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AUG 30 2010

DEPT. OF WATER RESOURCES  
SOUTHERN REGION

DEV

STATE OF IDAHO  
DEPARTMENT OF WATER RESOURCES

**Notice of Security Interest in a Water Right**

**And Request for Notification of a Change in Ownership or Any Proposed  
Or Final Action to Amend, Transfer, or Otherwise Modify a Water Right**

Please print or type. Attach pages with additional information. Instructions are on the back of this page.  
Incomplete forms will be returned.

1. Water Right No(s): 36-2356A, 36-2356B, 36-7210, 36-7427, 36-7720

Adjudication Claim No(s): \_\_\_\_\_

2. The following **REQUIRED** information must be submitted with this form:

A) Evidence of the security interest. This may be a copy of a **DEED of TRUST, MORTGAGE, CONTRACT OF SALE** or other legal document indicating your interest in the property and water rights or claims in question, **WITH ATTACHED LEGAL DESCRIPTION.**

B) A **FEE of \$25.00 per water right** or adjudication claim.

3. Name and Mailing Address of Person or Company holding Security Interest

Attn. Kip Bryson  
U.S. Bank N.A.  
675 N Milwaukee St  
Boise, ID 83704

4. Name of Water Right Owner/Claimant(s) Blue Lakes Trout Company LLC

5. Expiration Date of Notification Period October 3, 2015

6. Is this a Renewal of Request for Notification?  YES  NO

7. Signature(s) of Security Interest holder(s) U.S. Bank National Association  
(and title if applicable)

x Kip Bryson  
By: Kip Bryson, Vice President

**For Office Use Only**

Received by SB Date 8-26-10 Fee 125  
Received by Gmh Date 8-26-10 Receipt No. W038686  
Processed by \_\_\_\_\_ AJ Date \_\_\_\_\_ WR \_\_\_\_\_ Date \_\_\_\_\_

**SUPPORT DATA**

IN FILE # 36-2356A

RECEIVED

AUG 26 2010

WATER RESOURCES  
WESTERN REGION

J- 39484/PH 1

This instrument prepared by and  
after recording return to:

Kipton F. Bryson

US BANK  
TREASURE VALLEY COM'L BANKING  
ATTN: ERICA  
675 N MILWAUKEE  
BOISE, ID 83704  
PHONE-208 373-8205 FAX-208 378-0820

**Instrument # 2103611**

JEROME COUNTY, JEROME, IDAHO  
8-19-2010 10:26:29 No. of Pages: 18  
Recorded for : LAND TITLE AND ESCROW  
MICHELLE EMERSON Fee: \$1.00  
Ex-Officio Recorder Deputy J. Wilson

5824114507

**IDAHO DEED OF TRUST, SECURITY AGREEMENT  
AND ASSIGNMENT OF RENTS AND LEASES  
(INCLUDING FIXTURE FILING UNDER UNIFORM COMMERCIAL CODE)**

This Idaho Deed of Trust, Security Agreement and Assignment of Rents and Leases (Including Fixture Filing Under Uniform Commercial Code) ("Deed of Trust ") is made and entered into by the undersigned borrower(s), guarantor(s) and/or other obligor(s)/pledgor(s) (collectively the "Grantor") in favor of U.S. BANK TRUST COMPANY, N.A., having a mailing address at 555 SW OAK, PORTLAND, OR 97204 (the "Trustee"), for the benefit of U.S. BANK N.A. (the "Beneficiary"), as of the date set forth below.

**ARTICLE I. CONVEYANCE/MORTGAGED PROPERTY**

**1.1 Grant of Deed of Trust/Security Interest.** For valuable consideration, in hand paid by the Trustee to the Grantor, and the financial accommodations from the Beneficiary to the Grantor as described below, the Grantor has bargained, sold, conveyed and confirmed, and hereby bargains, sells, conveys and confirms, unto Trustee, its successors and assigns, for the benefit of the Beneficiary, the Mortgaged Property (defined below) to secure all of the Grantor's Obligations (defined below) to the Beneficiary. The intent of the parties hereto is that the Mortgaged Property secures all Obligations of the Grantor to the Beneficiary, whether now or hereafter existing, between the Grantor and the Beneficiary or in favor of the Beneficiary, including, without limitation, any note, any loan or security agreement, any lease, any other mortgage, deed of trust or other pledge of an interest in real or personal property, any guaranty, any letter of credit or reimbursement agreement or banker's acceptance, any agreement for any other services or credit extended by the Beneficiary to the Grantor even though not specifically enumerated herein and any other agreement with the Beneficiary (together and individually, the "Loan Documents"). The parties further intend that this Deed of Trust shall operate as a security agreement with respect to those portions of the Mortgaged Property which are subject to Article 9 of the Uniform Commercial Code.

**1.2 "Mortgaged Property"** means all of the following, whether now owned or existing or hereafter acquired by the Grantor, wherever located: all the real estate described below or in **Exhibit A** attached hereto (the "Land"), together with all buildings, structures, standing timber, timber to be cut, fixtures, equipment, inventory and furnishings used in connection with the Land and improvements; all materials, contracts, drawings and personal property relating to any construction on the Land; and all other improvements now or hereafter constructed, affixed or located thereon (the "Improvements") (the Land and the Improvements collectively the "Premises"); TOGETHER with any and all easements, rights-of-way, licenses, privileges, and appurtenances thereto, and any and all leases or other agreements for the use or occupancy of the Premises, all the rents, issues, profits or any proceeds therefrom and all security deposits and any guaranty of a tenant's obligations thereunder (collectively the "Rents"); all awards as a result of condemnation, eminent domain or other decrease in value of the Premises and all insurance and other proceeds of the Premises.

The Land is described as follows (or in Exhibit A hereto if the description does not appear below):  
The land and the water rights are described on the attached Exhibit A

Together with all and singular the passages, waters, water rights (whether tributary or non-tributary), water courses, riparian rights, wells, well permits, water stock, other rights, liberties and privileges thereof or in any way now or hereafter appertaining to the Property.

**1.3 "Obligations"** means all loans by the Beneficiary to Blue Lakes Trout Company LLC  
including those loans evidenced by a note or notes dated 08/03/10  
, in the initial principal amount(s) of \$ 2,400,000.00  
, and any extensions, renewals, restatements and modifications thereof and all principal, interest, fees and expenses relating thereto (the "Note"); and also means all the Grantor's debts, liabilities, obligations, covenants, warranties, and duties to the Beneficiary (plus its affiliates including any credit card debt, but specifically excluding any type of consumer credit), whether now or hereafter existing or incurred, whether liquidated or unliquidated, whether absolute or contingent, whether arising out of the Loan Documents or otherwise, and regardless of whether such Obligations arise out of existing or future credit granted by the Beneficiary to any Grantor, to any Grantor and others, to others guaranteed, endorsed or otherwise secured by any Grantor or to any debtor-in-possession/successor-in-interest of any Grantor, and principal, interest, fees, expenses and charges relating to any of the foregoing, including, without limitation, costs and expenses of collection and enforcement of this Deed of Trust, attorneys' fees of both inside and outside counsel and environmental assessment or remediation costs. The interest rate and maturity of such Obligations are as described in the documents creating the indebtedness secured hereby.

**1.4 Homestead.** The Premises are not the homestead of the Grantor. If so, the Grantor releases and waives all rights under and by virtue of the homestead exemption laws of the State of Idaho.  
(are)(are not)

**1.5 Future Advances.** This Deed of Trust secures future advances made pursuant to Idaho Code Section 45-108 and shall secure the payment of all loan advances included within the term "Obligations", regardless of the time such advances are made. This Deed of Trust shall also secure unpaid balances of advances made with respect to the Mortgaged Property for the payment of taxes, assessments, insurance premiums or costs incurred for the protection of the Mortgaged Property and other costs which the Bank is authorized by this Deed of Trust to pay on Grantor's behalf, plus interest thereon, regardless of the time when such advances are made.

## ARTICLE II. WARRANTIES AND COVENANTS

In addition to all other warranties and covenants of the Grantor under the Loan Documents which are expressly incorporated herein as part of this Deed of Trust, including the covenants to pay and perform all Obligations, and while any part of the credit granted the Grantor under the Loan Documents is available or any Obligations of the Grantor to the Beneficiary are unpaid or outstanding, the Grantor continuously warrants to the Beneficiary and the Trustee and agrees as follows:

**2.1 Warranty of Title/Possession.** The Grantor warrants that it has sole and exclusive title to and possession of the Premises, excepting only the following "Permitted Encumbrances": restrictions and easements of record, and zoning ordinances (the terms of which are and will be complied with, and in the case of easements, are and will be kept free of encroachments), taxes and assessments not yet due and payable and those Permitted Encumbrances set forth on Exhibit B attached hereto (except that if no Exhibit B is attached, there will be no additional Permitted Encumbrances). The lien of this Deed of Trust, subject only to Permitted Encumbrances, is and will continue to be a valid first and only lien upon all of the Mortgaged Property.

**2.2 Maintenance; Waste; Alteration.** The Grantor will maintain the Premises in good and tenantable condition and will restore or replace damaged or destroyed improvements with items of at least equal utility and value. The Grantor will not commit or permit waste to be committed on the Premises. The Grantor will not remove, demolish or materially alter

any part of the Premises without the Beneficiary's prior written consent, except the Grantor may remove a fixture, provided the fixture is promptly replaced with another fixture of at least equal utility. The replacement fixture will be subject to the priority lien and security of this Deed of Trust.

**2.3 Transfer and Liens.** The Grantor will not, without the prior written consent of the Beneficiary, which may be withheld in the Beneficiary's sole and absolute discretion, either voluntarily or involuntarily (a) sell, assign, lease or transfer, or permit to be sold, assigned, leased or transferred, any part of the Premises, or any interest therein; or (b) pledge or otherwise encumber, create or permit to exist any mortgage, pledge, lien or claim for lien or encumbrance upon any part of the Premises or interest therein, except for the Permitted Encumbrances. Beneficiary has not consented and will not consent to any contract or to any work or to the furnishing of any materials which might be deemed to create a lien or liens superior to the lien of this Deed of Trust or otherwise.

**2.4 Escrow.** After written request from the Beneficiary, the Grantor will pay to the Beneficiary sufficient funds at such time as the Beneficiary designates, to pay (a) the estimated annual real estate taxes and assessments on the Premises; and (b) all property or hazard insurance premiums when due. Interest will not be paid by the Beneficiary on any escrowed funds. Escrowed funds may be commingled with other funds of the Beneficiary. All escrowed funds are hereby pledged as additional security for the Obligations.

**2.5 Taxes, Assessments and Charges.** To the extent not paid to the Beneficiary under 2.4 above, the Grantor will pay before they become delinquent all taxes, assessments and other charges now or hereafter levied or assessed against the Premises, against the Beneficiary based upon this Deed of Trust or the Obligations secured by this Deed of Trust, or upon the Beneficiary's interest in the Premises, and deliver to the Beneficiary receipts showing timely payment.

**2.6 Insurance.** The Grantor will continually insure the Premises against such perils or hazards as the Beneficiary may require, in amounts, with acceptable co-insurance provisions, not less than the unpaid balance of the Obligations or the full replacement value of the Improvements, whichever is less. The policies will contain an agreement by each insurer that the policy will not be terminated or modified without at least thirty (30) days' prior written notice to the Beneficiary and will contain a mortgage clause acceptable to the Beneficiary; and the Grantor will take such other action as the Beneficiary may reasonably request to ensure that the Beneficiary will receive (subject to no other interests) the insurance proceeds from the Improvements. The Grantor hereby assigns all insurance proceeds to and irrevocably directs, while any Obligations remain unpaid, any insurer to pay to the Beneficiary the proceeds of all such insurance and any premium refund; and authorizes the Beneficiary to endorse the Grantor's name to effect the same, to make, adjust or settle, in the Grantor's name, any claim on any insurance policy relating to the Premises. The proceeds and refunds will be applied in such manner as the Beneficiary, in its sole and absolute discretion, determines to rebuilding of the Premises or to payment of the Obligations, whether or not then due and payable.

**2.7 Condemnation.** Any compensation received for the taking of the Premises, or any part thereof, by a condemnation proceeding (including payments in compromise of condemnation proceedings), and all compensation received as damages for injury to the Premises, or any part thereof, shall be applied in such manner as the Beneficiary, in its sole and absolute discretion, determines to rebuilding of the Premises or to payment of the Obligations, whether or not then due and payable.

**2.8 Environmental Matters.** Except as specifically disclosed by Grantor to Beneficiary in writing prior to the execution of this Deed of Trust, Grantor represents and warrants as follows. There exists no uncorrected violation by the Grantor of any federal, state or local laws (including statutes, regulations, ordinances or other governmental restrictions and requirements) relating to the discharge of air pollutants, water pollutants or process waste water or otherwise relating to the environment or Hazardous Substances as hereinafter defined, whether such laws currently exist or are enacted in the future (collectively "Environmental Laws"). The term "Hazardous Substances" will mean any hazardous or toxic wastes, chemicals or other substances, the generation, possession or existence of which is prohibited or governed by any Environmental Laws. The Grantor is not subject to any judgment, decree, order or citation, or a party to (or threatened with) any litigation or administrative proceeding, which asserts that the Grantor (a) has violated any Environmental Laws; (b) is required to clean up, remove or take remedial or other action with respect to any Hazardous Substances (collectively "Remedial Action"); or (c) is required to pay all or a portion of the cost of any Remedial Action, as a potentially responsible party. Except as disclosed on the Borrower's environmental questionnaire provided to the Beneficiary, there are not now, nor to the Grantor's knowledge after reasonable investigation have there ever been, any Hazardous Substances (or tanks or other facilities for the storage of Hazardous Substances) stored, deposited, recycled or disposed of on, under or at any real estate owned or occupied by the Grantor during the periods that the Grantor owned or occupied such real estate, which if present on the real estate or in soils or ground water, could require Remedial Action. To the Grantor's knowledge, there are no proposed or pending changes in Environmental Laws which would adversely affect the Grantor or its business, and there are no conditions existing currently or likely to exist while the Loan Documents are in effect which would subject the Grantor to Remedial Action or other liability. The Grantor currently complies with and will continue to timely comply with all applicable Environmental Laws; and will provide the Beneficiary, immediately upon receipt, copies of any correspondence, notice, complaint, order or other document from any source asserting or alleging any circumstance or condition which requires or may require a financial contribution by the Grantor

or Remedial Action or other response by or on the part of the Grantor under Environmental Laws, or which seeks damages or civil, criminal or punitive penalties from the Grantor for an alleged violation of Environmental Laws. In the event of any such circumstance or condition, the Grantor agrees, at its expense and at the request of the Beneficiary, to permit an environmental audit solely for the benefit of the Beneficiary, to be conducted by the Beneficiary or an independent agent selected by the Beneficiary and which may not be relied on by the Grantor for any purpose. This provision shall not relieve the Grantor from conducting its own environmental audits or taking any other steps necessary to comply with Environmental Laws.

**2.9 Assignments.** The Grantor will not assign, in whole or in part, without the Beneficiary's prior written consent, the rents, issues or profits arising from the Premises.

**2.10 Right of Inspection.** The Beneficiary may at all reasonable times enter and inspect the Premises.

**2.11 Waivers by Grantor.** To the greatest extent that such rights may then be lawfully waived, the Grantor hereby agrees for itself and any persons claiming under the Deed of Trust that it will waive and will not, at any time, insist upon or plead or in any manner whatsoever claim or take any benefit or advantage of (a) any exemption, stay, extension or moratorium law now or at any time hereafter in force; (b) any law now or hereafter in force providing for the valuation or appraisal of the Premises or any part thereof prior to any sale or sales thereof to be made pursuant to any provision herein contained or pursuant to the decree, judgment or order of any court of competent jurisdiction; (c) to the extent permitted by law, any law now or at any time hereafter made or enacted granting a right to redeem from foreclosure or any other rights of redemption in connection with foreclosure of, or exercise of any power of sale under, this Deed of Trust; (d) any statute of limitations now or at any time hereafter in force; or (e) any right to require marshalling of assets by the Beneficiary.

**2.12 Assignment of Rents and Leases.** The Grantor assigns and transfers to the Beneficiary, as additional security for the Obligations, all right, title and interest of the Grantor in and to all leases which now exist or hereafter may be executed by or on behalf of the Grantor covering the Premises and any extensions or renewals thereof, together with all Rents, it being intended that this is an absolute and present assignment of the Rents. Notwithstanding that this assignment constitutes a present assignment of leases and rents, the Grantor may collect the Rents and manage the Premises, but only if and so long as a default has not occurred. If a default occurs, the right of Grantor to collect the Rents and to manage the Premises shall thereupon automatically terminate and such right, together with other rights, powers and authorizations contained herein, shall belong exclusively to the Beneficiary. This assignment confers upon the Beneficiary a power coupled with an interest and cannot be revoked by the Grantor. Upon the occurrence of a default, the Beneficiary, at its option without notice and without seeking or obtaining the appointment of a receiver or taking actual possession of the Premises may (a) give notice to any tenant(s) that the tenant(s) should begin making payments under their lease agreement(s) directly to the Beneficiary or its designee; (b) commence a foreclosure action and file a motion for appointment of a receiver; or (c) give notice to the Grantor that the Grantor should collect all Rents arising from the Premises and remit them to the Beneficiary upon collection and that the Grantor should enforce the terms of the lease(s) to ensure prompt payment by tenant(s) under the lease(s). All Rents received by the Grantor shall be held in trust by the Grantor for the Beneficiary. All such payments received by the Beneficiary may be applied in any manner as the Beneficiary determines to payments required under this Deed of Trust, the Loan Documents and the Obligations. The Grantor agrees to hold each tenant harmless from actions relating to tenant's payment of Rents to the Beneficiary.

**2.13 Fixture Filing.** From the date of its recording, this Deed of Trust shall be effective as a financing statement filed as a fixture filing under the Uniform Commercial Code with respect to the Improvements and for this purpose the name and address of the debtor is the name and address of the Grantor as set forth in this Deed of Trust and the name and address of the secured party is the name and address of the Beneficiary as set forth in this Deed of Trust. The Mortgaged Property includes goods which are or may become so affixed to real property as to become fixtures. If any of the Mortgaged Property is of a nature such that a security interest therein can be perfected under the Uniform Commercial Code, this Deed of Trust shall also constitute the grant of a security interest to the Beneficiary and serve as a Security Agreement, and Grantor authorizes the filing of any financing statements and agrees to execute other instruments that may be required for the further specification, perfection or renewal of such security interest.

### ARTICLE III. RIGHTS AND DUTIES OF THE BENEFICIARY

In addition to all other rights (including setoff) and duties of the Beneficiary under the Loan Documents which are expressly incorporated herein as a part of this Deed of Trust, the following provisions will also apply:

**3.1 Beneficiary Authorized to Perform for Grantor.** If the Grantor fails to perform any of the Grantor's duties or covenants set forth in this Deed of Trust, the Beneficiary may perform the duties or cause them to be performed, including, without limitation, signing the Grantor's name or paying any amount so required, and the cost, with interest at the default rate set forth in the Loan Documents, will immediately be due from the Grantor to the Beneficiary from the date of expenditure by the Beneficiary to date of payment by the Grantor, and will be one of the Obligations secured by

this Deed of Trust. All acts by the Beneficiary are hereby ratified and approved, and the Beneficiary will not be liable for any acts of commission or omission, nor for any errors of judgment or mistakes of fact or law.

#### ARTICLE IV. DEFAULTS AND REMEDIES

The Beneficiary may enforce its rights and remedies under this Deed of Trust upon default. A default will occur if the Grantor fails to comply with the terms of any Loan Documents (including this Deed of Trust or any guaranty by the Grantor) or a demand for payment is made under a demand loan, or the Grantor defaults on any other mortgage affecting the Land, or if any other obligor fails to comply with the terms of any Loan Documents for which the Grantor has given the Beneficiary a guaranty or pledge. Upon the occurrence of a default, the Beneficiary may declare the Obligations to be immediately due and payable.

