spiral length of 211.34 feet to a 5/8 inch rebar stamped "FLSI PLS 7612" at the beginning of a curve to the left, said curve having a radius of 766.80 feet, a central angle of 26°57'34", a chord bearing of North 66°36'53" East, a chord length of 357.48 feet, along said curve to the left an arc length of 360.80 feet to a point on the North line of the Boise Cascade Property and what has become known as the South line of the Drake Parcel from which a found 1/2 rebar with plastic cap stamped "PLS 792" bears South 88°32'33" East a distance of 1.06 feet;

Thence leaving said South right of way of the Oregon Short Line Railroad and continuing along said line common to Boise Cascade and Drake the following courses and distances:

North 88°32'14" East, a distance of 306.17 feet to a found 1/2 inch rebar stamped "PLS 972";

South 01°27'07" East, a distance of 595.03 feet to a found 1/2 inch rebar stamped "PLS 972";

North 88°57'52" East, a distance of 105.52 feet to a point of intersection with the Ordinary High Water Line as determined by the Idaho Department of Lands;

Thence along said Ordinary High Water Line the following courses and distances:

South 05°54'48" East a distance of 90.49 feet;

South 08°24'12" West a distance of 102.33 feet;

South 17°01'26" West a distance of 90.09 feet;

South 17°52'42" West a distance of 132.84 feet;

South 28°12'01" West a distance of 88.98 feet;

South 26°02'43" West a distance of 282.00 feet;

South 22°18'48" West a distance of 237.56 feet;

South 32°09'56" West a distance of 55.28 feet;

South 27°39'18" West a distance of 118.15 feet to the North line of said Horseshoe Bend Hydroelectric Company Canal;

Thence leaving said Ordinary High Water Line and continuing along said North line of said canal South 82°36'22" West a distance of 93.44 feet to the TRUE POINT OF BEGINNING.

The Basis of Bearings for this description is between the found 1 1/2" axle at the sections corner common to Sections 26, 27, 34 and 35 of Township 7 North, Range 2 East, Boise Meridian as shown on Record of Survey No. 182866, from which a found brass cap at the quarter corner common to said Sections 26 and 27 bears North 00°22'26" West a distance of 2639.46 feet as shown on said Record of Survey.

EXCEPTING Parcel A-1 as described in deed recorded as Instrument No. 188695, more particularly described as follows:

A property description of a portion of Government Lots 5 and 6 and a portion of the Amended Townsite Plat of Horseshoe Bend within Section 26 and a portion of the East 1/2 of the Southeast 1/4 of Section 27, Township 7 North, Range 2 East, Boise Meridian, Horseshoe Bend, Boise County, Idaho, more particularly described as follows:

BEGINNING at the found 1 1/2" axle at the section corner common to Sections 26, 27, 34 and 35 of Township 7 North, Range 2 East, Boise Meridian as shown on Record of Survey No. 182866, from which a found brass cap at the quarter corner common to said Sections 26 and 27 bears North 00°22'26" West a distance of 2639.46 feet as shown on Record of Survey;

Thence along the section line common to said Sections 26 and 27, North 00°22'26" West a distance of 227.25 feet a 5/8 inch rebar with plastic cap "PLS 5710" at the TRUE POINT OF BEGINNING and the beginning of a curve to the right, said curve having an arc length of 176.63 feet, a radius of 475.00 feet, a central angle of 21°18'19", a chord bearing of North 55°39'18" West, a chord length of 175.61 feet; North 45°00'09" West, a distance of 1229.25 feet to the East right of way of State Highway 55 from which a found 5/8 inch rebar stamped "J-U-B PLS 7612" bears South 11°12'14" West, a distance of 252.69 feet;

Thence along said right of way, North 11°12'14" East a distance of 32.09 feet to a point;

Thence leaving said right of way, South 45°10'22" East a distance of 168.87 feet to a point;

Thence South 44°49'46" West a distance of 2.00 feet to a point;

Thence South 45°10'14" East a distance of 10.00 feet to a point;

Thence North 44°49'46" East a distance of 2.00 feet to a point;

Thence South 45°10'14" East a distance of 889.92 feet to a point;

Thence South 47°29'58" East a distance of 169.54 feet to the beginning of a curve to the left;

Thence along said curve to the left having a length of 147.31 feet, a radius of 500.00 feet, a central angle of 16°52'50", tangents of 74.19 feet, and a long chord which bears South 55°56'23" East, a distance of 146.78 feet to a point;

Thence South 64°22'47" East a distance of 41.03 feet to the beginning of a curve to the left;
Thence along said curve to the left having a length of 94.80 feet, a radius of 250.00 feet, a central angle of 21°43'36", tangents of 47.98 feet, and a long chord which bears South 75°14'35" East, a distance of 94.23 feet to a point;

Thence South 86°06'21" East a distance of 66.71 feet to a point;

Thence North 88°09'16" East a distance of 80.55 feet to a point;

Thence North 83°33'34" East a distance of 240.42 feet to a point;

Thence South 07°23'38" East a distance of 10.00 feet to a point;