**4.1 Remedies.** In addition to the remedies for default set forth below and in the other Loan Documents, including acceleration, the Beneficiary upon default will have all other rights and remedies for default available by law or equity. Upon a default, Beneficiary may exercise the following remedies:

**(a) Enforcement of Assignment of Rents and Leases.** Beneficiary may:

(i) terminate the license granted to Grantor to collect the Rents (regardless of whether Beneficiary or Trustee shall have entered into possession of the Mortgaged Property), collect and sue for the Rents in Beneficiary's own name, give receipts and releases therefor, and after deducting all expenses of collection, including reasonable attorneys' fees, apply the net proceeds thereof to any Obligations as Beneficiary may elect;

(ii) make, modify, enforce, cancel or accept surrender of any leases, evict tenants, adjust Rents, maintain, decorate, refurbish, repair, clean, and make space ready for renting, and otherwise do anything Beneficiary reasonably deems advisable in connection with the Mortgaged Property;

(iii) apply the Rents so collected to the operation and management of the Mortgaged Property, including the payment of reasonable management, brokerage and attorneys' fees, or to the Obligations; and

(iv) require Grantor to transfer and deliver possession of all security deposits and records thereof to Beneficiary.

**(b) Power of Sale.** Beneficiary may require the Trustee, and the Trustee is hereby authorized and empowered, to enter and take possession of the Premises and to sell all or part of the Mortgaged Property, at public auction, to the highest bidder for cash, free from equity of redemption, and any statutory or common law right of redemption, homestead, marital share, and all other exemptions, after giving notice of the time, place and terms of such sale and of the Mortgaged Property to be sold, in accordance with applicable law. The Trustee shall execute a conveyance to the purchaser in fee simple and deliver possession to the purchaser, which the Grantor warrants shall be given without obstruction, hindrance or delay. The Trustee may sell all or any portion of the Mortgaged Property, together or in lots or parcels, and may execute and deliver to the purchaser or purchasers of such property a conveyance in fee simple. The Trustee shall receive the proceeds thereof and shall apply the same as follows: (a) first, the payment of the expenses of making, maintaining and executing this trust, protection of the Mortgaged Property, including the expense of any litigation and reasonable attorneys' fees, and reasonable compensation to the Trustee; (b) second, to any advancements made by the Trustee or the Beneficiary pursuant hereto, with interest thereon; (c) third, to the payment of the Obligations herein secured or intended so to be, in such order as Beneficiary shall elect, and any balance of said Obligations may be the subject of immediate suit; (d) and, fourth, should there be any surplus, Trustee will pay it to the Grantor, or to such person as may be legally entitled thereto. The sale or sales by Trustee of less than the whole of the Mortgaged Property shall not exhaust the power of sale herein granted, and the Trustee is specifically empowered to make successive sale or sales under such power until the whole of the Mortgaged Property shall be sold; and if the proceeds of such sale or sales of less than the whole of the Premises shall be less than the aggregate of the Obligations and the expenses thereof, this Deed of Trust and the lien, security interest and assignment hereof shall remain in full force and effect as to the unsold portion of the Mortgaged Property; provided, however, that Grantor shall never have any right to require the sale or sales of less than the whole of the Mortgaged Property, but Beneficiary shall have the right at its sole election, to request the Trustee to sell less than the whole of the Mortgaged Property. Beneficiary may bid and become the purchaser of all or any part of the Mortgaged Property at any such sale, and the amount of Beneficiary's successful bid may be credited on the Obligations. In the event of a foreclosure of this Deed Trust, whether pursuant to the power of sale granted herein or pursuant to court decree, the Grantor shall remain liable for any deficiency.

**(c) Judicial and Other Relief.** Beneficiary or Trustee may proceed by a suit or suits in equity or at law, whether for the specific performance of any covenant or agreement herein contained or in aid of the execution of any power herein granted, or for any foreclosure hereunder or for the sale of the Mortgaged Property under the judgment or decree of any court or courts of competent jurisdiction.

**(d) Entry on Premises; Tenancy at Will.**

(i) Beneficiary may enter into and upon and take possession of all or any part of the Mortgaged Property, and may exclude Grantor, and all persons claiming under Grantor, and its agents or servants, wholly or partly therefrom; and,

holding the same, Beneficiary may use, administer, manage, operate, and control the Mortgaged Property and may exercise all rights and powers of Grantor in the name, place and stead of Grantor, or otherwise, as the Beneficiary shall deem best; and in the exercise of any of the foregoing rights and powers Beneficiary shall not be liable to Grantor for any loss or damage thereby sustained unless due solely to the willful misconduct or gross negligence of Beneficiary.

(ii) In the event of a trustee's or other foreclosure sale hereunder and if at the time of such sale Grantor or any other party (other than a tenant under a Lease as to which the Beneficiary shall have expressly subordinated the lien of this Deed of Trust as hereinabove set out) occupies the portion of the Mortgaged Property so sold or any part thereof, such occupant shall immediately become the tenant of the purchaser at such sale, which tenancy shall be a tenancy from day to day, terminable at the will of such purchaser, at a reasonable rental per day based upon the value of the portion of the Premises so occupied (but not less than any rental theretofore paid by such tenant, computed on a daily basis). An action of forcible detainer shall lie if any such tenant holds over a demand in writing for possession of such portion of the Premises.

(e) **Receiver.** Beneficiary may make application to a court of competent jurisdiction, as a matter of strict right and without notice to Grantor or regard to the adequacy of the Mortgaged Property for the repayment of the Obligations, for appointment of a receiver of the Mortgaged Property, and Grantor does hereby irrevocably consent to such appointment. Any such receiver shall have all necessary and proper powers and duties of receivers in similar cases, including the full power to rent, maintain and otherwise operate the Mortgaged Property upon such terms as may be approved by the court.

(f) **Remedies Cumulative, Concurrent and Nonexclusive.** If the Obligations are now or hereafter further secured by chattel mortgages, other deeds of trust, security agreements, pledges, contracts of guaranty, assignments of leases, or other security, Beneficiary may, at its option, exhaust its remedies under any one or more of said instruments and this Deed of Trust, either concurrently or independently, and in such order as Beneficiary may determine. Beneficiary shall have all rights, remedies and recourses granted in the Loan Documents and available to it at law or equity (including, without limitation, those granted by the Uniform Commercial Code), and same (a) shall be cumulative, concurrent, and nonexclusive, (b) may be pursued separately, successively or concurrently against Grantor or others obligated for the Obligations, or any part thereof or against any one or more of them, or against the Mortgaged Property, at the sole discretion of Beneficiary, and (c) may be exercised as often as occasion therefor shall arise, it being agreed by Grantor that the exercise of or failure to exercise any of same shall in no event be construed as a waiver or release thereof or of any other right, remedy or recourse.

(g) **Waiver by the Beneficiary.** The Beneficiary may permit the Grantor to attempt to remedy any default without waiving its rights and remedies hereunder, and the Beneficiary may waive any default without waiving any other subsequent or prior default by the Grantor. Furthermore, delay on the part of the Beneficiary in exercising any right, power or privilege hereunder or at law will not operate as a waiver thereof, nor will any single or partial exercise of such right, power or privilege preclude other exercise thereof or the exercise of any other right, power or privilege. No waiver or suspension will be deemed to have occurred unless the Beneficiary has expressly agreed in writing specifying such waiver or suspension.

(h) **Attorneys' Fees and Other Costs.** Attorneys' fees and other costs incurred in connection with this Deed of Trust may be recovered by the Beneficiary and included in any sale made hereunder or by judgment of foreclosure.

## ARTICLE V. TRUSTEE

**5.1 Action by Trustee.** The Trustee named herein shall be clothed with full power to act when action hereunder shall be required, and to execute any conveyance of the Mortgaged Property. In the event that the substitution of the Trustee shall become necessary for any reason, the substitution of a trustee in the place of that named herein shall be sufficient. The term "Trustee" shall be construed to mean "Trustees" whenever the sense requires. The necessity of the Trustee herein named, or any successor in trust, making oath or giving bond, is expressly waived.

**5.2 Employment of Agents.** The Trustee, or any one acting in it's stead, shall have, in it's discretion, authority to employ all property agents and attorneys in the execution of this trust and/or in the conducting of any sale made pursuant to the terms hereof, and to pay for such services rendered out of the proceeds of the sale of the Mortgaged Property, should any be realized; and if no sale be made or if the proceeds of sale be insufficient to pay the same, then Grantor hereby undertakes and agrees to pay the cost of such services rendered to said Trustee. Trustee may rely on any document believed by it in good faith to be genuine. All money received by the Trustee shall, until used or applied as herein provided, be held in trust, but need not be segregated (except to the extent required by law), and the Trustee shall not be liable for interest thereon.

**5.3 Indemnification of Trustee.** If the Trustee shall be made a party to or shall intervene in any action or proceeding affecting the Mortgaged Property or the title thereto, or the interest of the Trustee or Beneficiary under this Deed of Trust, the Trustee and Beneficiary shall be reimbursed by Grantor, immediately and without demand, for all reasonable costs,

charges and attorneys' fees incurred by them or either of them in any such case, and the same shall be secured hereby as a further charge and lien upon the Mortgaged Property.

**5.4 Successor Trustee.** Beneficiary may at any time, including any time before, during or after the commencement or completion of any foreclosure proceeding, remove Trustee (with or without cause) and appoint a successor Trustee by an instrument executed, acknowledged and recorded in the real estate records, which recording may take place before, during or after the commencement or completion of any foreclosure proceeding, and any such successor Trustee shall thereupon succeed to Trustee as Trustee hereunder as if named herein. No defect in the removal of Trustee or in the appointment of a successor or in the execution and recording of such appointment shall affect the validity thereof. Additionally, whether the recording of the successor Trustee instrument takes place before, during or after the commencement or completion of any foreclosure proceeding shall have no effect upon the validity of said proceeding. Trustee shall not be disqualified by reason that Trustee is an officer, employee or stockholder of Beneficiary, or has an interest in the Obligations. All parties waive any objection to Trustee having any such interest. Trustee shall be liable only for gross negligence or willful misconduct. No indemnity or remedy herein conferred is exclusive of any other remedy or indemnity, but each shall be in addition to every other hereunder and at law or in equity. No delay or omission by Trustee or Beneficiary to exercise any right or power shall impair such right or power or be construed as a waiver of any default or an acquiescence therein. If Trustee shall have proceeded to enforce any right by foreclosure, entry or otherwise, and such proceedings are discontinued for any reason, or shall have been determined adversely, then Grantor and Trustee shall severally and respectively be restored to their former positions and rights hereunder.

#### ARTICLE VI. MISCELLANEOUS

In addition to all other miscellaneous provisions under the Loan Documents which are expressly incorporated as a part of this Deed of Trust, the following provisions will also apply:

**6.1 Term of Deed of Trust.** This Deed of Trust shall continue in full force and effect until this Deed of Trust is released.

**6.2 Time of the Essence.** Time is of the essence with respect to payment of the Obligations, the performance of all covenants of the Grantor and the payment of taxes, assessments, and similar charges and insurance premiums.

**6.3 Subrogation.** The Beneficiary will be subrogated to the lien of any mortgage or other lien discharged, in whole or in part, by the proceeds of the Note or other advances by the Beneficiary, in which event any sums otherwise advanced by the Beneficiary shall be immediately due and payable, with interest at the default rate set forth in the Loan Documents from the date of advance by the Beneficiary to the date of payment by the Grantor, and will be one of the Obligations secured by this Deed of Trust.

**6.4 Choice of Law.** This Deed of Trust will be governed by the laws of the state in which the Mortgaged Property is located. For all other purposes, the choice of law specified in the Loan Documents will govern.

**6.5 Severability.** Invalidity or unenforceability of any provision of this Deed of Trust shall not affect the validity or enforceability of any other provision.

**6.6 Entire Agreement.** This Deed of Trust is intended by the Grantor and the Beneficiary as a final expression of this Deed of Trust and as a complete and exclusive statement of its terms, there being no conditions to the full effectiveness of this Deed of Trust. No parol evidence of any nature shall be used to supplement or modify any terms.

**6.7 Joint Liability; Successors and Assigns.** If there is more than one Grantor, the liability of the Grantors will be joint and several, and the reference to "Grantor" shall be deemed to refer to each Grantor and to all Grantors. The rights, options, powers and remedies granted in this Deed of Trust and the other Loan Documents shall extend to the Beneficiary and to its successors and assigns, shall be binding upon the Grantor and its successors and assigns, and shall be applicable hereto and to all renewals, amendments and/or extensions hereof.

**6.8 Indemnification.** Except for harm arising from the Beneficiary's or the Trustee's willful misconduct, the Grantor hereby indemnifies and agrees to defend and hold the Beneficiary and the Trustee harmless from any and all losses, costs, damages, claims and expenses (including, without limitation, attorneys' fees and expenses) of any kind suffered by or asserted against the Beneficiary or the Trustee relating to claims by third parties arising out of the financing provided under the Loan Documents or related to the Mortgaged Property (including, without limitation, the Beneficiary's failure to perform its obligations relating to Environmental Matters described in Section 2.8 above) or the exercise by the Beneficiary or the Trustee of any of their respective powers, rights and remedies under this Deed of Trust. This indemnification and hold harmless provision will survive the termination of the Loan Documents and the satisfaction of this Deed of Trust and Obligations due the Beneficiary.

**6.9 Notices.** Notice of any record shall be deemed delivered when the record has been (a) deposited in the United States Mail, postage pre-paid, (b) received by overnight delivery service, (c) received by telex, (d) received by telecopy, (e) received through the internet, or (f) when personally delivered.

**6.10 Release of Rights of Homestead and Distributive Share.** Each of the undersigned hereby relinquishes all

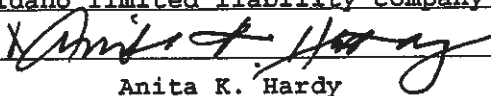
rights of homestead and distributive share in and to the Mortgaged Property and waives all rights of exemption as to any of the Mortgaged Property.

**6.11 Copy.** The Grantor hereby acknowledges the receipt of a copy of this Deed of Trust, together with a copy of each promissory note secured hereby, and all other documents executed by the Grantor in connection herewith.

**6.12 Usury Savings Clause.** Notwithstanding anything herein or in the Note to the contrary, no provision contained herein or in the Note which purports to obligate the Grantor to pay any amount of interest or any fees, costs or expenses which are in excess of the maximum permitted by applicable law, shall be effective to the extent that it calls for the payment of any interest or other sums in excess of such maximum. All agreements between the Grantor and the Beneficiary, whether now existing or hereafter arising and whether written or oral, are hereby limited so that in no contingency, whether by reason of demand for payment of or acceleration of the maturity of any of the indebtedness secured hereby or otherwise, shall the interest contracted for, charged or received by the Beneficiary exceed the maximum amount permissible under applicable law. If, from any circumstance whatsoever, interest would otherwise be payable to the Beneficiary in excess of the maximum lawful amount, the interest payable to the Beneficiary shall be reduced to the maximum amount permitted under applicable law; and if from any circumstance the Beneficiary shall ever receive anything of value deemed interest by applicable law in excess of the maximum lawful amount, an amount equal to any excessive interest shall at the Beneficiary's option, be refunded to the Grantor or be applied to the reduction of the principal balance of the indebtedness secured hereby and not to the payment of interest or, if such excessive interest exceeds the unpaid balance of principal indebtedness secured hereby, such excess shall be refunded to the Grantor. This paragraph shall control all agreements between the Grantor and the Beneficiary.

**6.13 Riders.** The rider(s) attached hereto and recorded together with this Deed of Trust are hereby fully incorporated into this Deed of Trust. [Check applicable box(es)]  Condominium Rider  Second Deed of Trust Rider  Construction Loan Rider  Other(s) (Specify) \_\_\_\_\_

IN WITNESS WHEREOF, the undersigned has/have executed this Deed of Trust as of AUGUST 3, 2010

(Individual Grantor) \_\_\_\_\_  
Grantor Name (Organization) Blue Lakes Trout Company LLC  
a Idaho limited liability company  
By   
Name and Title Anita K. Hardy  
Manager

(Individual Grantor) \_\_\_\_\_  
By \_\_\_\_\_  
Name and Title \_\_\_\_\_

Printed Name N/A

(Grantor Address) \_\_\_\_\_  
1301 South Vista Avenue  
Boise, ID 83705

(Beneficiary Address) \_\_\_\_\_  
555 SW OAK  
PORTLAND, OR 97204

[NOTARIZATION ON NEXT PAGE]

STATE OF Idaho }  
COUNTY OF Ada } ss.

On Aug 10, 2010, before me personally appeared Anita K. Hardy

to me known to be the person(s) described in and who executed the foregoing instrument and known to me to be  
Manager executing on behalf  
(Type of authority or title, if any, e.g., officer, vice president, trustee; if an individual, a married individual, a single individual)  
of Blue Lakes Trout Company LLC,  
(Name of entity on whose behalf the document was executed; use N/A if individual)  
a Idaho limited liability company, and  
(State of organization and type of organization, use N/A if individual)  
acknowledged that he/she/they executed the same as the free act and deed of such individual(s)/entity.

(SEAL)



Kip Bryson  
Notary Public  
My term expires 9/6/2012

**EXHIBIT A TO DEED OF TRUST  
(Legal Description)**

Grantor/Trustor: Blue Lakes Trout Company LLC

Trustee: U.S. BANK TRUST COMPANY, N.A.

Beneficiary: U.S. BANK N.A.

Legal Description of Land:

123 Warm Creek Road, Jerome, ID 83338, more fully described as follows:

**PARCEL NO. 3:**

TOWNSHIP 9 SOUTH, RANGE 17 EAST OF THE BOISE MERIDIAN,  
JEROME COUNTY, IDAHO

Section 28: A parcel of land in Lot 13 more particularly described as follows:

Commencing at a Large Lava Boulder marked by a chiseled cross which lies South 71°48' East  
4082 feet, more or less, from the North 1/16 Corner common to Sections 29 and 30;  
Thence South 44°30' East for 530.0 feet;  
Thence South 66°01' East for 579.5 feet;  
Thence South 59°14' East for 232.8 feet;  
Thence South 15°25' West for 93.42 feet;  
Thence South 55°46' East for 137.00 feet TO THE TRUE POINT OF BEGINNING;  
Thence South 15°25' West for 359.54 feet;  
Thence South 48°09' East for 29.18 feet;  
Thence South 55°46' East for 105.45 feet;  
Thence North 15°39'02" East for 363.12 feet;  
Thence North 55°46' West for 134.62 feet to THE TRUE POINT OF BEGINNING.

**PARCEL NO. 4:**

TOWNSHIP 9 SOUTH, RANGE 17, EAST OF THE BOISE MERIDIAN,  
JEROME COUNTY, IDAHO

Section 29: A parcel of land more particularly described as follows:

Commencing at the Northwest corner of Government Lot 16 of Section 29, which is marked by  
a G.L.O. Brass Cap;  
Thence South 71°48' East for a distance of 4082.0 feet (Record-4078.76 feet  
measured) to a chiseled cross in a large lava boulder;  
Thence along the Westerly boundary of the Blue Lakes Trout Farm on the following courses:  
South 59°18' West, 380.0 feet;  
South 48°30' East, 430.0 feet;  
South 35°45' East, 20.0 feet to THE TRUE POINT OF BEGINNING;

Thence continuing South 35°45' East for a distance of 300.0 feet;  
Thence South 22°41' West for a distance of 190.0 feet;  
Thence South 11°37' West for a distance of 131.0 feet to the mean high water of the Snake River;  
Thence leaving the Westerly boundary of the Blue Lakes Trout Farm and along the mean high water of the Snake River on the following courses:  
    South 51°31'23" West, 18.13 feet;  
    South 75°44'55" West, 132.14 feet;  
    North 79°22'50" West, 35.54 feet;  
    North 73°32'15" West, 68.09 feet;  
    North 70°12'42" West, 10.00 feet;  
Thence leaving the mean high water of the Snake River North 17°25'30" East for a distance of 588.69 feet to THE TRUE POINT OF BEGINNING.

**PARCEL NO. 5:**

TOWNSHIP 9 SOUTH, RANGE 17 EAST OF THE BOISE MERIDIAN,  
JEROME COUNTY, IDAHO

Section 29: A parcel of land more particularly described as follows:

Commencing at the Northwest corner of Gov't Lot 16 of Section 29, which is marked by a G.L.O. Brass Cap;  
Thence South 71°48' East for a distance of 4082.0 feet (Record - 4078.76 feet measured) to a chiseled cross in a large lava boulder;  
Thence South 55°11'34" West, 395.5 feet;  
Thence South 48°30' East, 430.0 feet;  
Thence South 35°45' East for a distance of 320.0 feet;  
Thence South 22°41' West for a distance of 190.0 feet;  
Thence South 11°37' West for a distance of 131.0 feet to THE TRUE POINT OF BEGINNING  
Thence South 11°37' West, 150.0 feet;  
Thence South 75°42'30" East, 1016.62 feet;  
Thence North 11°37' East, 100.0 feet;  
Thence North 69°53' West 300.0 feet;  
Thence North 46°10' West for 240.0 feet;  
Thence North 79°22' West 250.0 feet;  
Thence South 86°45' West 275.0 feet to the TRUE POINT OF BEGINNING.

**PARCEL NO. 6:**

TOWNSHIP 9 SOUTH, RANGE 17 EAST OF THE BOISE MERIDIAN,  
JEROME COUNTY, IDAHO

A parcel of land in Lot 13 of Section 28 and Lot 19 of Section 29, more particularly described as follows:

Commencing at a large lava boulder marked by a chiseled cross which lies South  $71^{\circ}48'$  East 4082 feet, more or less, from the North 1/16 corner common to Section 29 and 30;  
Thence South  $44^{\circ}30'$  East for 530.0 feet;  
Thence South  $66^{\circ}01'$  East for 579.5 feet;  
Thence South  $59^{\circ}14'$  East for 232.8 feet;  
Thence South  $15^{\circ}25'$  West for 93.42 feet;  
Thence South  $55^{\circ}46'$  East for 398.62 feet to THE TRUE POINT OF BEGINNING;  
Thence South  $15^{\circ}39'02''$  West for 363.12 feet, more or less, to a point which lies on the Northerly boundary of a parcel of land described in a certain Agreement of Sale between Percy Greene and Harold S. Miller, and Burton Perrine, Jr. and Emerald Perrine dated the 28th day of September, 1955;  
Thence South  $55^{\circ}46'$  East for 127.00 feet, along the above referenced Northerly boundary;  
Thence North  $15^{\circ}39'02''$  East for 363.12 feet;  
Thence North  $55^{\circ}46'$  West for 127.00 feet to THE TRUE POINT OF BEGINNING.

**PARCEL NO. 7:**

TOWNSHIP 9 SOUTH, RANGE 17 EAST OF THE BOISE MERIDIAN  
JEROME COUNTY, IDAHO

A parcel of land located in Sections 28 and 29 more particularly described as follows:

Commencing at a point on a large lava boulder that is marked with a cross and from which the N 1/16 corner of said Sections 29 and 30 Bears North  $71^{\circ}48'00''$  West 4082.00 feet;  
Thence South  $44^{\circ}30'00''$  East for a distance of 530.00 feet;  
Thence South  $66^{\circ}01'00''$  East for a distance 579.50 feet;  
Thence South  $59^{\circ}14'00''$  East for a distance of 232.80 feet;  
Thence South  $55^{\circ}47'33''$  East for a distance of 271.98 feet to THE TRUE POINT OF BEGINNING;  
Thence South  $83^{\circ}24'02''$  East for a distance of 108.79 feet;  
Thence North  $32^{\circ}35'34''$  East for a distance of 208.71 feet;  
Thence South  $42^{\circ}17'18''$  East for a distance of 735.84 feet;  
Thence South  $31^{\circ}31'14''$  West for a distance of 165.74 feet;  
Thence North  $55^{\circ}52'33''$  West for a distance of 251.63 feet;  
Thence North  $62^{\circ}32'15''$  West for a distance of 149.92 feet;  
Thence North  $15^{\circ}39'02''$  East for a distance of 8.00 feet;  
Thence North  $55^{\circ}46'00''$  West for a distance of 381.00 feet;  
Thence North  $15^{\circ}39'02''$  East for a distance of 93.42 feet to THE TRUE POINT OF BEGINNING.

**PARCEL NO. 8:**

TOWNSHIP 9 SOUTH, RANGE 17 EAST OF THE BOISE MERIDIAN,  
JEROME COUNTY, IDAHO

A parcel of land in Lot 8, Section 28 and Lot 19, Section 29, more particularly described as follows:

Commencing at the large lava boulder marked by a chiseled cross which lies South 71°48' East,  
4,082 feet, more or less from the North 1/16 corner common to Sections 29 and 30;  
Thence South 44°30' East, 530.0 feet;  
Thence South 66°01' East, 579.5 feet;  
Thence South 59°14' East, 232.8 feet;  
Thence South 15°25' West, 100.40 feet;  
Thence North 76°35'54" East, 188.99 feet to the REAL POINT OF BEGINNING;  
Thence North 32°35'34" East, 208.71 feet;  
Thence South 57°24'26" East, 208.71 feet;  
Thence South 32°35'34" West, 208.71 feet;  
Thence North 57°24'26" West, 208.71 feet, more or less, to the REAL POINT OF BEGINNING.

**PARCEL NO. 9:**

TOWNSHIP 9 SOUTH, RANGE 17 EAST OF THE BOISE MERIDIAN,  
JEROME COUNTY, IDAHO

A parcel of land in Lot 19, Section 29, more particularly described as follows:

Commencing at a large lava boulder marked by a chiseled cross which lies South 71°48' East, 4,082  
feet, more or less, from which the North 1/16 corner common to Sections 29 and 30;  
Thence South 44°30' East, 530.00 feet;  
Thence South 66°01' East, 579.5 feet;  
Thence South 59°14' East, 232.8 feet;  
Thence South 15°25' West, 100.40 feet;  
Thence North 76°35'54" East, 188.99 feet to the REAL POINT OF BEGINNING;  
Thence North 57°24'26" West, 208.71 feet;  
Thence North 32°35'34" East, 208.71 feet;  
Thence South 57°24'26" East, 208.71 feet;  
Thence South 32°35'34" West, 208.71 feet to the REAL POINT OF BEGINNING.

**PARCEL NO. 10:**

TOWNSHIP 9 SOUTH, RANGE 17, EAST OF THE BOISE MERIDIAN,  
JEROME COUNTY, IDAHO

Section 29: A parcel of land described as follows:

Commencing at a large lava boulder marked by a chiseled cross which lies South 71E48' East, 4,082 feet, more or less, from the North 1/16 corner common to Sections 29 and 30;  
Thence South 44E30' East 530.0 feet;  
Thence South 66E01' East, 579.5 feet;  
Thence North 71E57'36" East, 55.17 feet to THE TRUE POINT OF BEGINNING; Thence North 30E46' East for a distance of 282.22 feet;  
Thence South 59E33'22" East for a distance of 159.03 feet;  
Thence South 32E35'34" West for a distance of 283.26 feet;  
Thence North 59E14' West for a distance of 150.00 feet to THE TRUE POINT OF BEGINNING.

**PARCEL NO. 11:**

TOWNSHIP 9 SOUTH, RANGE 17 EAST OF THE BOISE MERIDIAN,  
JEROME COUNTY, IDAHO

Section 28 and 29: A parcel of land in Lot 13, Section 28, and Lot 19 of Section 29, more particularly described as follows:

Commencing at a large lava boulder marked by a chiseled cross which lies South 71E48' East 4082 feet, more or less, from the North 1/16 corner common to Sections 29 and 30;  
Thence South 44E30' East for 530.0 feet;  
Thence South 66E01' East for 579.5 feet;  
Thence South 59E14' East for 232.8 feet;  
Thence South 15E25' West for 93.42 feet;  
Thence South 55E46' East for 271.62 feet to THE TRUE POINT OF BEGINNING;  
Thence South 15E39'02" West for 363.12 feet;  
Thence South 55E46' East for 127.00 feet;  
Thence North 15E39'02" East for 363.12 feet;  
Thence North 55E46' West for 127.00 feet to THE TRUE POINT OF BEGINNING.

**PARCEL NO. 12:**

TOWNSHIP 9 SOUTH, RANGE 17 EAST OF THE BOISE MERIDIAN,  
JEROME COUNTY, IDAHO

Section 28: A tract of land in Lots 12, 13 and 14, described as follows:

Commencing at a large lava boulder marked by a chiseled cross which lies South 71°48' East, 4082 feet, more or less, from the North 1/16 corner common to Section 29 and 30;  
Thence South 44°30' East for 530.0 feet;  
Thence South 66°01' East for 579.5 feet;  
Thence South 59°14' East for 232.8 feet;  
Thence South 15°25' West for 100.4 feet;  
Thence South 54°33'15" East for 561.22 feet;  
Thence South 62°32'15" East for 242.39 feet;

Thence South 68°28'33" East for 255.24 feet to the REAL POINT OF BEGINNING.  
Thence South 31°31'14" West for 264.01 feet;  
Thence South 21°28'35" East for 77.48 feet;  
Thence South 67°39'57" East for 103.99 feet;  
Thence North 63°28'43" East for 116.46 feet;  
Thence South 82°43'34" East for 251.30 feet;  
Thence South 69°34'06" East for 211.94 feet;  
Thence North 0°03'24" East for 257.48 feet;  
Thence North 64°46'32" West for 532.10 feet;  
Thence South 31°31'14" West for 110.0 feet to the REAL POINT OF BEGINNING.

Together with the rights of ingress and egress as they now exist from the Public Roads to the herein described property.

**PARCEL NO. 13:**

TOWNSHIP 9 SOUTH, RANGE 17 EAST OF THE BOISE MERIDIAN,  
JEROME COUNTY, IDAHO

Section 28: A parcel of land located in Government Lot 12, more particularly described as follows:

Beginning at the North Quarter corner of said Section 28 from which the Northwest corner thereof bears South 89°39'00" West;  
Thence South 2°22'22" West 4383.91 feet to a point on the Westerly boundary of the Blue Lakes Country Club and the TRUE POINT OF BEGINNING;  
Thence Southwesterly along the Westerly boundary of said Blue Lakes Country Club the following courses and distances:  
South 10°19'00" East 9.11 feet;  
Thence Southwesterly 98.77 feet on the arc of a curve to the right with a radius of 65.00 feet, a central angle of 87°04'00", and a chord which bears South 33°13'00" West 89.54 feet to a point of tangency;  
Thence South 76°45'00" West 11.06 feet;  
Thence Southwesterly 151.81 feet on the arc of a curve to the left with a radius of 327.40 feet, a central angle of 26°34'00", and a chord which bears South 63°28'00" West 150.45 feet to a point on tangency;  
Thence South 50°11'00" West 110.77 feet;  
Thence Southwesterly 45.06 feet on the arc of a curve to the left with a radius of 56.58 feet, a central angel of 45°38'00", a chord which bears South 27°22'00" West 43.88 feet to a point of tangency;  
Thence South 4°33'00" West 88.20 feet;  
Thence Southwesterly 57.70 feet on the arc of a curve to the right with a radius of 4784 feet, a central angle of 69°06'00", and a chord which bears South 39°06'00" West 54.26 feet to a point of tangency;  
Thence South 73°39'00" West 110.72 feet;  
Thence leaving said Westerly boundary of Blue Lakes Country Club North 20°21'42" West 101.96 feet;  
Thence North 0°20'36" East 197.18 feet;  
Thence North 52°35'06" East 314.25 feet;  
Thence South 46°13'58" East 190.62 feet;  
Thence North 51°46'46" East 117.81 feet to the TRUE POINT OF BEGINNING.

TOGETHER WITH a non-exclusive easement for ingress and egress over the Blue Lakes Road.

**PARCEL NO. 14:**

TOWNSHIP 9 SOUTH, RANGE 17 EAST OF THE BOISE MERIDIAN,  
JEROME COUNTY, IDAHO

Section 28: A parcel of land in Lot 13 more particularly described as follows:

Commencing at a large lava boulder marked by a chiseled cross, which lies South 71°48' East 4082 feet, more or less, from the North 1/16 corner common to Sections 29 and 30;  
Thence South 44'30" East for 530.0 feet;  
Thence South 66°01' East for 579.5 feet;  
Thence South 59°14' East for 232.8 feet;

Thence South 15°25' West for 93.42 feet;  
Thence South 55°46' East for 525.62 feet to THE TRUE POINT OF BEGINNING;  
Thence South 15°39'02" West for 363.12 feet, more or less, to a point which lies on the Northerly boundary of a parcel of land described in a certain Agreement of Sale between Percy Greene and Harold S. Miller, and Burton Perrine, Jr. and Emerald Perrine dated the 28<sup>th</sup> day of September 1955;  
Thence South 55°46' East for 127.00 feet along the above referenced Northerly boundary;  
Thence North 15°39'02" East for 363.12 feet;  
Thence North 55°46' West for 127.00 feet to THE TRUE POINT OF BEGINNING.

**PARCEL NO. 15:**

TOWNSHIP 9 SOUTH, RANGE 17 EAST OF THE BOISE MERIDIAN,  
JEROME COUNTY, IDAHO

Section 28: A parcel of land in Lots 13 and 14, more particularly described as follows:

Commencing at a large lava boulder marked by a chiseled cross which lies South 71°48' East, 4082 feet, more or less, from the North 1/16 corner common to Sections 29 and 30:  
Thence South 44°30' East for 530.0 feet;  
Thence South 66°01' East for 579.5 feet;  
Thence South 59°14' East for 232.8 feet;

Thence South 15°25' West for 100.40 feet;  
Thence South 54°33'15" East for 561.22 feet;  
Thence South 62°32'15" East for 92.47 feet to THE REAL POINT OF BEGINNING.  
Thence South 15°39'02" West for 355.12 feet, more or less, to a point which lies on the Northerly boundary of a parcel of land described in a certain Agreement of Sale between Percy Green and Harold S. Miller and Burton Perrine, Jr. and Emerald Perrine dated the 28<sup>th</sup> day of September, 1955;  
Thence South 55°46' East for 326.24 feet along the above referenced Northerly boundary;  
Thence North 23°01'59" East for 149.57 feet, more or less;  
Thence North 31°31'14" East for 208.26 feet;  
Thence North 56°06'01" West for 251.58 feet;  
Thence North 62°32'15" West for 149.92 feet to THE REAL POINT OF BEGINNING.

**PARCEL NO. 16:**

**TOWNSHIP 9 SOUTH, RANGE 17 EAST OF THE BOISE MERIDIAN,  
JEROME COUNTY, IDAHO**

Section 28: A parcel of land in Lots 13 and 14, more particularly described as follows:

Commencing at a large lava boulder marked by a chiseled cross which lies South 71°48' East for 4082 feet, more or less, from the North 1/16 corner common to Section 29 and 30;  
 Thence South 44°30' East for 530.0 feet;  
 Thence South 66°01' East for 579.5 feet;  
 Thence South 59°14' East for 232.8 feet;  
 Thence South 15°25' West for 432.68 feet;  
 Thence South 48°09' East for 174.0 feet;  
 Thence South 55°46' East for 812.69 feet;  
 Thence South 23°01'59" West for 76.46 feet, more or less, to a point which lies on the Southerly boundary of a parcel of land described in a certain Agreement of Sale between Percy Green and Harold S. Miller and Burton Perrine, Jr. and Emerald Perrine dated 28<sup>th</sup> day of September, 1955, and being THE REAL POINT OF BEGINNING.  
 Thence North 55°46' West for 817.54 feet along the above referenced Southerly boundary;  
 Thence South 28°25' West for 50 feet, more or less, to the mean high waterline of the Northerly bank of the Snake River;  
 Thence upstream along said Northerly bank of the Snake River for 825 feet, more or less, to a point which lies South 23°01'59" West of THE REAL POINT OF BEGINNING;  
 Thence North 23°01'59" East for 73.0 feet, more or less, to THE REAL POINT OF BEGINNING.

And all of the water rights appurtenant to the afore-described lands situate in Jerome County, Idaho, described in five (5) Basin 37 "SRBA Partial Decree Pursuant to I.R.C.P. 54 (b)" relating to the water rights summarized, in part, as follows:

WATER RIGHT NUMBER	PLACES OF USE	SOURCE OF WATER TRIBUTARY	POINT OF DIVERSION	QUANTITY OF WATER
36-2356A	SW1/4NE1/4, Lot 14, NE1/4SE1/4 Lot 19, NW1/4SE1/4 Lot 18, Section 29, Township 9 South, Range 17 East, Jerome County, Idaho  (Fish Propagation)	Alpheus Creek/Snake River	Alpheus Creek NE1/4SW1/4SW1/4, Lot 14, Section 29, Township 9 South, Range 17 East, Jerome County, Idaho	99.83 CFS (cubic feet per second); volume 72,147.14 AFA (acre/ feet per year)
36-2356B	NE1/4SE1/4, Lot 19, Section 29, Township 9 South, Range 17 East, Jerome County, Idaho  (Commercial & Domestic)	Ground water	Ground water NE1/4SE1/4, Lot 19, Section 29, Township 9 South, Range 17 East, Jerome County, Idaho	0.13 CFS/ 94 AFA (Commercial)  0.04 CFS/ 2.4 AFA (Domestic)

WATER RIGHT NUMBER	PLACES OF USE	SOURCE OF WATER TRIBUTARY	POINT OF DIVERSION	QUANTITY OF WATER
36-7210	SW1/4NE1/4, Lot 14, NE1/4SE1/4 Lot 19, NW1/4SE1/4 Lot 18, Section 29, Township 9 South, Range 17 East, Jerome County, Idaho  (Fish Propagation)	Alpheus Creek/Snake River	Alpheus Creek NE1/4SW1/4SW1/4, Lot 14, Section 28, Township 9 South, Range 17 East, Jerome County, Idaho	45 CFS/ 32,521.5 AFA
36-7427	SE1/4NW1/4, Lot 19, Section 29, Township 9 South, Range 17 East, Jerome County, Idaho  (Fish Propagation)	Alpheus Creek/Snake River	Alpheus Creek NE1/4SW1/4SW1/4, Lot 14, Section 28, Township 9 South, Range 17 East, Jerome County, Idaho	52.23 CFS/ 37,746.6 AFA
36-7720	NE1/4SE1/4, Lot 19, Section 29, Township 9 South, Range 17 East, Jerome County, Idaho  (Fish Propagation)	Waste water	Waste water SW1/4NE1/4SE1/4, Lot 19, Section 29, Township 9 South, Range 17 East, Jerome County, Idaho	37.1 CFS/ 26,812.2 AFA

All five (5) water rights are based on court Decrees.