Thence South 82°36'22" West a distance of 265.39 feet to the beginning of a curve to the right, said curve having a radius of 450.00 feet, a central angle of 26°11'41", a chord bearing of North 84°17'47" West, and a chord length of 203.95 feet;

Thence along said curve to the right an arc length of 205.73 feet to a point, from which a found 5/8 inch rebar with plastic cap "J-U-B PLS 7612" bears North 86°16'24" East, a distance of 31.14 feet;

Thence South 18°48'03" West a distance of 25.00 feet to the beginning of a non-tangent curve to the right, said curve having a radius of 475.00 feet, a central angle of 4°53'29", a chord bearing of North 68°45'12" West, and a chord length of 40.54 feet;

Thence along said curve to the right an arc length of 40.55 feet to the TRUE POINT OF BEGINNING.

The Basis of Bearings for this description is between the found 1 1/2" axle at the sections corner common to Sections 26, 27, 34 and 35 of Township 7 North, Range 2 East, Boise Meridian as shown on Record of Survey No. 182866, from which a found brass cap at the quarter corner common to said Sections 26 and 27 bears North 00°22'26" West a distance of 2639.46 feet as shown on said Record of Survey.

ALSO EXCEPTING Parcel A-2 as described in deed recorded as Instrument No. 188695, more particularly described as follows:

A property description of a portion of Government Lots 5 and 6 and a portion of the Amended Townsite Plat of Horseshoe Bend within Section 26 and a portion of the East 1/2 of the Southeast 1/4 of Section 27, Township 7 North, Range 2 East, Boise Meridian, Horseshoe Bend, Boise County, Idaho, more particularly described as follows:

BEGINNING at the found 1 1/2" axle at the section corner common to Sections 26, 27, 34 and 35 of Township 7 North, Range 2 East, Boise Meridian as shown on Record of Survey No. 182866, from which a found brass cap at the quarter corner common to said Sections 26 and 27 bears North 00°22'26" West a distance of 2639.46 feet as shown on said Record of Survey;

Thence along the section line common to said Sections 26 and 35, North 87°27'37" East a distance of 869.14 feet to a 5/8 inch rebar with plastic cap "PLS PLS 7612" at the meander corner on the right bank of the Payette River as shown on said Record of Survey;

Thence continuing along said right bank meander line North 23°08'11" East a distance of 296.95 feet to a point of intersection with the north line of the Horseshoe Bend Hydroelectric Company Canal and the TRUE POINT OF BEGINNING;

Thence Westerly along the North line of the Horseshoe Bend Hydroelectric Company Canal South 82°36'22" West a distance of 423.50 feet to a point;

Thence leaving said North line, North 07°23'38" West a distance of 47.30 feet to a point;

Thence North 15°47'00" East a distance of 111.02 feet to the beginning of a curve to the right;

Thence along said curve to the right having a length of 185.86 feet, a radius of 200.00 feet, a central angle of 53°14'42", tangents of 100.25 feet, and a long chord which bears North 42°24'21" East, a distance of 179.24 feet to a point;

Thence North 69°01'46" East a distance of 395.33 feet;

Thence North 57°43'50" East a distance of 50.99 feet to a point;

Thence North 69°01'46" East a distance of 182.11 feet to a point;

Thence South 26°02'43" West a distance of 91.53 feet to a point;

Thence South 22°18'48" West a distance of 237.56 feet to a point;

Thence South 32°09'56" West a distance of 55.28 feet to a point;

Thence South 27°39'18" West a distance of 118.15 feet to a point on said North line;

Thence Westerly along said North line of the Horseshoe Bend Hydroelectric Company Canal North 82°36'22" East a distance of 93.44 feet to a point, the TRUE POINT OF BEGINNING.

The Basis of Bearings for this description is between the found 1 1/2" axle at the section corner common to Sections 26, 27, 34 and 35 of Township 7 North, Range 2 East, Boise Meridian as shown on Record of Survey No. 182866, from which a found brass cap at the quarter corner common to said Sections 26 and 27 bears North 00°22'26" West a distance of 2639.46 feet as shown on said Record of Survey.

[illegible]

Order Number: 251629

1. General taxes for the year 2004, which are liens, of which the first half has been paid and the second half of which will not become delinquent until June 20th.
Parcel No.: RP H00000279008 A
Amount: \$1,868.00
Parcel No.: RP H00000266007 A
Amount: \$19,056.42
2. General taxes for the year 2005, which are liens, are not yet due and payable.
3. Sewerage charges and special assessment powers of the City of Horseshoe Bend.
4. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: A right of way for a public highway. There is also granted hereby and easement adjacent to the above described highway right of way for relocation of all irrigation and/or drainage ditches and structures now located on such right of way and such surface drain ditches as may be necessary to the proper construction of the highway.
Recorded: April 26, 1934
Instrument No.: 40190
Filed In: Book 47 of Deeds at page 374
NOTE: Said deed appears to convey a fee interest, but is not excepted from subsequent conveyances.
5. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: Right of way
In Favor of: State of Idaho
Filed In: Book 47 of Deeds at page 390
6. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: Right of way for relocation of all irrigation and/or drainage ditches and structures and such surface drain ditches as may be necessary to the proper construction of the highway
Granted By: Idaho Power Company
In Favor of: State of Idaho
Recorded: July 31, 1936
Instrument No.: 43043
Filed In: Book 48 of Deeds at page 89
NOTE: Said deed appears to convey a fee interest, but is not excepted from subsequent conveyances.