J-39484/P11 2

This instrument prepared by and  
after recording return to:

Kipton F. Bryson

US BANK  
TREASURE VALLEY COM'L BANKING  
ATTN: ERICA  
675 N MILWAUKEE  
BOISE, ID 83704  
PHONE-208 373-8205 FAX-208 378-0820

**Instrument # 2103612**

JEROME COUNTY, JEROME, IDAHO  
8-19-2010 10:32:09 No. of Pages: 12  
Recorded for : LAND TITLE AND ESCROW  
MICHELLE EMERSON Fee: 43.00  
Ex-Officio Recorder Deputy J. Wilson

5824114507

**IDAHO DEED OF TRUST, SECURITY AGREEMENT  
AND ASSIGNMENT OF RENTS AND LEASES  
(INCLUDING FIXTURE FILING UNDER UNIFORM COMMERCIAL CODE)**

This Idaho Deed of Trust, Security Agreement and Assignment of Rents and Leases (Including Fixture Filing Under Uniform Commercial Code) ("Deed of Trust") is made and entered into by the undersigned borrower(s), guarantor(s) and/or other obligor(s)/pledgor(s) (collectively the "Grantor") in favor of U.S. BANK TRUST COMPANY, N.A., having a mailing address at 555 SW OAK, PORTLAND, OR 97204 (the "Trustee"), for the benefit of U.S. BANK N.A. (the "Beneficiary"), as of the date set forth below.

**ARTICLE I. CONVEYANCE/MORTGAGED PROPERTY**

**1.1 Grant of Deed of Trust/Security Interest.** For valuable consideration, in hand paid by the Trustee to the Grantor, and the financial accommodations from the Beneficiary to the Grantor as described below, the Grantor has bargained, sold, conveyed and confirmed, and hereby bargains, sells, conveys and confirms, unto Trustee, its successors and assigns, for the benefit of the Beneficiary, the Mortgaged Property (defined below) to secure all of the Grantor's Obligations (defined below) to the Beneficiary. The intent of the parties hereto is that the Mortgaged Property secures all Obligations of the Grantor to the Beneficiary, whether now or hereafter existing, between the Grantor and the Beneficiary or in favor of the Beneficiary, including, without limitation, any note, any loan or security agreement, any lease, any other mortgage, deed of trust or other pledge of an interest in real or personal property, any guaranty, any letter of credit or reimbursement agreement or banker's acceptance, any agreement for any other services or credit extended by the Beneficiary to the Grantor even though not specifically enumerated herein and any other agreement with the Beneficiary (together and individually, the "Loan Documents"). The parties further intend that this Deed of Trust shall operate as a security agreement with respect to those portions of the Mortgaged Property which are subject to Article 9 of the Uniform Commercial Code.

**1.2 "Mortgaged Property"** means all of the following, whether now owned or existing or hereafter acquired by the Grantor, wherever located: all the real estate described below or in **Exhibit A** attached hereto (the "Land"), together with all buildings, structures, standing timber, timber to be cut, fixtures, equipment, inventory and furnishings used in connection with the Land and improvements; all materials, contracts, drawings and personal property relating to any construction on the Land; and all other improvements now or hereafter constructed, affixed or located thereon (the "Improvements") (the Land and the Improvements collectively the "Premises"); TOGETHER with any and all easements, rights-of-way, licenses, privileges, and appurtenances thereto, and any and all leases or other agreements for the use or occupancy of the Premises, all the rents, issues, profits or any proceeds therefrom and all security deposits and any guaranty of a tenant's obligations thereunder (collectively the "Rents"); all awards as a result of condemnation, eminent domain or other decrease in value of the Premises and all insurance and other proceeds of the Premises.

The Land is described as follows (or in Exhibit A hereto if the description does not appear below):  
The land and the water rights are described on the attached Exhibit A

Together with all and singular the passages, waters, water rights (whether tributary or non-tributary), water courses, riparian rights, wells, well permits, water stock, other rights, liberties and privileges thereof or in any way now or hereafter appertaining to the Property.

**1.3 "Obligations"** means all loans by the Beneficiary to Blue Lakes Trout Company LLC

including those loans evidenced by a note or notes dated 08/03/10, in the initial principal amount(s) of \$ 2,400,000.00, and any extensions, renewals, restatements and modifications thereof and all principal, interest, fees and expenses relating thereto (the "Note"); and also means all the Grantor's debts, liabilities, obligations, covenants, warranties, and duties to the Beneficiary (plus its affiliates including any credit card debt, but specifically excluding any type of consumer credit), whether now or hereafter existing or incurred, whether liquidated or unliquidated, whether absolute or contingent, whether arising out of the Loan Documents or otherwise, and regardless of whether such Obligations arise out of existing or future credit granted by the Beneficiary to any Grantor, to any Grantor and others, to others guaranteed, endorsed or otherwise secured by any Grantor or to any debtor-in-possession/successor-in-interest of any Grantor, and principal, interest, fees, expenses and charges relating to any of the foregoing, including, without limitation, costs and expenses of collection and enforcement of this Deed of Trust, attorneys' fees of both inside and outside counsel and environmental assessment or remediation costs. The interest rate and maturity of such Obligations are as described in the documents creating the indebtedness secured hereby.

**1.4 Homestead.** The Premises are not the homestead of the Grantor. If so, the Grantor releases and waives all rights under and by virtue of the homestead exemption laws of the State of Idaho.

**1.5 Future Advances.** This Deed of Trust secures future advances made pursuant to Idaho Code Section 45-108 and shall secure the payment of all loan advances included within the term "Obligations", regardless of the time such advances are made. This Deed of Trust shall also secure unpaid balances of advances made with respect to the Mortgaged Property for the payment of taxes, assessments, insurance premiums or costs incurred for the protection of the Mortgaged Property and other costs which the Bank is authorized by this Deed of Trust to pay on Grantor's behalf, plus interest thereon, regardless of the time when such advances are made.

## ARTICLE II. WARRANTIES AND COVENANTS

In addition to all other warranties and covenants of the Grantor under the Loan Documents which are expressly incorporated herein as part of this Deed of Trust, including the covenants to pay and perform all Obligations, and while any part of the credit granted the Grantor under the Loan Documents is available or any Obligations of the Grantor to the Beneficiary are unpaid or outstanding, the Grantor continuously warrants to the Beneficiary and the Trustee and agrees as follows:

**2.1 Warranty of Title/Possession.** The Grantor warrants that it has sole and exclusive title to and possession of the Premises, excepting only the following "**Permitted Encumbrances**": restrictions and easements of record, and zoning ordinances (the terms of which are and will be complied with, and in the case of easements, are and will be kept free of encroachments), taxes and assessments not yet due and payable and those Permitted Encumbrances set forth on **Exhibit B** attached hereto (except that if no **Exhibit B** is attached, there will be no additional Permitted Encumbrances). The lien of this Deed of Trust, subject only to Permitted Encumbrances, is and will continue to be a valid first and only lien upon all of the Mortgaged Property.

**2.2 Maintenance; Waste; Alteration.** The Grantor will maintain the Premises in good and tenantable condition and will restore or replace damaged or destroyed improvements with items of at least equal utility and value. The Grantor will not commit or permit waste to be committed on the Premises. The Grantor will not remove, demolish or materially alter

any part of the Premises without the Beneficiary's prior written consent, except the Grantor may remove a fixture, provided the fixture is promptly replaced with another fixture of at least equal utility. The replacement fixture will be subject to the priority lien and security of this Deed of Trust.

**2.3 Transfer and Liens.** The Grantor will not, without the prior written consent of the Beneficiary, which may be withheld in the Beneficiary's sole and absolute discretion, either voluntarily or involuntarily (a) sell, assign, lease or transfer, or permit to be sold, assigned, leased or transferred, any part of the Premises, or any interest therein; or (b) pledge or otherwise encumber, create or permit to exist any mortgage, pledge, lien or claim for lien or encumbrance upon any part of the Premises or interest therein, except for the Permitted Encumbrances. Beneficiary has not consented and will not consent to any contract or to any work or to the furnishing of any materials which might be deemed to create a lien or liens superior to the lien of this Deed of Trust or otherwise.

**2.4 Escrow.** After written request from the Beneficiary, the Grantor will pay to the Beneficiary sufficient funds at such time as the Beneficiary designates, to pay (a) the estimated annual real estate taxes and assessments on the Premises; and (b) all property or hazard insurance premiums when due. Interest will not be paid by the Beneficiary on any escrowed funds. Escrowed funds may be commingled with other funds of the Beneficiary. All escrowed funds are hereby pledged as additional security for the Obligations.

**2.5 Taxes, Assessments and Charges.** To the extent not paid to the Beneficiary under 2.4 above, the Grantor will pay before they become delinquent all taxes, assessments and other charges now or hereafter levied or assessed against the Premises, against the Beneficiary based upon this Deed of Trust or the Obligations secured by this Deed of Trust, or upon the Beneficiary's interest in the Premises, and deliver to the Beneficiary receipts showing timely payment.

**2.6 Insurance.** The Grantor will continually insure the Premises against such perils or hazards as the Beneficiary may require, in amounts, with acceptable co-insurance provisions, not less than the unpaid balance of the Obligations or the full replacement value of the Improvements, whichever is less. The policies will contain an agreement by each insurer that the policy will not be terminated or modified without at least thirty (30) days' prior written notice to the Beneficiary and will contain a mortgage clause acceptable to the Beneficiary; and the Grantor will take such other action as the Beneficiary may reasonably request to ensure that the Beneficiary will receive (subject to no other interests) the insurance proceeds from the Improvements. The Grantor hereby assigns all insurance proceeds to and irrevocably directs, while any Obligations remain unpaid, any insurer to pay to the Beneficiary the proceeds of all such insurance and any premium refund; and authorizes the Beneficiary to endorse the Grantor's name to effect the same, to make, adjust or settle, in the Grantor's name, any claim on any insurance policy relating to the Premises. The proceeds and refunds will be applied in such manner as the Beneficiary, in its sole and absolute discretion, determines to rebuilding of the Premises or to payment of the Obligations, whether or not then due and payable.

**2.7 Condemnation.** Any compensation received for the taking of the Premises, or any part thereof, by a condemnation proceeding (including payments in compromise of condemnation proceedings), and all compensation received as damages for injury to the Premises, or any part thereof, shall be applied in such manner as the Beneficiary, in its sole and absolute discretion, determines to rebuilding of the Premises or to payment of the Obligations, whether or not then due and payable.

**2.8 Environmental Matters.** Except as specifically disclosed by Grantor to Beneficiary in writing prior to the execution of this Deed of Trust, Grantor represents and warrants as follows. There exists no uncorrected violation by the Grantor of any federal, state or local laws (including statutes, regulations, ordinances or other governmental restrictions and requirements) relating to the discharge of air pollutants, water pollutants or process waste water or otherwise relating to the environment or Hazardous Substances as hereinafter defined, whether such laws currently exist or are enacted in the future (collectively "**Environmental Laws**"). The term "**Hazardous Substances**" will mean any hazardous or toxic wastes, chemicals or other substances, the generation, possession or existence of which is prohibited or governed by any Environmental Laws. The Grantor is not subject to any judgment, decree, order or citation, or a party to (or threatened with) any litigation or administrative proceeding, which asserts that the Grantor (a) has violated any Environmental Laws; (b) is required to clean up, remove or take remedial or other action with respect to any Hazardous Substances (collectively "**Remedial Action**"); or (c) is required to pay all or a portion of the cost of any Remedial Action, as a potentially responsible party. Except as disclosed on the Borrower's environmental questionnaire provided to the Beneficiary, there are not now, nor to the Grantor's knowledge after reasonable investigation have there ever been, any Hazardous Substances (or tanks or other facilities for the storage of Hazardous Substances) stored, deposited, recycled or disposed of on, under or at any real estate owned or occupied by the Grantor during the periods that the Grantor owned or occupied such real estate, which if present on the real estate or in soils or ground water, could require Remedial Action. To the Grantor's knowledge, there are no proposed or pending changes in Environmental Laws which would adversely affect the Grantor or its business, and there are no conditions existing currently or likely to exist while the Loan Documents are in effect which would subject the Grantor to Remedial Action or other liability. The Grantor currently complies with and will continue to timely comply with all applicable Environmental Laws; and will provide the Beneficiary, immediately upon receipt, copies of any correspondence, notice, complaint, order or other document from any source asserting or alleging any circumstance or condition which requires or may require a financial contribution by the Grantor

or Remedial Action or other response by or on the part of the Grantor under Environmental Laws, or which seeks damages or civil, criminal or punitive penalties from the Grantor for an alleged violation of Environmental Laws. In the event of any such circumstance or condition, the Grantor agrees, at its expense and at the request of the Beneficiary, to permit an environmental audit solely for the benefit of the Beneficiary, to be conducted by the Beneficiary or an independent agent selected by the Beneficiary and which may not be relied on by the Grantor for any purpose. This provision shall not relieve the Grantor from conducting its own environmental audits or taking any other steps necessary to comply with Environmental Laws.

**2.9 Assignments.** The Grantor will not assign, in whole or in part, without the Beneficiary's prior written consent, the rents, issues or profits arising from the Premises.

**2.10 Right of Inspection.** The Beneficiary may at all reasonable times enter and inspect the Premises.

**2.11 Waivers by Grantor.** To the greatest extent that such rights may then be lawfully waived, the Grantor hereby agrees for itself and any persons claiming under the Deed of Trust that it will waive and will not, at any time, insist upon or plead or in any manner whatsoever claim or take any benefit or advantage of (a) any exemption, stay, extension or moratorium law now or at any time hereafter in force; (b) any law now or hereafter in force providing for the valuation or appraisal of the Premises or any part thereof prior to any sale or sales thereof to be made pursuant to any provision herein contained or pursuant to the decree, judgment or order of any court of competent jurisdiction; (c) to the extent permitted by law, any law now or at any time hereafter made or enacted granting a right to redeem from foreclosure or any other rights of redemption in connection with foreclosure of, or exercise of any power of sale under, this Deed of Trust; (d) any statute of limitations now or at any time hereafter in force; or (e) any right to require marshalling of assets by the Beneficiary.

**2.12 Assignment of Rents and Leases.** The Grantor assigns and transfers to the Beneficiary, as additional security for the Obligations, all right, title and interest of the Grantor in and to all leases which now exist or hereafter may be executed by or on behalf of the Grantor covering the Premises and any extensions or renewals thereof, together with all Rents, it being intended that this is an absolute and present assignment of the Rents. Notwithstanding that this assignment constitutes a present assignment of leases and rents, the Grantor may collect the Rents and manage the Premises, but only if and so long as a default has not occurred. If a default occurs, the right of Grantor to collect the Rents and to manage the Premises shall thereupon automatically terminate and such right, together with other rights, powers and authorizations contained herein, shall belong exclusively to the Beneficiary. This assignment confers upon the Beneficiary a power coupled with an interest and cannot be revoked by the Grantor. Upon the occurrence of a default, the Beneficiary, at its option without notice and without seeking or obtaining the appointment of a receiver or taking actual possession of the Premises may (a) give notice to any tenant(s) that the tenant(s) should begin making payments under their lease agreement(s) directly to the Beneficiary or its designee; (b) commence a foreclosure action and file a motion for appointment of a receiver; or (c) give notice to the Grantor that the Grantor should collect all Rents arising from the Premises and remit them to the Beneficiary upon collection and that the Grantor should enforce the terms of the lease(s) to ensure prompt payment by tenant(s) under the lease(s). All Rents received by the Grantor shall be held in trust by the Grantor for the Beneficiary. All such payments received by the Beneficiary may be applied in any manner as the Beneficiary determines to payments required under this Deed of Trust, the Loan Documents and the Obligations. The Grantor agrees to hold each tenant harmless from actions relating to tenant's payment of Rents to the Beneficiary.

**2.13 Fixture Filing.** From the date of its recording, this Deed of Trust shall be effective as a financing statement filed as a fixture filing under the Uniform Commercial Code with respect to the Improvements and for this purpose the name and address of the debtor is the name and address of the Grantor as set forth in this Deed of Trust and the name and address of the secured party is the name and address of the Beneficiary as set forth in this Deed of Trust. The Mortgaged Property includes goods which are or may become so affixed to real property as to become fixtures. If any of the Mortgaged Property is of a nature such that a security interest therein can be perfected under the Uniform Commercial Code, this Deed of Trust shall also constitute the grant of a security interest to the Beneficiary and serve as a Security Agreement, and Grantor authorizes the filing of any financing statements and agrees to execute other instruments that may be required for the further specification, perfection or renewal of such security interest.

### **ARTICLE III. RIGHTS AND DUTIES OF THE BENEFICIARY**

In addition to all other rights (including setoff) and duties of the Beneficiary under the Loan Documents which are expressly incorporated herein as a part of this Deed of Trust, the following provisions will also apply:

**3.1 Beneficiary Authorized to Perform for Grantor.** If the Grantor fails to perform any of the Grantor's duties or covenants set forth in this Deed of Trust, the Beneficiary may perform the duties or cause them to be performed, including, without limitation, signing the Grantor's name or paying any amount so required, and the cost, with interest at the default rate set forth in the Loan Documents, will immediately be due from the Grantor to the Beneficiary from the date of expenditure by the Beneficiary to date of payment by the Grantor, and will be one of the Obligations secured by

this Deed of Trust. All acts by the Beneficiary are hereby ratified and approved, and the Beneficiary will not be liable for any acts of commission or omission, nor for any errors of judgment or mistakes of fact or law.

#### ARTICLE IV. DEFAULTS AND REMEDIES

The Beneficiary may enforce its rights and remedies under this Deed of Trust upon default. A default will occur if the Grantor fails to comply with the terms of any Loan Documents (including this Deed of Trust or any guaranty by the Grantor) or a demand for payment is made under a demand loan, or the Grantor defaults on any other mortgage affecting the Land, or if any other obligor fails to comply with the terms of any Loan Documents for which the Grantor has given the Beneficiary a guaranty or pledge. Upon the occurrence of a default, the Beneficiary may declare the Obligations to be immediately due and payable.

**4.1 Remedies.** In addition to the remedies for default set forth below and in the other Loan Documents, including acceleration, the Beneficiary upon default will have all other rights and remedies for default available by law or equity. Upon a default, Beneficiary may exercise the following remedies:

**(a) Enforcement of Assignment of Rents and Leases.** Beneficiary may:

(i) terminate the license granted to Grantor to collect the Rents (regardless of whether Beneficiary or Trustee shall have entered into possession of the Mortgaged Property), collect and sue for the Rents in Beneficiary's own name, give receipts and releases therefor, and after deducting all expenses of collection, including reasonable attorneys' fees, apply the net proceeds thereof to any Obligations as Beneficiary may elect;

(ii) make, modify, enforce, cancel or accept surrender of any leases, evict tenants, adjust Rents, maintain, decorate, refurbish, repair, clean, and make space ready for renting, and otherwise do anything Beneficiary reasonably deems advisable in connection with the Mortgaged Property;

(iii) apply the Rents so collected to the operation and management of the Mortgaged Property, including the payment of reasonable management, brokerage and attorneys' fees, or to the Obligations; and

(iv) require Grantor to transfer and deliver possession of all security deposits and records thereof to Beneficiary.

**(b) Power of Sale.** Beneficiary may require the Trustee, and the Trustee is hereby authorized and empowered, to enter and take possession of the Premises and to sell all or part of the Mortgaged Property, at public auction, to the highest bidder for cash, free from equity of redemption, and any statutory or common law right of redemption, homestead, marital share, and all other exemptions, after giving notice of the time, place and terms of such sale and of the Mortgaged Property to be sold, in accordance with applicable law. The Trustee shall execute a conveyance to the purchaser in fee simple and deliver possession to the purchaser, which the Grantor warrants shall be given without obstruction, hindrance or delay. The Trustee may sell all or any portion of the Mortgaged Property, together or in lots or parcels, and may execute and deliver to the purchaser or purchasers of such property a conveyance in fee simple. The Trustee shall receive the proceeds thereof and shall apply the same as follows: (a) first, the payment of the expenses of making, maintaining and executing this trust, protection of the Mortgaged Property, including the expense of any litigation and reasonable attorneys' fees, and reasonable compensation to the Trustee; (b) second, to any advancements made by the Trustee or the Beneficiary pursuant hereto, with interest thereon; (c) third, to the payment of the Obligations herein secured or intended so to be, in such order as Beneficiary shall elect, and any balance of said Obligations may be the subject of immediate suit; (d) and, fourth, should there be any surplus, Trustee will pay it to the Grantor, or to such person as may be legally entitled thereto. The sale or sales by Trustee of less than the whole of the Mortgaged Property shall not exhaust the power of sale herein granted, and the Trustee is specifically empowered to make successive sale or sales under such power until the whole of the Mortgaged Property shall be sold; and if the proceeds of such sale or sales of less than the whole of the Premises shall be less than the aggregate of the Obligations and the expenses thereof, this Deed of Trust and the lien, security interest and assignment hereof shall remain in full force and effect as to the unsold portion of the Mortgaged Property; provided, however, that Grantor shall never have any right to require the sale or sales of less than the whole of the Mortgaged Property, but Beneficiary shall have the right at its sole election, to request the Trustee to sell less than the whole of the Mortgaged Property. Beneficiary may bid and become the purchaser of all or any part of the Mortgaged Property at any such sale, and the amount of Beneficiary's successful bid may be credited on the Obligations. In the event of a foreclosure of this Deed of Trust, whether pursuant to the power of sale granted herein or pursuant to court decree, the Grantor shall remain liable for any deficiency.

**(c) Judicial and Other Relief.** Beneficiary or Trustee may proceed by a suit or suits in equity or at law, whether for the specific performance of any covenant or agreement herein contained or in aid of the execution of any power herein granted, or for any foreclosure hereunder or for the sale of the Mortgaged Property under the judgment or decree of any court or courts of competent jurisdiction.

**(d) Entry on Premises; Tenancy at Will.**

(i) Beneficiary may enter into and upon and take possession of all or any part of the Mortgaged Property, and may exclude Grantor, and all persons claiming under Grantor, and its agents or servants, wholly or partly therefrom; and,

holding the same, Beneficiary may use, administer, manage, operate, and control the Mortgaged Property and may exercise all rights and powers of Grantor in the name, place and stead of Grantor, or otherwise, as the Beneficiary shall deem best; and in the exercise of any of the foregoing rights and powers Beneficiary shall not be liable to Grantor for any loss or damage thereby sustained unless due solely to the willful misconduct or gross negligence of Beneficiary.

(ii) In the event of a trustee's or other foreclosure sale hereunder and if at the time of such sale Grantor or any other party (other than a tenant under a Lease as to which the Beneficiary shall have expressly subordinated the lien of this Deed of Trust as hereinabove set out) occupies the portion of the Mortgaged Property so sold or any part thereof, such occupant shall immediately become the tenant of the purchaser at such sale, which tenancy shall be a tenancy from day to day, terminable at the will of such purchaser, at a reasonable rental per day based upon the value of the portion of the Premises so occupied (but not less than any rental theretofore paid by such tenant, computed on a daily basis). An action of forcible detainer shall lie if any such tenant holds over a demand in writing for possession of such portion of the Premises.

(e) **Receiver.** Beneficiary may make application to a court of competent jurisdiction, as a matter of strict right and without notice to Grantor or regard to the adequacy of the Mortgaged Property for the repayment of the Obligations, for appointment of a receiver of the Mortgaged Property, and Grantor does hereby irrevocably consent to such appointment. Any such receiver shall have all necessary and proper powers and duties of receivers in similar cases, including the full power to rent, maintain and otherwise operate the Mortgaged Property upon such terms as may be approved by the court.

(f) **Remedies Cumulative, Concurrent and Nonexclusive.** If the Obligations are now or hereafter further secured by chattel mortgages, other deeds of trust, security agreements, pledges, contracts of guaranty, assignments of leases, or other security, Beneficiary may, at its option, exhaust its remedies under any one or more of said instruments and this Deed of Trust, either concurrently or independently, and in such order as Beneficiary may determine. Beneficiary shall have all rights, remedies and recourses granted in the Loan Documents and available to it at law or equity (including, without limitation, those granted by the Uniform Commercial Code), and same (a) shall be cumulative, concurrent, and nonexclusive, (b) may be pursued separately, successively or concurrently against Grantor or others obligated for the Obligations, or any part thereof or against any one or more of them, or against the Mortgaged Property, at the sole discretion of Beneficiary, and (c) may be exercised as often as occasion therefor shall arise, it being agreed by Grantor that the exercise of or failure to exercise any of same shall in no event be construed as a waiver or release thereof or of any other right, remedy or recourse.

(g) **Waiver by the Beneficiary.** The Beneficiary may permit the Grantor to attempt to remedy any default without waiving its rights and remedies hereunder, and the Beneficiary may waive any default without waiving any other subsequent or prior default by the Grantor. Furthermore, delay on the part of the Beneficiary in exercising any right, power or privilege hereunder or at law will not operate as a waiver thereof, nor will any single or partial exercise of such right, power or privilege preclude other exercise thereof or the exercise of any other right, power or privilege. No waiver or suspension will be deemed to have occurred unless the Beneficiary has expressly agreed in writing specifying such waiver or suspension.

(h) **Attorneys' Fees and Other Costs.** Attorneys' fees and other costs incurred in connection with this Deed of Trust may be recovered by the Beneficiary and included in any sale made hereunder or by judgment of foreclosure.

## ARTICLE V. TRUSTEE

**5.1 Action by Trustee.** The Trustee named herein shall be clothed with full power to act when action hereunder shall be required, and to execute any conveyance of the Mortgaged Property. In the event that the substitution of the Trustee shall become necessary for any reason, the substitution of a trustee in the place of that named herein shall be sufficient. The term "Trustee" shall be construed to mean "Trustees" whenever the sense requires. The necessity of the Trustee herein named, or any successor in trust, making oath or giving bond, is expressly waived.

**5.2 Employment of Agents.** The Trustee, or any one acting in its stead, shall have, in its discretion, authority to employ all property agents and attorneys in the execution of this trust and/or in the conducting of any sale made pursuant to the terms hereof, and to pay for such services rendered out of the proceeds of the sale of the Mortgaged Property, should any be realized; and if no sale be made or if the proceeds of sale be insufficient to pay the same, then Grantor hereby undertakes and agrees to pay the cost of such services rendered to said Trustee. Trustee may rely on any document believed by it in good faith to be genuine. All money received by the Trustee shall, until used or applied as herein provided, be held in trust, but need not be segregated (except to the extent required by law), and the Trustee shall not be liable for interest thereon.

**5.3 Indemnification of Trustee.** If the Trustee shall be made a party to or shall intervene in any action or proceeding affecting the Mortgaged Property or the title thereto, or the interest of the Trustee or Beneficiary under this Deed of Trust, the Trustee and Beneficiary shall be reimbursed by Grantor, immediately and without demand, for all reasonable costs,

charges and attorneys' fees incurred by them or either of them in any such case, and the same shall be secured hereby as a further charge and lien upon the Mortgaged Property.

**5.4 Successor Trustee.** Beneficiary may at any time, including any time before, during or after the commencement or completion of any foreclosure proceeding, remove Trustee (with or without cause) and appoint a successor Trustee by an instrument executed, acknowledged and recorded in the real estate records, which recording may take place before, during or after the commencement or completion of any foreclosure proceeding, and any such successor Trustee shall thereupon succeed to Trustee as Trustee hereunder as if named herein. No defect in the removal of Trustee or in the appointment of a successor or in the execution and recording of such appointment shall affect the validity thereof. Additionally, whether the recording of the successor Trustee instrument takes place before, during or after the commencement or completion of any foreclosure proceeding shall have no effect upon the validity of said proceeding. Trustee shall not be disqualified by reason that Trustee is an officer, employee or stockholder of Beneficiary, or has an interest in the Obligations. All parties waive any objection to Trustee having any such interest. Trustee shall be liable only for gross negligence or willful misconduct. No indemnity or remedy herein conferred is exclusive of any other remedy or indemnity, but each shall be in addition to every other hereunder and at law or in equity. No delay or omission by Trustee or Beneficiary to exercise any right or power shall impair such right or power or be construed as a waiver of any default or an acquiescence therein. If Trustee shall have proceeded to enforce any right by foreclosure, entry or otherwise, and such proceedings are discontinued for any reason, or shall have been determined adversely, then Grantor and Trustee shall severally and respectively be restored to their former positions and rights hereunder.

## ARTICLE VI. MISCELLANEOUS

In addition to all other miscellaneous provisions under the Loan Documents which are expressly incorporated as a part of this Deed of Trust, the following provisions will also apply:

**6.1 Term of Deed of Trust.** This Deed of Trust shall continue in full force and effect until this Deed of Trust is released.

**6.2 Time of the Essence.** Time is of the essence with respect to payment of the Obligations, the performance of all covenants of the Grantor and the payment of taxes, assessments, and similar charges and insurance premiums.

**6.3 Subrogation.** The Beneficiary will be subrogated to the lien of any mortgage or other lien discharged, in whole or in part, by the proceeds of the Note or other advances by the Beneficiary, in which event any sums otherwise advanced by the Beneficiary shall be immediately due and payable, with interest at the default rate set forth in the Loan Documents from the date of advance by the Beneficiary to the date of payment by the Grantor, and will be one of the Obligations secured by this Deed of Trust.

**6.4 Choice of Law.** This Deed of Trust will be governed by the laws of the state in which the Mortgaged Property is located. For all other purposes, the choice of law specified in the Loan Documents will govern.

**6.5 Severability.** Invalidity or unenforceability of any provision of this Deed of Trust shall not affect the validity or enforceability of any other provision.

**6.6 Entire Agreement.** This Deed of Trust is intended by the Grantor and the Beneficiary as a final expression of this Deed of Trust and as a complete and exclusive statement of its terms, there being no conditions to the full effectiveness of this Deed of Trust. No parol evidence of any nature shall be used to supplement or modify any terms.

**6.7 Joint Liability; Successors and Assigns.** If there is more than one Grantor, the liability of the Grantors will be joint and several, and the reference to "Grantor" shall be deemed to refer to each Grantor and to all Grantors. The rights, options, powers and remedies granted in this Deed of Trust and the other Loan Documents shall extend to the Beneficiary and to its successors and assigns, shall be binding upon the Grantor and its successors and assigns, and shall be applicable hereto and to all renewals, amendments and/or extensions hereof.

**6.8 Indemnification.** Except for harm arising from the Beneficiary's or the Trustee's willful misconduct, the Grantor hereby indemnifies and agrees to defend and hold the Beneficiary and the Trustee harmless from any and all losses, costs, damages, claims and expenses (including, without limitation, attorneys' fees and expenses) of any kind suffered by or asserted against the Beneficiary or the Trustee relating to claims by third parties arising out of the financing provided under the Loan Documents or related to the Mortgaged Property (including, without limitation, the Beneficiary's failure to perform its obligations relating to Environmental Matters described in Section 2.8 above) or the exercise by the Beneficiary or the Trustee of any of their respective powers, rights and remedies under this Deed of Trust. This indemnification and hold harmless provision will survive the termination of the Loan Documents and the satisfaction of this Deed of Trust and Obligations due the Beneficiary.

**6.9 Notices.** Notice of any record shall be deemed delivered when the record has been (a) deposited in the United States Mail, postage pre-paid, (b) received by overnight delivery service, (c) received by telex, (d) received by telecopy, (e) received through the internet, or (f) when personally delivered.

**6.10 Release of Rights of Homestead and Distributive Share.** Each of the undersigned hereby relinquishes all

rights of homestead and distributive share in and to the Mortgaged Property and waives all rights of exemption as to any of the Mortgaged Property.

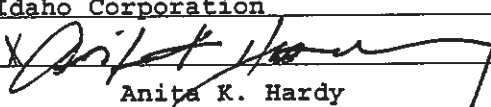
**6.11 Copy.** The Grantor hereby acknowledges the receipt of a copy of this Deed of Trust, together with a copy of each promissory note secured hereby, and all other documents executed by the Grantor in connection herewith.

**6.12 Usury Savings Clause.** Notwithstanding anything herein or in the Note to the contrary, no provision contained herein or in the Note which purports to obligate the Grantor to pay any amount of interest or any fees, costs or expenses which are in excess of the maximum permitted by applicable law, shall be effective to the extent that it calls for the payment of any interest or other sums in excess of such maximum. All agreements between the Grantor and the Beneficiary, whether now existing or hereafter arising and whether written or oral, are hereby limited so that in no contingency, whether by reason of demand for payment of or acceleration of the maturity of any of the indebtedness secured hereby or otherwise, shall the interest contracted for, charged or received by the Beneficiary exceed the maximum amount permissible under applicable law. If, from any circumstance whatsoever, interest would otherwise be payable to the Beneficiary in excess of the maximum lawful amount, the interest payable to the Beneficiary shall be reduced to the maximum amount permitted under applicable law; and if from any circumstance the Beneficiary shall ever receive anything of value deemed interest by applicable law in excess of the maximum lawful amount, an amount equal to any excessive interest shall at the Beneficiary's option, be refunded to the Grantor or be applied to the reduction of the principal balance of the indebtedness secured hereby and not to the payment of interest or, if such excessive interest exceeds the unpaid balance of principal indebtedness secured hereby, such excess shall be refunded to the Grantor. This paragraph shall control all agreements between the Grantor and the Beneficiary.

**6.13 Riders.** The rider(s) attached hereto and recorded together with this Deed of Trust are hereby fully incorporated into this Deed of Trust. [Check applicable box(es)]  Condominium Rider  Second Deed of Trust Rider  Construction Loan Rider  Other(s) (Specify) \_\_\_\_\_

IN WITNESS WHEREOF, the undersigned has/have executed this Deed of Trust as of AUGUST 3, 2010.

(Individual Grantor)  
\_\_\_\_\_  
Printed Name N/A

Blue Lakes Trout Farm, Inc.  
Grantor Name (Organization)  
a Idaho Corporation  
By   
Name and Title President

(Individual Grantor)  
\_\_\_\_\_  
Printed Name N/A

By \_\_\_\_\_  
Name and Title \_\_\_\_\_

(Grantor Address)  
\_\_\_\_\_  
1301 South Vista Avenue  
Boise, ID 83705

(Beneficiary Address)  
\_\_\_\_\_  
555 SW OAK  
PORTLAND, OR 97204

[NOTARIZATION ON NEXT PAGE]

STATE OF Idaho }  
COUNTY OF Ada } ss.

On Aug 10, 2010, before me personally appeared Anita K. Hardy

to me known to be the person(s) described in and who executed the foregoing instrument and known to me to be  
President executing on behalf  
(Type of authority or title, if any, e.g., officer, vice president, trustee; if an individual, a married individual, a single individual)  
of Blue Lakes Trout Farm, Inc.,  
(Name of entity on whose behalf the document was executed; use N/A if individual)  
a Idaho Corporation, and  
(State of organization and type of organization, use N/A if individual)  
acknowledged that he/she/they executed the same as the free act and deed of such individual(s)/entity.

(SEAL)



Kip Bryson  
Notary Public  
My term expires 9/6/2010

**EXHIBIT A TO DEED OF TRUST  
(Legal Description)**

Grantor/Trustor: Blue Lakes Trout Farm, Inc.

Trustee: U.S. BANK TRUST COMPANY, N.A.

Beneficiary: U.S. BANK N.A.

Legal Description of Land:

123 Warm Creek Road, Jerome, ID 83338, more fully described as follows:

**PARCEL NO. 1:**

**TOWNSHIP 9 SOUTH, RANGE 17, EAST OF THE BOISE MERIDIAN,  
JEROME COUNTY, IDAHO**

Section 29: A tract of land located within the Blue Lakes Ranch, described as follows:

Beginning at the Northwest corner of tract herein described which is marked by a cross (-) on a large lava boulder, from which the one-sixteenth corner, a metal pipe with bronze cap marked 1/16 Section 29, and Section 30, Township 9 South, Range 17, East Boise Meridian, bears North 71°48' West, 4082 feet distant;  
Thence South 44°30' East, 1141 feet;  
Thence South 18°25' East, 166 feet;  
Thence South 36°51' East, 223 feet;  
Thence South 48°09' East, 174 feet;  
Thence South 55°46' East, 960 feet;  
Thence South 34°14' West, 75 feet;  
Thence North 55°46' West, 950 feet;  
Thence South 28°25' West, 46 feet;  
Thence North 69°53' West, 300 feet;  
Thence North 46°10' West, 240 feet;  
Thence North 79°22' West, 250 feet;  
Thence South 86°45' West, 275 feet;  
Thence North 11°37' East, 131 feet;  
Thence North 22°41' East, 190 feet;  
Thence North 35°45' West, 320 feet;  
Thence North 48°30' West, 430 feet;  
Thence North 59°18' East, 380 feet to the Northwest corner, THE PLACE OF BEGINNING.

**PARCEL NO. 2:**

**TOWNSHIP 9 SOUTH, RANGE 17, EAST OF THE BOISE MERIDIAN,  
JEROME COUNTY, IDAHO**

Section 29: A tract of land in Lot 19, described as follows:

Commencing at the North 1/16th corner common to Section 29 and 30;  
 Thence running South 71°48' East, 4082.0 feet to a large lava boulder marked by  
 a chiseled cross;

Thence South 44°30' East, 530.0 feet to THE TRUE POINT OF BEGINNING;

Thence South 66°01' East, 579.5 feet;

Thence South 59°14' East, 232.8 feet;

Thence South 15°25' West, 432.68 feet;

Thence North 36°51' West, 223.0 feet;

Thence North 18°25' West, 166.0 feet;

Thence North 44°30' West, 611.0 feet to THE TRUE POINT OF BEGINNING.

And all of the water rights appurtenant to the afore-described lands situate in Jerome County, Idaho, described in five (5) Basin 37 "SRBA Partial Decree Pursuant to I.R.C.P. 54 (b)" relating to the water rights summarized, in part, as follows:

WATER RIGHT NUMBER	PLACES OF USE	SOURCE OF WATER/ TRIBUTARY	POINT OF DIVERSION	QUANTITY OF WATER
36-2356A	SW1/4NE1/4, Lot 14, NE1/4SE1/4 Lot 19, NW1/4SE1/4 Lot 18, Section 29, Township 9 South, Range 17 East, Jerome County, Idaho  (Fish Propagation)	Alpheus Creek/Snake River	Alpheus Creek NE1/4SW1/4SW1/4, Lot 14, Section 29, Township 9 South, Range 17 East, Jerome County, Idaho	99.83 CFS (cubic feet per second); volume 72,147.14 AFA (acre/ feet per year)
36-2356B	NE1/4SE1/4, Lot 19, Section 29, Township 9 South, Range 17 East, Jerome County, Idaho  (Commercial & Domestic)	Ground water	Ground water NE1/4SE1/4, Lot 19, Section 29, Township 9 South, Range 17 East, Jerome County, Idaho	0.13 CFS/ 94 AFA (Commercial)  0.04 CFS/ 2.4 AFA (Domestic)
36-7210	SW1/4NE1/4, Lot 14, NE1/4SE1/4 Lot 19, NW1/4SE1/4 Lot 18, Section 29, Township 9 South, Range 17 East, Jerome County, Idaho  (Fish Propagation)	Alpheus Creek/Snake River	Alpheus Creek NE1/4SW1/4SW1/4, Lot 14, Section 28, Township 9 South, Range 17 East, Jerome County, Idaho	45 CFS/ 32,521.5 AFA

WATER RIGHT NUMBER	PLACES OF USE	SOURCE OF WATER/TRIBUTARY	POINT OF DIVERSION	QUANTITY OF WATER
36-7427	SE1/4NW1/4, Lot 19, Section 29, Township 9 South, Range 17 East, Jerome County, Idaho  (Fish Propagation)	Alpheus Creek/Snake River	Alpheus Creek NE1/4SW1/4SW1/4, Lot 14, Section 28, Township 9 South, Range 17 East, Jerome County, Idaho	52.23 CFS/ 37,746.6 AFA
36-7720	NE1/4SE1/4, Lot 19, Section 29, Township 9 South, Range 17 East, Jerome County, Idaho  (Fish Propagation)	Waste water	Waste water SW1/4NE1/4SE1/4, Lot 19, Section 29, Township 9 South, Range 17 East, Jerome County, Idaho	37.1 CFS/ 26,812.2 AFA

All five (5) water rights are based on court Decrees.