Schedule C

COMMITMENT



SPECIAL EXCEPTIONS

Order Number: 251629

7. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: Power line easement
In Favor of: Idaho Power Company
Recorded: July 15, 1942
Instrument No.: 49916
Filed In: Book 11 of Misc. Records at page 72
8. Terms and provisions set forth in Pipe Line Agreement between the parties herein named.
Between: Oregon Short Line Railroad Company, a corporation of the State of Utah, and its Lessee, Union Pacific Railroad Company, a corporation of the State of Utah and Theodore Hoff, Jr.
Dated: June 26, 1956
Recorded: August 15, 1956
Instrument No.: 62514
9. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: Power line easement
In Favor of: Idaho Power Company
Recorded: August 6, 1974
Instrument No.: 80951
Filed In: Book 16 of Misc. Records at page 85
10. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: Driveway purposes
In Favor of: Allen R. Drake and Catherine M. Drake, husband and wife
Recorded: April 23, 1975
Instrument No.: 81997
Filed In: Book 17 of Misc. Records at page 46

COMMITMENT

[illegible]

SPECIAL EXCEPTIONS

Order Number: 251629

11. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: Driveway purposes
In Favor of: Allen R. Drake and Catherine M. Drake, husband and wife
Recorded: April 23, 1975
Instrument No.: 81998
Filed In: Book 17 of Misc. Records at page 47
12. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: Power line easement
In Favor of: Idaho Power Company
Recorded: June 1, 1984
Instrument No.: 113257
Filed In: Book 24 of Misc. Records at page 75
13. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: Power line easement
In Favor of: Idaho Power Company
Recorded: July 11, 1984
Instrument No.: 113644
Filed In: Book 24 of Misc. Records at pages 117
14. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: All purposes reasonably necessary for conducting Grantee's hydroelectric power generation business
In Favor of: HBH Limited Partnership, a limited partnership
Recorded: March 4, 1985
Instrument No.: 116197
15. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: Power line easement
In Favor of: Idaho Power Company
Recorded: August 18, 1988
Instrument No.: 129771

Order Number: 251629

- ORT FORM 3541
ALTA Commitment Form - 1982

COMMITMENT

SPECIAL EXCEPTIONS

Schedule C page 5 of 6 page(s)



AMENDMENT OF REGISTRATION OF FOREIGN LIMITED LIABILITY COMPANY

(Instructions on back of application)

10 MAY -3 AM 11:38

SECRETARY OF STATE
STATE OF IDAHO

1. The name of the foreign limited liability company prior to this amendment is:

Boise Building Solutions Manufacturing, L.L.C.

2. If the foreign limited liability company was required to adopt an assumed name in order to register in Idaho, the name the foreign limited liability company used in Idaho is:

3. The application for registration in Idaho was filed on: 09/16/2004

4. The foreign limited liability company's registration is amended as follows:
(check one or more)



- a. The name of the limited liability company has been changed to:

Boise Cascade Wood Products, L.L.C.

If the new name is not available or permissible in Idaho, the name to be used in Idaho is: _____



- b. The LLC has changed its jurisdiction of registration, without a change of formation to:



- c. Other amendment: _____

5. Signature of authorized person:

Signature

David G. Gadda

Typed Name David G. Gadda

Capacity Manager

Secretary of State use only

g:\completement\reg_foreign_llc.pdf
Revised 09/2002

IDAHO SECRETARY OF STATE
05/03/2010 05:00
CK: 18789 CT: 20160 BH: 1220371
1 @ 30.00 = 30.00 FOR LLC AN # 2
1 @ 20.00 = 20.00 EXPEDITE C # 3

Delaware

PAGE 1

The First State

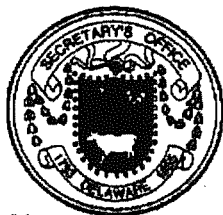
I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THAT THE SAID "BOISE BUILDING SOLUTIONS MANUFACTURING, L.L.C.", FILED A CERTIFICATE OF AMENDMENT, CHANGING ITS NAME TO "BOISE CASCADE WOOD PRODUCTS, L.L.C.", THE TWENTY-EIGHTH DAY OF APRIL, A.D. 2010, AT 7:39 O'CLOCK P.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE EFFECTIVE DATE OF THE AFORESAID CERTIFICATE OF AMENDMENT IS THE THIRD DAY OF MAY, A.D. 2010.

3840351 8320

100446962

You may verify this certificate online
at corp.delaware.gov/authver.shtml




Jeffrey W. Bullock, Secretary of State
AUTHENTICATION: 7965927

DATE: 04-30-10