J- 39484/PH 3

This instrument prepared by and  
after recording return to:

Kipton F. Bryson

US BANK  
TREASURE VALLEY COM'L BANKING  
ATTN: ERICA  
675 N MILWAUKEE  
BOISE, ID 83704  
PHONE-208 373-8205 FAX-208 378-0820

**Instrument # 2103613**

JEROME COUNTY, JEROME, IDAHO  
8-19-2010 10:34:44 No. of Pages: 19

Recorded for : LAND TITLE AND ESCROW

MICHELLE EMERSON

Fee: \$4.00

Ex-Officio Recorder Deputy J. Wilson

5824114507

**IDAHO DEED OF TRUST, SECURITY AGREEMENT  
AND ASSIGNMENT OF RENTS AND LEASES  
(INCLUDING FIXTURE FILING UNDER UNIFORM COMMERCIAL CODE)**

This Idaho Deed of Trust, Security Agreement and Assignment of Rents and Leases (Including Fixture Filing Under Uniform Commercial Code) ("Deed of Trust ") is made and entered into by the undersigned borrower(s), guarantor(s) and/or other obligor(s)/pledgor(s) (collectively the "Grantor") in favor of U.S. BANK TRUST COMPANY, N.A., having a mailing address at 555 SW OAK, PORTLAND, OR 97204 (the "Trustee"), for the benefit of U.S. BANK N.A. (the "Beneficiary"), as of the date set forth below.

**ARTICLE I. CONVEYANCE/MORTGAGED PROPERTY**

**1.1 Grant of Deed of Trust/Security Interest.** For valuable consideration, in hand paid by the Trustee to the Grantor, and the financial accommodations from the Beneficiary to the Grantor as described below, the Grantor has bargained, sold, conveyed and confirmed, and hereby bargains, sells, conveys and confirms, unto Trustee, its successors and assigns, for the benefit of the Beneficiary, the Mortgaged Property (defined below) to secure all of the Grantor's Obligations (defined below) to the Beneficiary. The intent of the parties hereto is that the Mortgaged Property secures all Obligations of the Grantor to the Beneficiary, whether now or hereafter existing, between the Grantor and the Beneficiary or in favor of the Beneficiary, including, without limitation, any note, any loan or security agreement, any lease, any other mortgage, deed of trust or other pledge of an interest in real or personal property, any guaranty, any letter of credit or reimbursement agreement or banker's acceptance, any agreement for any other services or credit extended by the Beneficiary to the Grantor even though not specifically enumerated herein and any other agreement with the Beneficiary (together and individually, the "Loan Documents"). The parties further intend that this Deed of Trust shall operate as a security agreement with respect to those portions of the Mortgaged Property which are subject to Article 9 of the Uniform Commercial Code.

**1.2 "Mortgaged Property"** means all of the following, whether now owned or existing or hereafter acquired by the Grantor, wherever located: all the real estate described below or in **Exhibit A** attached hereto (the "Land"), together with all buildings, structures, standing timber, timber to be cut, fixtures, equipment, inventory and furnishings used in connection with the Land and improvements; all materials, contracts, drawings and personal property relating to any construction on the Land; and all other improvements now or hereafter constructed, affixed or located thereon (the "Improvements") (the Land and the Improvements collectively the "Premises"); TOGETHER with any and all easements, rights-of-way, licenses, privileges, and appurtenances thereto, and any and all leases or other agreements for the use or occupancy of the Premises, all the rents, issues, profits or any proceeds therefrom and all security deposits and any guaranty of a tenant's obligations thereunder (collectively the "Rents"); all awards as a result of condemnation, eminent domain or other decrease in value of the Premises and all insurance and other proceeds of the Premises.

The Land is described as follows (or in Exhibit A hereto if the description does not appear below):  
The land and the water rights are described on the attached Exhibit A

Together with all and singular the passages, waters, water rights (whether tributary or non-tributary), water courses, riparian rights, wells, well permits, water stock, other rights, liberties and privileges thereof or in any way now or hereafter appertaining to the Property.

**1.3 "Obligations"** means all loans by the Beneficiary to Blue Lakes Trout Company LLC

including those loans evidenced by a note or notes dated 08/03/10, in the initial principal amount(s) of \$ 2,400,000.00, and any extensions, renewals, restatements and modifications thereof and all principal, interest, fees and expenses relating thereto (the "Note"); and also means all the Grantor's debts, liabilities, obligations, covenants, warranties, and duties to the Beneficiary (plus its affiliates including any credit card debt, but specifically excluding any type of consumer credit), whether now or hereafter existing or incurred, whether liquidated or unliquidated, whether absolute or contingent, whether arising out of the Loan Documents or otherwise, and regardless of whether such Obligations arise out of existing or future credit granted by the Beneficiary to any Grantor, to any Grantor and others, to others guaranteed, endorsed or otherwise secured by any Grantor or to any debtor-in-possession/successor-in-interest of any Grantor, and principal, interest, fees, expenses and charges relating to any of the foregoing, including, without limitation, costs and expenses of collection and enforcement of this Deed of Trust, attorneys' fees of both inside and outside counsel and environmental assessment or remediation costs. The interest rate and maturity of such Obligations are as described in the documents creating the indebtedness secured hereby.

**1.4 Homestead.** The Premises are not the homestead of the Grantor. If so, the Grantor releases and (are)(are not) waives all rights under and by virtue of the homestead exemption laws of the State of Idaho.

**1.5 Future Advances.** This Deed of Trust secures future advances made pursuant to Idaho Code Section 45-108 and shall secure the payment of all loan advances included within the term "Obligations", regardless of the time such advances are made. This Deed of Trust shall also secure unpaid balances of advances made with respect to the Mortgaged Property for the payment of taxes, assessments, insurance premiums or costs incurred for the protection of the Mortgaged Property and other costs which the Bank is authorized by this Deed of Trust to pay on Grantor's behalf, plus interest thereon, regardless of the time when such advances are made.

## ARTICLE II. WARRANTIES AND COVENANTS

In addition to all other warranties and covenants of the Grantor under the Loan Documents which are expressly incorporated herein as part of this Deed of Trust, including the covenants to pay and perform all Obligations, and while any part of the credit granted the Grantor under the Loan Documents is available or any Obligations of the Grantor to the Beneficiary are unpaid or outstanding, the Grantor continuously warrants to the Beneficiary and the Trustee and agrees as follows:

**2.1 Warranty of Title/Possession.** The Grantor warrants that it has sole and exclusive title to and possession of the Premises, excepting only the following "**Permitted Encumbrances**": restrictions and easements of record, and zoning ordinances (the terms of which are and will be complied with, and in the case of easements, are and will be kept free of encroachments), taxes and assessments not yet due and payable and those Permitted Encumbrances set forth on **Exhibit B** attached hereto (except that if no **Exhibit B** is attached, there will be no additional Permitted Encumbrances). The lien of this Deed of Trust, subject only to Permitted Encumbrances, is and will continue to be a valid first and only lien upon all of the Mortgaged Property.

**2.2 Maintenance; Waste; Alteration.** The Grantor will maintain the Premises in good and tenantable condition and will restore or replace damaged or destroyed improvements with items of at least equal utility and value. The Grantor will not commit or permit waste to be committed on the Premises. The Grantor will not remove, demolish or materially alter

any part of the Premises without the Beneficiary's prior written consent, except the Grantor may remove a fixture, provided the fixture is promptly replaced with another fixture of at least equal utility. The replacement fixture will be subject to the priority lien and security of this Deed of Trust.

**2.3 Transfer and Liens.** The Grantor will not, without the prior written consent of the Beneficiary, which may be withheld in the Beneficiary's sole and absolute discretion, either voluntarily or involuntarily (a) sell, assign, lease or transfer, or permit to be sold, assigned, leased or transferred, any part of the Premises, or any interest therein; or (b) pledge or otherwise encumber, create or permit to exist any mortgage, pledge, lien or claim for lien or encumbrance upon any part of the Premises or interest therein, except for the Permitted Encumbrances. Beneficiary has not consented and will not consent to any contract or to any work or to the furnishing of any materials which might be deemed to create a lien or liens superior to the lien of this Deed of Trust or otherwise.

**2.4 Escrow.** After written request from the Beneficiary, the Grantor will pay to the Beneficiary sufficient funds at such time as the Beneficiary designates, to pay (a) the estimated annual real estate taxes and assessments on the Premises; and (b) all property or hazard insurance premiums when due. Interest will not be paid by the Beneficiary on any escrowed funds. Escrowed funds may be commingled with other funds of the Beneficiary. All escrowed funds are hereby pledged as additional security for the Obligations.

**2.5 Taxes, Assessments and Charges.** To the extent not paid to the Beneficiary under 2.4 above, the Grantor will pay before they become delinquent all taxes, assessments and other charges now or hereafter levied or assessed against the Premises, against the Beneficiary based upon this Deed of Trust or the Obligations secured by this Deed of Trust, or upon the Beneficiary's interest in the Premises, and deliver to the Beneficiary receipts showing timely payment.

**2.6 Insurance.** The Grantor will continually insure the Premises against such perils or hazards as the Beneficiary may require, in amounts, with acceptable co-insurance provisions, not less than the unpaid balance of the Obligations or the full replacement value of the Improvements, whichever is less. The policies will contain an agreement by each insurer that the policy will not be terminated or modified without at least thirty (30) days' prior written notice to the Beneficiary and will contain a mortgage clause acceptable to the Beneficiary; and the Grantor will take such other action as the Beneficiary may reasonably request to ensure that the Beneficiary will receive (subject to no other interests) the insurance proceeds from the Improvements. The Grantor hereby assigns all insurance proceeds to and irrevocably directs, while any Obligations remain unpaid, any insurer to pay to the Beneficiary the proceeds of all such insurance and any premium refund; and authorizes the Beneficiary to endorse the Grantor's name to effect the same, to make, adjust or settle, in the Grantor's name, any claim on any insurance policy relating to the Premises. The proceeds and refunds will be applied in such manner as the Beneficiary, in its sole and absolute discretion, determines to rebuilding of the Premises or to payment of the Obligations, whether or not then due and payable.

**2.7 Condemnation.** Any compensation received for the taking of the Premises, or any part thereof, by a condemnation proceeding (including payments in compromise of condemnation proceedings), and all compensation received as damages for injury to the Premises, or any part thereof, shall be applied in such manner as the Beneficiary, in its sole and absolute discretion, determines to rebuilding of the Premises or to payment of the Obligations, whether or not then due and payable.

**2.8 Environmental Matters.** Except as specifically disclosed by Grantor to Beneficiary in writing prior to the execution of this Deed of Trust, Grantor represents and warrants as follows. There exists no uncorrected violation by the Grantor of any federal, state or local laws (including statutes, regulations, ordinances or other governmental restrictions and requirements) relating to the discharge of air pollutants, water pollutants or process waste water or otherwise relating to the environment or Hazardous Substances as hereinafter defined, whether such laws currently exist or are enacted in the future (collectively "**Environmental Laws**"). The term "**Hazardous Substances**" will mean any hazardous or toxic wastes, chemicals or other substances, the generation, possession or existence of which is prohibited or governed by any Environmental Laws. The Grantor is not subject to any judgment, decree, order or citation, or a party to (or threatened with) any litigation or administrative proceeding, which asserts that the Grantor (a) has violated any Environmental Laws; (b) is required to clean up, remove or take remedial or other action with respect to any Hazardous Substances (collectively "**Remedial Action**"); or (c) is required to pay all or a portion of the cost of any Remedial Action, as a potentially responsible party. Except as disclosed on the Borrower's environmental questionnaire provided to the Beneficiary, there are not now, nor to the Grantor's knowledge after reasonable investigation have there ever been, any Hazardous Substances (or tanks or other facilities for the storage of Hazardous Substances) stored, deposited, recycled or disposed of on, under or at any real estate owned or occupied by the Grantor during the periods that the Grantor owned or occupied such real estate, which if present on the real estate or in soils or ground water, could require Remedial Action. To the Grantor's knowledge, there are no proposed or pending changes in Environmental Laws which would adversely affect the Grantor or its business, and there are no conditions existing currently or likely to exist while the Loan Documents are in effect which would subject the Grantor to Remedial Action or other liability. The Grantor currently complies with and will continue to timely comply with all applicable Environmental Laws; and will provide the Beneficiary, immediately upon receipt, copies of any correspondence, notice, complaint, order or other document from any source asserting or alleging any circumstance or condition which requires or may require a financial contribution by the Grantor

or Remedial Action or other response by or on the part of the Grantor under Environmental Laws, or which seeks damages or civil, criminal or punitive penalties from the Grantor for an alleged violation of Environmental Laws. In the event of any such circumstance or condition, the Grantor agrees, at its expense and at the request of the Beneficiary, to permit an environmental audit solely for the benefit of the Beneficiary, to be conducted by the Beneficiary or an independent agent selected by the Beneficiary and which may not be relied on by the Grantor for any purpose. This provision shall not relieve the Grantor from conducting its own environmental audits or taking any other steps necessary to comply with Environmental Laws.

**2.9 Assignments.** The Grantor will not assign, in whole or in part, without the Beneficiary's prior written consent, the rents, issues or profits arising from the Premises.

**2.10 Right of Inspection.** The Beneficiary may at all reasonable times enter and inspect the Premises.

**2.11 Waivers by Grantor.** To the greatest extent that such rights may then be lawfully waived, the Grantor hereby agrees for itself and any persons claiming under the Deed of Trust that it will waive and will not, at any time, insist upon or plead or in any manner whatsoever claim or take any benefit or advantage of (a) any exemption, stay, extension or moratorium law now or at any time hereafter in force; (b) any law now or hereafter in force providing for the valuation or appraisal of the Premises or any part thereof prior to any sale or sales thereof to be made pursuant to any provision herein contained or pursuant to the decree, judgment or order of any court of competent jurisdiction; (c) to the extent permitted by law, any law now or at any time hereafter made or enacted granting a right to redeem from foreclosure or any other rights of redemption in connection with foreclosure of, or exercise of any power of sale under, this Deed of Trust; (d) any statute of limitations now or at any time hereafter in force; or (e) any right to require marshalling of assets by the Beneficiary.

**2.12 Assignment of Rents and Leases.** The Grantor assigns and transfers to the Beneficiary, as additional security for the Obligations, all right, title and interest of the Grantor in and to all leases which now exist or hereafter may be executed by or on behalf of the Grantor covering the Premises and any extensions or renewals thereof, together with all Rents, it being intended that this is an absolute and present assignment of the Rents. Notwithstanding that this assignment constitutes a present assignment of leases and rents, the Grantor may collect the Rents and manage the Premises, but only if and so long as a default has not occurred. If a default occurs, the right of Grantor to collect the Rents and to manage the Premises shall thereupon automatically terminate and such right, together with other rights, powers and authorizations contained herein, shall belong exclusively to the Beneficiary. This assignment confers upon the Beneficiary a power coupled with an interest and cannot be revoked by the Grantor. Upon the occurrence of a default, the Beneficiary, at its option without notice and without seeking or obtaining the appointment of a receiver or taking actual possession of the Premises may (a) give notice to any tenant(s) that the tenant(s) should begin making payments under their lease agreement(s) directly to the Beneficiary or its designee; (b) commence a foreclosure action and file a motion for appointment of a receiver; or (c) give notice to the Grantor that the Grantor should collect all Rents arising from the Premises and remit them to the Beneficiary upon collection and that the Grantor should enforce the terms of the lease(s) to ensure prompt payment by tenant(s) under the lease(s). All Rents received by the Grantor shall be held in trust by the Grantor for the Beneficiary. All such payments received by the Beneficiary may be applied in any manner as the Beneficiary determines to payments required under this Deed of Trust, the Loan Documents and the Obligations. The Grantor agrees to hold each tenant harmless from actions relating to tenant's payment of Rents to the Beneficiary.

**2.13 Fixture Filing.** From the date of its recording, this Deed of Trust shall be effective as a financing statement filed as a fixture filing under the Uniform Commercial Code with respect to the Improvements and for this purpose the name and address of the debtor is the name and address of the Grantor as set forth in this Deed of Trust and the name and address of the secured party is the name and address of the Beneficiary as set forth in this Deed of Trust. The Mortgaged Property includes goods which are or may become so affixed to real property as to become fixtures. If any of the Mortgaged Property is of a nature such that a security interest therein can be perfected under the Uniform Commercial Code, this Deed of Trust shall also constitute the grant of a security interest to the Beneficiary and serve as a Security Agreement, and Grantor authorizes the filing of any financing statements and agrees to execute other instruments that may be required for the further specification, perfection or renewal of such security interest.

### ARTICLE III. RIGHTS AND DUTIES OF THE BENEFICIARY

In addition to all other rights (including setoff) and duties of the Beneficiary under the Loan Documents which are expressly incorporated herein as a part of this Deed of Trust, the following provisions will also apply:

**3.1 Beneficiary Authorized to Perform for Grantor.** If the Grantor fails to perform any of the Grantor's duties or covenants set forth in this Deed of Trust, the Beneficiary may perform the duties or cause them to be performed, including, without limitation, signing the Grantor's name or paying any amount so required, and the cost, with interest at the default rate set forth in the Loan Documents, will immediately be due from the Grantor to the Beneficiary from the date of expenditure by the Beneficiary to date of payment by the Grantor, and will be one of the Obligations secured by

this Deed of Trust. All acts by the Beneficiary are hereby ratified and approved, and the Beneficiary will not be liable for any acts of commission or omission, nor for any errors of judgment or mistakes of fact or law.

#### ARTICLE IV. DEFAULTS AND REMEDIES

The Beneficiary may enforce its rights and remedies under this Deed of Trust upon default. A default will occur if the Grantor fails to comply with the terms of any Loan Documents (including this Deed of Trust or any guaranty by the Grantor) or a demand for payment is made under a demand loan, or the Grantor defaults on any other mortgage affecting the Land, or if any other obligor fails to comply with the terms of any Loan Documents for which the Grantor has given the Beneficiary a guaranty or pledge. Upon the occurrence of a default, the Beneficiary may declare the Obligations to be immediately due and payable.

**4.1 Remedies.** In addition to the remedies for default set forth below and in the other Loan Documents, including acceleration, the Beneficiary upon default will have all other rights and remedies for default available by law or equity. Upon a default, Beneficiary may exercise the following remedies:

**(a) Enforcement of Assignment of Rents and Leases.** Beneficiary may:

(i) terminate the license granted to Grantor to collect the Rents (regardless of whether Beneficiary or Trustee shall have entered into possession of the Mortgaged Property), collect and sue for the Rents in Beneficiary's own name, give receipts and releases therefor, and after deducting all expenses of collection, including reasonable attorneys' fees, apply the net proceeds thereof to any Obligations as Beneficiary may elect;

(ii) make, modify, enforce, cancel or accept surrender of any leases, evict tenants, adjust Rents, maintain, decorate, refurbish, repair, clean, and make space ready for renting, and otherwise do anything Beneficiary reasonably deems advisable in connection with the Mortgaged Property;

(iii) apply the Rents so collected to the operation and management of the Mortgaged Property, including the payment of reasonable management, brokerage and attorneys' fees, or to the Obligations; and

(iv) require Grantor to transfer and deliver possession of all security deposits and records thereof to Beneficiary.

**(b) Power of Sale.** Beneficiary may require the Trustee, and the Trustee is hereby authorized and empowered, to enter and take possession of the Premises and to sell all or part of the Mortgaged Property, at public auction, to the highest bidder for cash, free from equity of redemption, and any statutory or common law right of redemption, homestead, marital share, and all other exemptions, after giving notice of the time, place and terms of such sale and of the Mortgaged Property to be sold, in accordance with applicable law. The Trustee shall execute a conveyance to the purchaser in fee simple and deliver possession to the purchaser, which the Grantor warrants shall be given without obstruction, hindrance or delay. The Trustee may sell all or any portion of the Mortgaged Property, together or in lots or parcels, and may execute and deliver to the purchaser or purchasers of such property a conveyance in fee simple. The Trustee shall receive the proceeds thereof and shall apply the same as follows: (a) first, the payment of the expenses of making, maintaining and executing this trust, protection of the Mortgaged Property, including the expense of any litigation and reasonable attorneys' fees, and reasonable compensation to the Trustee; (b) second, to any advancements made by the Trustee or the Beneficiary pursuant hereto, with interest thereon; (c) third, to the payment of the Obligations herein secured or intended so to be, in such order as Beneficiary shall elect, and any balance of said Obligations may be the subject of immediate suit; (d) and, fourth, should there be any surplus, Trustee will pay it to the Grantor, or to such person as may be legally entitled thereto. The sale or sales by Trustee of less than the whole of the Mortgaged Property shall not exhaust the power of sale herein granted, and the Trustee is specifically empowered to make successive sale or sales under such power until the whole of the Mortgaged Property shall be sold; and if the proceeds of such sale or sales of less than the whole of the Premises shall be less than the aggregate of the Obligations and the expenses thereof, this Deed of Trust and the lien, security interest and assignment hereof shall remain in full force and effect as to the unsold portion of the Mortgaged Property; provided, however, that Grantor shall never have any right to require the sale or sales of less than the whole of the Mortgaged Property, but Beneficiary shall have the right at its sole election, to request the Trustee to sell less than the whole of the Mortgaged Property. Beneficiary may bid and become the purchaser of all or any part of the Mortgaged Property at any such sale, and the amount of Beneficiary's successful bid may be credited on the Obligations. In the event of a foreclosure of this Deed of Trust, whether pursuant to the power of sale granted herein or pursuant to court decree, the Grantor shall remain liable for any deficiency.

**(c) Judicial and Other Relief.** Beneficiary or Trustee may proceed by a suit or suits in equity or at law, whether for the specific performance of any covenant or agreement herein contained or in aid of the execution of any power herein granted, or for any foreclosure hereunder or for the sale of the Mortgaged Property under the judgment or decree of any court or courts of competent jurisdiction.

**(d) Entry on Premises; Tenancy at Will.**

(i) Beneficiary may enter into and upon and take possession of all or any part of the Mortgaged Property, and may exclude Grantor, and all persons claiming under Grantor, and its agents or servants, wholly or partly therefrom; and,

holding the same, Beneficiary may use, administer, manage, operate, and control the Mortgaged Property and may exercise all rights and powers of Grantor in the name, place and stead of Grantor, or otherwise, as the Beneficiary shall deem best; and in the exercise of any of the foregoing rights and powers Beneficiary shall not be liable to Grantor for any loss or damage thereby sustained unless due solely to the willful misconduct or gross negligence of Beneficiary.

(ii) In the event of a trustee's or other foreclosure sale hereunder and if at the time of such sale Grantor or any other party (other than a tenant under a Lease as to which the Beneficiary shall have expressly subordinated the lien of this Deed of Trust as hereinabove set out) occupies the portion of the Mortgaged Property so sold or any part thereof, such occupant shall immediately become the tenant of the purchaser at such sale, which tenancy shall be a tenancy from day to day, terminable at the will of such purchaser, at a reasonable rental per day based upon the value of the portion of the Premises so occupied (but not less than any rental theretofore paid by such tenant, computed on a daily basis). An action of forcible detainer shall lie if any such tenant holds over a demand in writing for possession of such portion of the Premises.

(e) **Receiver.** Beneficiary may make application to a court of competent jurisdiction, as a matter of strict right and without notice to Grantor or regard to the adequacy of the Mortgaged Property for the repayment of the Obligations, for appointment of a receiver of the Mortgaged Property, and Grantor does hereby irrevocably consent to such appointment. Any such receiver shall have all necessary and proper powers and duties of receivers in similar cases, including the full power to rent, maintain and otherwise operate the Mortgaged Property upon such terms as may be approved by the court.

(f) **Remedies Cumulative, Concurrent and Nonexclusive.** If the Obligations are now or hereafter further secured by chattel mortgages, other deeds of trust, security agreements, pledges, contracts of guaranty, assignments of leases, or other security, Beneficiary may, at its option, exhaust its remedies under any one or more of said instruments and this Deed of Trust, either concurrently or independently, and in such order as Beneficiary may determine. Beneficiary shall have all rights, remedies and recourses granted in the Loan Documents and available to it at law or equity (including, without limitation, those granted by the Uniform Commercial Code), and same (a) shall be cumulative, concurrent, and nonexclusive, (b) may be pursued separately, successively or concurrently against Grantor or others obligated for the Obligations, or any part thereof or against any one or more of them, or against the Mortgaged Property, at the sole discretion of Beneficiary, and (c) may be exercised as often as occasion therefor shall arise, it being agreed by Grantor that the exercise of or failure to exercise any of same shall in no event be construed as a waiver or release thereof or of any other right, remedy or recourse.

(g) **Waiver by the Beneficiary.** The Beneficiary may permit the Grantor to attempt to remedy any default without waiving its rights and remedies hereunder, and the Beneficiary may waive any default without waiving any other subsequent or prior default by the Grantor. Furthermore, delay on the part of the Beneficiary in exercising any right, power or privilege hereunder or at law will not operate as a waiver thereof, nor will any single or partial exercise of such right, power or privilege preclude other exercise thereof or the exercise of any other right, power or privilege. No waiver or suspension will be deemed to have occurred unless the Beneficiary has expressly agreed in writing specifying such waiver or suspension.

(h) **Attorneys' Fees and Other Costs.** Attorneys' fees and other costs incurred in connection with this Deed of Trust may be recovered by the Beneficiary and included in any sale made hereunder or by judgment of foreclosure.

## ARTICLE V. TRUSTEE

**5.1 Action by Trustee.** The Trustee named herein shall be clothed with full power to act when action hereunder shall be required, and to execute any conveyance of the Mortgaged Property. In the event that the substitution of the Trustee shall become necessary for any reason, the substitution of a trustee in the place of that named herein shall be sufficient. The term "Trustee" shall be construed to mean "Trustees" whenever the sense requires. The necessity of the Trustee herein named, or any successor in trust, making oath or giving bond, is expressly waived.

**5.2 Employment of Agents.** The Trustee, or any one acting in its stead, shall have, in its discretion, authority to employ all property agents and attorneys in the execution of this trust and/or in the conducting of any sale made pursuant to the terms hereof, and to pay for such services rendered out of the proceeds of the sale of the Mortgaged Property, should any be realized; and if no sale be made or if the proceeds of sale be insufficient to pay the same, then Grantor hereby undertakes and agrees to pay the cost of such services rendered to said Trustee. Trustee may rely on any document believed by it in good faith to be genuine. All money received by the Trustee shall, until used or applied as herein provided, be held in trust, but need not be segregated (except to the extent required by law), and the Trustee shall not be liable for interest thereon.

**5.3 Indemnification of Trustee.** If the Trustee shall be made a party to or shall intervene in any action or proceeding affecting the Mortgaged Property or the title thereto, or the interest of the Trustee or Beneficiary under this Deed of Trust, the Trustee and Beneficiary shall be reimbursed by Grantor, immediately and without demand, for all reasonable costs,

charges and attorneys' fees incurred by them or either of them in any such case, and the same shall be secured hereby as a further charge and lien upon the Mortgaged Property.

**5.4 Successor Trustee.** Beneficiary may at any time, including any time before, during or after the commencement or completion of any foreclosure proceeding, remove Trustee (with or without cause) and appoint a successor Trustee by an instrument executed, acknowledged and recorded in the real estate records, which recording may take place before, during or after the commencement or completion of any foreclosure proceeding, and any such successor Trustee shall thereupon succeed to Trustee as Trustee hereunder as if named herein. No defect in the removal of Trustee or in the appointment of a successor or in the execution and recording of such appointment shall affect the validity thereof. Additionally, whether the recording of the successor Trustee instrument takes place before, during or after the commencement or completion of any foreclosure proceeding shall have no effect upon the validity of said proceeding. Trustee shall not be disqualified by reason that Trustee is an officer, employee or stockholder of Beneficiary, or has an interest in the Obligations. All parties waive any objection to Trustee having any such interest. Trustee shall be liable only for gross negligence or willful misconduct. No indemnity or remedy herein conferred is exclusive of any other remedy or indemnity, but each shall be in addition to every other hereunder and at law or in equity. No delay or omission by Trustee or Beneficiary to exercise any right or power shall impair such right or power or be construed as a waiver of any default or an acquiescence therein. If Trustee shall have proceeded to enforce any right by foreclosure, entry or otherwise, and such proceedings are discontinued for any reason, or shall have been determined adversely, then Grantor and Trustee shall severally and respectively be restored to their former positions and rights hereunder.

## ARTICLE VI. MISCELLANEOUS

In addition to all other miscellaneous provisions under the Loan Documents which are expressly incorporated as a part of this Deed of Trust, the following provisions will also apply:

**6.1 Term of Deed of Trust.** This Deed of Trust shall continue in full force and effect until this Deed of Trust is released.

**6.2 Time of the Essence.** Time is of the essence with respect to payment of the Obligations, the performance of all covenants of the Grantor and the payment of taxes, assessments, and similar charges and insurance premiums.

**6.3 Subrogation.** The Beneficiary will be subrogated to the lien of any mortgage or other lien discharged, in whole or in part, by the proceeds of the Note or other advances by the Beneficiary, in which event any sums otherwise advanced by the Beneficiary shall be immediately due and payable, with interest at the default rate set forth in the Loan Documents from the date of advance by the Beneficiary to the date of payment by the Grantor, and will be one of the Obligations secured by this Deed of Trust.

**6.4 Choice of Law.** This Deed of Trust will be governed by the laws of the state in which the Mortgaged Property is located. For all other purposes, the choice of law specified in the Loan Documents will govern.

**6.5 Severability.** Invalidity or unenforceability of any provision of this Deed of Trust shall not affect the validity or enforceability of any other provision.

**6.6 Entire Agreement.** This Deed of Trust is intended by the Grantor and the Beneficiary as a final expression of this Deed of Trust and as a complete and exclusive statement of its terms, there being no conditions to the full effectiveness of this Deed of Trust. No parol evidence of any nature shall be used to supplement or modify any terms.

**6.7 Joint Liability; Successors and Assigns.** If there is more than one Grantor, the liability of the Grantors will be joint and several, and the reference to "Grantor" shall be deemed to refer to each Grantor and to all Grantors. The rights, options, powers and remedies granted in this Deed of Trust and the other Loan Documents shall extend to the Beneficiary and to its successors and assigns, shall be binding upon the Grantor and its successors and assigns, and shall be applicable hereto and to all renewals, amendments and/or extensions hereof.

**6.8 Indemnification.** Except for harm arising from the Beneficiary's or the Trustee's willful misconduct, the Grantor hereby indemnifies and agrees to defend and hold the Beneficiary and the Trustee harmless from any and all losses, costs, damages, claims and expenses (including, without limitation, attorneys' fees and expenses) of any kind suffered by or asserted against the Beneficiary or the Trustee relating to claims by third parties arising out of the financing provided under the Loan Documents or related to the Mortgaged Property (including, without limitation, the Beneficiary's failure to perform its obligations relating to Environmental Matters described in Section 2.8 above) or the exercise by the Beneficiary or the Trustee of any of their respective powers, rights and remedies under this Deed of Trust. This indemnification and hold harmless provision will survive the termination of the Loan Documents and the satisfaction of this Deed of Trust and Obligations due the Beneficiary.

**6.9 Notices.** Notice of any record shall be deemed delivered when the record has been (a) deposited in the United States Mail, postage pre-paid, (b) received by overnight delivery service, (c) received by telex, (d) received by telecopy, (e) received through the internet, or (f) when personally delivered.

**6.10 Release of Rights of Homestead and Distributive Share.** Each of the undersigned hereby relinquishes all

rights of homestead and distributive share in and to the Mortgaged Property and waives all rights of exemption as to any of the Mortgaged Property.

**6.11 Copy.** The Grantor hereby acknowledges the receipt of a copy of this Deed of Trust, together with a copy of each promissory note secured hereby, and all other documents executed by the Grantor in connection herewith.

**6.12 Usury Savings Clause.** Notwithstanding anything herein or in the Note to the contrary, no provision contained herein or in the Note which purports to obligate the Grantor to pay any amount of interest or any fees, costs or expenses which are in excess of the maximum permitted by applicable law, shall be effective to the extent that it calls for the payment of any interest or other sums in excess of such maximum. All agreements between the Grantor and the Beneficiary, whether now existing or hereafter arising and whether written or oral, are hereby limited so that in no contingency, whether by reason of demand for payment of or acceleration of the maturity of any of the indebtedness secured hereby or otherwise, shall the interest contracted for, charged or received by the Beneficiary exceed the maximum amount permissible under applicable law. If, from any circumstance whatsoever, interest would otherwise be payable to the Beneficiary in excess of the maximum lawful amount, the interest payable to the Beneficiary shall be reduced to the maximum amount permitted under applicable law; and if from any circumstance the Beneficiary shall ever receive anything of value deemed interest by applicable law in excess of the maximum lawful amount, an amount equal to any excessive interest shall at the Beneficiary's option, be refunded to the Grantor or be applied to the reduction of the principal balance of the indebtedness secured hereby and not to the payment of interest or, if such excessive interest exceeds the unpaid balance of principal indebtedness secured hereby, such excess shall be refunded to the Grantor. This paragraph shall control all agreements between the Grantor and the Beneficiary.

**6.13 Riders.** The rider(s) attached hereto and recorded together with this Deed of Trust are hereby fully incorporated into this Deed of Trust. [Check applicable box(es)]  Condominium Rider  Second Deed of Trust Rider  Construction Loan Rider  Other(s) (Specify) \_\_\_\_\_

IN WITNESS WHEREOF, the undersigned has/have executed this Deed of Trust as of AUGUST 3, 2010.

(Individual Grantor) \_\_\_\_\_  
Grantor Name (Organization) Blue Lakes Trout Company LLC  
a Idaho limited liability company  
By *Anita K. Hardy*  
Name and Title Anita K. Hardy  
Manager

Printed Name N/A  
(Individual Grantor) \_\_\_\_\_  
By \_\_\_\_\_  
Name and Title \_\_\_\_\_

Printed Name N/A  
(Grantor Address) \_\_\_\_\_  
1301 South Vista Avenue  
Boise, ID 83705

(Beneficiary Address) \_\_\_\_\_  
555 SW OAK  
PORTLAND, OR 97204

[NOTARIZATION ON NEXT PAGE]

STATE OF Idaho }  
COUNTY OF Ada } ss.

On Aug 10, 2010, before me personally appeared Anita K. Hardy

to me known to be the person(s) described in and who executed the foregoing instrument and known to me to be  
Manager executing on behalf  
(Type of authority or title, if any, e.g., officer, vice president, trustee; if an individual, a married individual, a single individual)  
of Blue Lakes Trout Company LLC,  
(Name of entity on whose behalf the document was executed; use N/A if individual)  
a Idaho limited liability company, and  
(State of organization and type of organization, use N/A if individual)  
acknowledged that he/she/they executed the same as the free act and deed of such individual(s)/entity.

(SEAL)



Kip Bryson  
Notary Public  
My term expires 9/6/2012

**EXHIBIT A TO DEED OF TRUST  
(Legal Description)**

Grantor/Trustor: Blue Lakes Trout Company LLC

Trustee: U.S. BANK TRUST COMPANY, N.A.

Beneficiary: U.S. BANK N.A.

Legal Description of Land:

123 Warm Creek Road, Jerome, ID 83338, more fully described as follows:

All of the water rights appurtenant to the following described lands situate in Jerome County, Idaho, to wit:

**PARCEL NO. 1:**

TOWNSHIP 9 SOUTH, RANGE 17, EAST OF THE BOISE MERIDIAN,  
JEROME COUNTY, IDAHO

Section 29: A tract of land located within the Blue Lakes Ranch, described as follows:

Beginning at the Northwest corner of tract herein described which is marked by a cross (-) on a large lava boulder, from which the one-sixteenth corner, a metal pipe with bronze cap marked 1/16 Section 29, and Section 30, Township 9 South, Range 17, East Boise Meridian, bears North 71°48' West, 4082 feet distant;  
Thence South 44°30' East, 1141 feet;  
Thence South 18°25' East, 166 feet;  
Thence South 36°51' East, 223 feet;  
Thence South 48°09' East, 174 feet;  
Thence South 55°46' East, 960 feet;  
Thence South 34°14' West, 75 feet;  
Thence North 55°46' West, 950 feet;  
Thence South 28°25' West, 46 feet;  
Thence North 69°53' West, 300 feet;  
Thence North 46°10' West, 240 feet;  
Thence North 79°22' West, 250 feet;  
Thence South 86°45' West, 275 feet;  
Thence North 11°37' East, 131 feet;  
Thence North 22°41' East, 190 feet;  
Thence North 35°45' West, 320 feet;  
Thence North 48°30' West, 430 feet;  
Thence North 59°18' East, 380 feet to the Northwest corner, THE PLACE OF BEGINNING.

**PARCEL NO. 2:**

TOWNSHIP 9 SOUTH, RANGE 17, EAST OF THE BOISE MERIDIAN,  
JEROME COUNTY, IDAHO

Section 29: A tract of land in Lot 19, described as follows:

Commencing at the North 1/16th corner common to Section 29 and 30;  
Thence running South 71°48' East, 4082.0 feet to a large lava boulder marked by  
a chiseled cross;  
Thence South 44°30' East, 530.0 feet to THE TRUE POINT OF BEGINNING;  
Thence South 66°01' East, 579.5 feet;

Thence South 59°14' East, 232.8 feet;  
Thence South 15°25' West, 432.68 feet;  
Thence North 36°51' West, 223.0 feet;  
Thence North 18°25' West, 166.0 feet;  
Thence North 44°30' West, 611.0 feet to THE TRUE POINT OF BEGINNING.

**PARCEL NO. 3:**

TOWNSHIP 9 SOUTH, RANGE 17 EAST OF THE BOISE MERIDIAN,  
JEROME COUNTY, IDAHO

Section 28: A parcel of land in Lot 13 more particularly described as follows:

Commencing at a Large Lava Boulder marked by a chiseled cross which lies South 71°48' East  
4082 feet, more or less, from the North 1/16 Corner common to Sections 29 and 30;  
Thence South 44°30' East for 530.0 feet;  
Thence South 66°01' East for 579.5 feet;  
Thence South 59°14' East for 232.8 feet;  
Thence South 15°25' West for 93.42 feet;  
Thence South 55°46' East for 137.00 feet TO THE TRUE POINT OF BEGINNING;  
Thence South 15°25' West for 359.54 feet;  
Thence South 48°09' East for 29.18 feet;  
Thence South 55°46' East for 105.45 feet;  
Thence North 15°39'02" East for 363.12 feet;  
Thence North 55°46' West for 134.62 feet to THE TRUE POINT OF BEGINNING.

**PARCEL NO. 4:**

TOWNSHIP 9 SOUTH, RANGE 17, EAST OF THE BOISE MERIDIAN,  
JEROME COUNTY, IDAHO

Section 29: A parcel of land more particularly described as follows:

Commencing at the Northwest corner of Government Lot 16 of Section 29, which is marked by  
a G.L.O. Brass Cap;  
Thence South 71°48' East for a distance of 4082.0 feet (Record-4078.76 feet  
measured) to a chiseled cross in a large lava boulder;  
Thence along the Westerly boundary of the Blue Lakes Trout Farm on the following courses:  
South 59°18' West, 380.0 feet;  
South 48°30' East, 430.0 feet;  
South 35°45' East, 20.0 feet to THE TRUE POINT OF BEGINNING;

Thence continuing South 35°45' East for a distance of 300.0 feet;  
Thence South 22°41' West for a distance of 190.0 feet;  
Thence South 11°37' West for a distance of 131.0 feet to the mean high water of the Snake River;  
Thence leaving the Westerly boundary of the Blue Lakes Trout Farm and along the mean high water of the Snake River on the following courses:  
    South 51°31'23" West, 18.13 feet;  
    South 75°44'55" West, 132.14 feet;  
    North 79°22'50" West, 35.54 feet;  
    North 73°32'15" West, 68.09 feet;  
    North 70°12'42" West, 10.00 feet;  
Thence leaving the mean high water of the Snake River North 17°25'30" East for a distance of 588.69 feet to THE TRUE POINT OF BEGINNING.

**PARCEL NO. 5:**

TOWNSHIP 9 SOUTH, RANGE 17 EAST OF THE BOISE MERIDIAN,  
JEROME COUNTY, IDAHO

Section 29: A parcel of land more particularly described as follows:

Commencing at the Northwest corner of Gov't Lot 16 of Section 29, which is marked by a G.L.O. Brass Cap;  
Thence South 71°48' East for a distance of 4082.0 feet (Record - 4078.76 feet measured) to a chiseled cross in a large lava boulder;  
Thence South 55°11'34" West, 395.5 feet;  
Thence South 48°30' East, 430.0 feet;  
Thence South 35°45' East for a distance of 320.0 feet;  
Thence South 22°41' West for a distance of 190.0 feet;  
Thence South 11°37' West for a distance of 131.0 feet to THE TRUE POINT OF BEGINNING  
Thence South 11°37' West, 150.0 feet;  
Thence South 75°42'30" East, 1016.62 feet;  
Thence North 11°37' East, 100.0 feet;  
Thence North 69°53' West 300.0 feet;  
Thence North 46°10' West for 240.0 feet;  
Thence North 79°22' West 250.0 feet;  
Thence South 86°45' West 275.0 feet to the TRUE POINT OF BEGINNING.

**PARCEL NO. 6:**

TOWNSHIP 9 SOUTH, RANGE 17 EAST OF THE BOISE MERIDIAN,  
JEROME COUNTY, IDAHO

A parcel of land in Lot 13 of Section 28 and Lot 19 of Section 29, more particularly described as follows:

Commencing at a large lava boulder marked by a chiseled cross which lies South 71°48' East 4082 feet, more or less, from the North 1/16 corner common to Section 29 and 30;  
Thence South 44°30' East for 530.0 feet;  
Thence South 66°01' East for 579.5 feet;  
Thence South 59°14' East for 232.8 feet;  
Thence South 15°25' West for 93.42 feet;  
Thence South 55°46' East for 398.62 feet to THE TRUE POINT OF BEGINNING;  
Thence South 15°39'02" West for 363.12 feet, more or less, to a point which lies on the Northerly boundary of a parcel of land described in a certain Agreement of Sale between Percy Greene and Harold S. Miller, and Burton Perrine, Jr. and Emerald Perrine dated the 28th day of September, 1955;  
Thence South 55°46' East for 127.00 feet, along the above referenced Northerly boundary;  
Thence North 15°39'02" East for 363.12 feet;  
Thence North 55°46' West for 127.00 feet to THE TRUE POINT OF BEGINNING.

**PARCEL NO. 7:**

TOWNSHIP 9 SOUTH, RANGE 17 EAST OF THE BOISE MERIDIAN  
JEROME COUNTY, IDAHO

A parcel of land located in Sections 28 and 29 more particularly described as follows:

Commencing at a point on a large lava boulder that is marked with a cross and from which the N 1/16 corner of said Sections 29 and 30 Bears North 71°48'00" West 4082.00 feet;  
Thence South 44°30'00" East for a distance of 530.00 feet;  
Thence South 66°01'00" East for a distance 579.50 feet;  
Thence South 59°14'00" East for a distance of 232.80 feet;  
Thence South 55°47'33" East for a distance of 271.98 feet to THE TRUE POINT OF BEGINNING;  
Thence South 83°24'02" East for a distance of 108.79 feet;  
Thence North 32°35'34" East for a distance of 208.71 feet;  
Thence South 42°17'18" East for a distance of 735.84 feet;  
Thence South 31°31'14" West for a distance of 165.74 feet;  
Thence North 55°52'33" West for a distance of 251.63 feet;  
Thence North 62°32'15" West for a distance of 149.92 feet;  
Thence North 15°39'02" East for a distance of 8.00 feet;  
Thence North 55°46'00" West for a distance of 381.00 feet;  
Thence North 15°39'02" East for a distance of 93.42 feet to THE TRUE POINT OF BEGINNING.

**PARCEL NO. 8:**

TOWNSHIP 9 SOUTH, RANGE 17 EAST OF THE BOISE MERIDIAN,  
JEROME COUNTY, IDAHO

A parcel of land in Lot 8, Section 28 and Lot 19, Section 29, more particularly described as follows:

Commencing at the large lava boulder marked by a chiseled cross which lies South 71°48' East,  
4,082 feet, more or less from the North 1/16 corner common to Sections 29 and 30;  
Thence South 44°30' East, 530.0 feet;  
Thence South 66°01' East, 579.5 feet;  
Thence South 59°14' East, 232.8 feet;  
Thence South 15°25' West, 100.40 feet;  
Thence North 76°35'54" East, 188.99 feet to the REAL POINT OF BEGINNING;  
Thence North 32°35'34" East, 208.71 feet;  
Thence South 57°24'26" East, 208.71 feet;  
Thence South 32°35'34" West, 208.71 feet;  
Thence North 57°24'26" West, 208.71 feet, more or less, to the REAL POINT OF BEGINNING.

**PARCEL NO. 9:**

TOWNSHIP 9 SOUTH, RANGE 17 EAST OF THE BOISE MERIDIAN,  
JEROME COUNTY, IDAHO

A parcel of land in Lot 19, Section 29, more particularly described as follows:

Commencing at a large lava boulder marked by a chiseled cross which lies South 71°48' East, 4,082  
feet, more or less, from which the North 1/16 corner common to Sections 29 and 30;  
Thence South 44°30' East, 530.00 feet;  
Thence South 66°01' East, 579.5 feet;  
Thence South 59°14' East, 232.8 feet;  
Thence South 15°25' West, 100.40 feet;  
Thence North 76°35'54" East, 188.99 feet to the REAL POINT OF BEGINNING;  
Thence North 57°24'26" West, 208.71 feet;  
Thence North 32°35'34" East, 208.71 feet;  
Thence South 57°24'26" East, 208.71 feet;  
Thence South 32°35'34" West, 208.71 feet to the REAL POINT OF BEGINNING.

**PARCEL NO. 10:**

TOWNSHIP 9 SOUTH, RANGE 17, EAST OF THE BOISE MERIDIAN,  
JEROME COUNTY, IDAHO

Section 29: A parcel of land described as follows:

Commencing at a large lava boulder marked by a chiseled cross which lies South 71°48' East, 4,082 feet, more or less, from the North 1/16 corner common to Sections 29 and 30;  
Thence South 44°30' East 530.0 feet;  
Thence South 66°01' East, 579.5 feet;  
Thence North 71°57'36" East, 55.17 feet to THE TRUE POINT OF BEGINNING; Thence North 30°46' East for a distance of 282.22 feet;  
Thence South 59°33'22" East for a distance of 159.03 feet;  
Thence South 32°35'34" West for a distance of 283.26 feet;  
Thence North 59°14' West for a distance of 150.00 feet to THE TRUE POINT OF BEGINNING.

**PARCEL NO. 11:**

TOWNSHIP 9 SOUTH, RANGE 17 EAST OF THE BOISE MERIDIAN,  
JEROME COUNTY, IDAHO

Section 28 and 29: A parcel of land in Lot 13, Section 28, and Lot 19 of Section 29, more particularly described as follows:

Commencing at a large lava boulder marked by a chiseled cross which lies South 71°48' East 4082 feet, more or less, from the North 1/16 corner common to Sections 29 and 30;  
Thence South 44°30' East for 530.0 feet;  
Thence South 66°01' East for 579.5 feet;  
Thence South 59°14' East for 232.8 feet;  
Thence South 15°25' West for 93.42 feet;  
Thence South 55°46' East for 271.62 feet to THE TRUE POINT OF BEGINNING;  
Thence South 15°39'02" West for 363.12 feet;  
Thence South 55°46' East for 127.00 feet;  
Thence North 15°39'02" East for 363.12 feet;  
Thence North 55°46' West for 127.00 feet to THE TRUE POINT OF BEGINNING.

**PARCEL NO. 12:**

TOWNSHIP 9 SOUTH, RANGE 17 EAST OF THE BOISE MERIDIAN,  
JEROME COUNTY, IDAHO

Section 28: A tract of land in Lots 12, 13 and 14, described as follows:

Commencing at a large lava boulder marked by a chiseled cross which lies South 71°48' East, 4082 feet, more or less, from the North 1/16 corner common to Section 29 and 30;  
Thence South 44°30' East for 530.0 feet;  
Thence South 66°01' East for 579.5 feet;  
Thence South 59°14' East for 232.8 feet;  
Thence South 15°25' West for 100.4 feet;  
Thence South 54°33'15" East for 561.22 feet;  
Thence South 62°32'15" East for 242.39 feet;

Thence South 68°28'33" East for 255.24 feet to the REAL POINT OF BEGINNING.  
Thence South 31°31'14" West for 264.01 feet;  
Thence South 21°28'35" East for 77.48 feet;  
Thence South 67°39'57" East for 103.99 feet;  
Thence North 63°28'43" East for 116.46 feet;  
Thence South 82°43'34" East for 251.30 feet;  
Thence South 69°34'06" East for 211.94 feet;  
Thence North 0°03'24" East for 257.48 feet;  
Thence North 64°46'32" West for 532.10 feet;  
Thence South 31°31'14" West for 110.0 feet to the REAL POINT OF BEGINNING.

Together with the rights of ingress and egress as they now exist from the Public Roads to the herein described property.

**PARCEL NO. 13:**

TOWNSHIP 9 SOUTH, RANGE 17 EAST OF THE BOISE MERIDIAN,  
JEROME COUNTY, IDAHO

Section 28: A parcel of land located in Government Lot 12, more particularly described as follows:

Beginning at the North Quarter corner of said Section 28 from which the Northwest corner thereof bears South 89°39'00" West;  
Thence South 2°22'22" West 4383.91 feet to a point on the Westerly boundary of the Blue Lakes Country Club and the TRUE POINT OF BEGINNING;  
Thence Southwesterly along the Westerly boundary of said Blue Lakes Country Club the following courses and distances:  
    South 10°19'00" East 9.11 feet;  
Thence Southwesterly 98.77 feet on the arc of a curve to the right with a radius of 65.00 feet, a central angle of 87°04'00", and a chord which bears South 33°13'00" West 89.54 feet to a point of tangency;  
Thence South 76°45'00" West 11.06 feet;  
Thence Southwesterly 151.81 feet on the arc of a curve to the left with a radius of 327.40 feet, a central angle of 26°34'00", and a chord which bears South 63°28'00" West 150.45 feet to a point on tangency;  
Thence South 50°11'00" West 110.77 feet;  
Thence Southwesterly 45.06 feet on the arc of a curve to the left with a radius of 56.58 feet, a central angle of 45°38'00", a chord which bears South 27°22'00" West 43.88 feet to a point of tangency;  
Thence South 4°33'00" West 88.20 feet;  
Thence Southwesterly 57.70 feet on the arc of a curve to the right with a radius of 4784 feet, a central angle of 69°06'00", and a chord which bears South 39°06'00" West 54.26 feet to a point of tangency;  
Thence South 73°39'00" West 110.72 feet;  
Thence leaving said Westerly boundary of Blue Lakes Country Club North 20°21'42" West 101.96 feet;  
Thence North 0°20'36" East 197.18 feet;  
Thence North 52°35'06" East 314.25 feet;  
Thence South 46°13'58" East 190.62 feet;  
Thence North 51°46'46" East 117.81 feet to the TRUE POINT OF BEGINNING.

TOGETHER WITH a non-exclusive easement for ingress and egress over the Blue Lakes Road.

**PARCEL NO. 14:**

TOWNSHIP 9 SOUTH, RANGE 17 EAST OF THE BOISE MERIDIAN,  
JEROME COUNTY, IDAHO

Section 28: A parcel of land in Lot 13 more particularly described as follows:

Commencing at a large lava boulder marked by a chiseled cross, which lies South 71°48' East 4082 feet, more or less, from the North 1/16 corner common to Sections 29 and 30;  
Thence South 44°30" East for 530.0 feet;

Thence South 66°01' East for 579.5 feet;  
Thence South 59°14' East for 232.8 feet;  
Thence South 15°25' West for 93.42 feet;  
Thence South 55°46' East for 525.62 feet to THE TRUE POINT OF BEGINNING;  
Thence South 15°39'02" West for 363.12 feet, more or less, to a point which lies on the Northerly boundary of a parcel of land described in a certain Agreement of Sale between Percy Greene and Harold S. Miller, and Burton Perrine, Jr. and Emerald Perrine dated the 28<sup>th</sup> day of September 1955;  
Thence South 55°46' East for 127.00 feet along the above referenced Northerly boundary;  
Thence North 15°39'02" East for 363.12 feet;  
Thence North 55°46' West for 127.00 feet to THE TRUE POINT OF BEGINNING.

**PARCEL NO. 15:**

TOWNSHIP 9 SOUTH, RANGE 17 EAST OF THE BOISE MERIDIAN,  
JEROME COUNTY, IDAHO

Section 28: A parcel of land in Lots 13 and 14, more particularly described as follows:

Commencing at a large lava boulder marked by a chiseled cross which lies South 71°48' East, 4082 feet, more or less, from the North 1/16 corner common to Sections 29 and 30:

Thence South 44°30' East for 530.0 feet;  
Thence South 66°01' East for 579.5 feet;  
Thence South 59°14' East for 232.8 feet;

Thence South 15°25' West for 100.40 feet;  
Thence South 54°33'15" East for 561.22 feet;  
Thence South 62°32'15" East for 92.47 feet to THE REAL POINT OF BEGINNING.  
Thence South 15°39'02" West for 355.12 feet, more or less, to a point which lies on the Northerly boundary of a parcel of land described in a certain Agreement of Sale between Percy Green and Harold S. Miller and Burton Perrine, Jr. and Emerald Perrine dated the 28<sup>th</sup> day of September, 1955;  
Thence South 55°46' East for 326.24 feet along the above referenced Northerly boundary;  
Thence North 23°01'59" East for 149.57 feet, more or less;  
Thence North 31°31'14" East for 208.26 feet;  
Thence North 56°06'01" West for 251.58 feet;  
Thence North 62°32'15" West for 149.92 feet to THE REAL POINT OF BEGINNING.

**PARCEL NO. 16:**

TOWNSHIP 9 SOUTH, RANGE 17 EAST OF THE BOISE MERIDIAN,  
JEROME COUNTY, IDAHO

Section 28: A parcel of land in Lots 13 and 14, more particularly described as follows:

Commencing at a large lava boulder marked by a chiseled cross which lies South 71°48' East for 4082 feet, more or less, from the North 1/16 corner common to Section 29 and 30;  
Thence South 44°30' East for 530.0 feet;  
Thence South 66°01' East for 579.5 feet;

Thence South 59°14' East for 232.8 feet;  
Thence South 15°25' West for 432.68 feet;  
Thence South 48°09' East for 174.0 feet;  
Thence South 55°46' East for 812.69 feet;  
Thence South 23°01'59" West for 76.46 feet, more or less, to a point which lies on the Southerly boundary of a parcel of land described in a certain Agreement of Sale between Percy Green and Harold S. Miller and Burton Perrine, Jr. and Emerald Perrine dated 28<sup>th</sup> day of September, 1955, and being THE REAL POINT OF BEGINNING.  
Thence North 55°46' West for 817.54 feet along the above referenced Southerly boundary;  
Thence South 28°25' West for 50 feet, more or less, to the mean high waterline of the Northerly bank of the Snake River;  
Thence upstream along said Northerly bank of the Snake River for 825 feet, more or less, to a point which lies South 23°01'59" West of THE REAL POINT OF BEGINNING;  
Thence North 23°01'59" East for 73.0 feet, more or less, to THE REAL POINT OF BEGINNING.

Said water rights are described in five (5) Basin 37 "SRBA Partial Decree Pursuant to I.R.C.P. 54 (b)" relating to the water rights summarized, in part, as follows:

WATER RIGHT NUMBER	PLACES OF USE	SOURCE OF WATER/ TRIBUTARY	POINT OF DIVERSION	QUANTITY OF WATER
36-2356A	SW1/4NE1/4, Lot 14, NE1/4SE1/4 Lot 19, NW1/4SE1/4 Lot 18, Section 29, Township 9 South, Range 17 East, Jerome County, Idaho  (Fish Propagation)	Alpheus Creek/Snake River	Alpheus Creek NE1/4SW1/4SW1/4, Lot 14, Section 29, Township 9 South, Range 17 East, Jerome County, Idaho	99.83 CFS (cubic feet per second); volume 72,147.14 AFA (acre/ feet per year)
36-2356B	NE1/4SE1/4, Lot 19, Section 29, Township 9 South, Range 17 East, Jerome County, Idaho  (Commercial & Domestic)	Ground water	Ground water NE1/4SE1/4, Lot 19, Section 29, Township 9 South, Range 17 East, Jerome County, Idaho	0.13 CFS/ 94 AFA (Commercial)  0.04 CFS/ 2.4 AFA (Domestic)

WATER RIGHT NUMBER	PLACES OF USE	SOURCE OF WATER TRIBUTARY	POINT OF DIVERSION	QUANTITY OF WATER
36-7210	SW1/4NE1/4, Lot 14, NE1/4SE1/4 Lot 19, NW1/4SE1/4 Lot 18, Section 29, Township 9 South, Range 17 East, Jerome County, Idaho  (Fish Propagation)	Alpheus Creek/Snake River	Alpheus Creek NE1/4SW1/4SW1/4, Lot 14, Section 28, Township 9 South, Range 17 East, Jerome County, Idaho	45 CFS/ 32,521.5 AFA
36-7427	SE1/4NW1/4, Lot 19, Section 29, Township 9 South, Range 17 East, Jerome County, Idaho  (Fish Propagation)	Alpheus Creek/Snake River	Alpheus Creek NE1/4SW1/4SW1/4, Lot 14, Section 28, Township 9 South, Range 17 East, Jerome County, Idaho	52.23 CFS/ 37,746.6 AFA
36-7720	NE1/4SE1/4, Lot 19, Section 29, Township 9 South, Range 17 East, Jerome County, Idaho  (Fish Propagation)	Waste water	Waste water SW1/4NE1/4SE1/4, Lot 19, Section 29, Township 9 South, Range 17 East, Jerome County, Idaho	37.1 CFS/ 26,812.2 AFA

All five (5) water rights are based on court Decrees.