

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

RECEIVED

JAN 05 2007

DEPT. OF WATER RESOURCES
SOUTHERN REGION

Notice of Security Interest in a Water Right

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

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

JAN 09 2007

DEPARTMENT OF
WATER RESOURCES

1. Water Right No(s): 37-8465

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

Comerica Bank
75 East Trimble Road, Mail Code 4770
San Jose, California 95131

4. Name of Water Right Owner/Claimant(s)

Robert S. Colman
c/o Gregg K. Sturtevant
P.O. Box 2924
Ketchum, ID 83340

5. Expiration Date of Notification Period: December 1, 2011

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

7. Signature(s) (and title if applicable)

Gregg K. Sturtevant, SVP + Manager

For Office Use Only

Received by *[Signature]* Date *1/6/07* Fee *25.00*
Receipted by *[Signature]* Date *1/8/07* Receipt No. *50 2187*
Processed by _____ AJ Date _____ WR _____ Date _____

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DEPT. OF WATER RESOURCES
SOUTHERN REGION

RECORDING REQUESTED BY:
AND WHEN RECORDED MAIL TO

Comerica Bank
Attn: Heidi Fetty
75 East Trimble Road, Mail Code 4770
San Jose, California 95131

Instrument # 543388

HAILEY, BLAINE, IDAHO
2006-12-28 02:56:00 No. of Pages: 14
Recorded for : FIRST AMERICAN TITLE
MARSHA RIEMANN Fee: 42.00
Ex-Officio Recorder Deputy
Index to: UCC & MORTGAGES

DKS

187594

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT
AND FIXTURES FILING**

*This Instrument is intended also to be a fixtures filing
and is to be indexed as such in the real estate records of the County.*

**THIS DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT
AND FIXTURES FILING ("Deed of Trust")** is made as of the 1st day of December, 2006, by
the Robert S. Colman ("Colman"), as Trustee under the Robert S. Colman Trust UDT dated
March 13, 1985, as amended and restated by that certain Amended and Restated
Declaration of Trust, Robert S. Colman Revocable Trust dated September 1, 1995 (as
amended and restated, the "Trust"), herein called GRANTOR1, and Robert S. Colman, an
individual, herein called GRANTOR2 (together, GRANTOR1 and GRANTOR2 are referred to
herein as the GRANTORS), with Grantors' address being is 300 Tamal Plaza #280, Corte
Madera, California 94925, to First American Title Company, herein called TRUSTEE, whose
address is 120 Second Avenue, North, Ketchum, Idaho 83340, for the benefit of Comerica Bank
and its successors and assigns, herein called BENEFICIARY, whose address is 333 W. Santa
Clara St., 12th Floor, San Jose, California, 95113, or, for notices, the address set forth above.

*This Deed of Trust is given as a second lien on the Property (as defined below), junior to
that certain Deed of Trust against the Property in favor of First Republic Bank and
successors and assigns ("Senior Lender"), recorded as Instrument No. 489270 in the
records of Blaine County, Idaho (the "Senior Lien"). For so long as the Senior Lien
remains in place, the rights of Trustee and Beneficiary hereunder are subject and
subordinate to the rights of the Senior Lender in the Property under the Senior Lien.
Grantors hereby represent and warrant to Trustee and Beneficiary that there is no
consent required to be given by Senior Lender to the recording of this Deed of Trust that
has not already been given.*

GRANTOR1 hereby grants, bargains, sells, conveys, transfers and assigns unto Trustee, in trust and with power of sale, that residential property described as follows:

**Lot 2 of RIVERWOODS SUBDIVISION according to the official plat thereof,
recorded as Instrument No. 172181, records of Blaine County, Idaho,**

**with an address at 50 Adams Gulch Road (fka 50 Riverwoods Road), Blaine County, Idaho,
83340 (the "Land"),**

Together with all buildings, structures, fences and other improvements, now or hereafter erected on the Land, and all easements, rights of way, rights in common areas, appurtenances, rents (subject however to the rights and authorities given herein to Beneficiary to collect and apply such rents), profits, water, water rights (including, but not limited to, all rights of Grantor1 in and to water right no. 37-8465), and water stock, irrigation equipment and pumps, and all fixtures, tenements, and hereditaments now or hereafter located on, attached to, belonging to, or in anywise appertaining to or used upon or in connection with the Land or property described above, all of which, including replacements and additions thereto and proceeds thereof, shall be deemed to be and remain a part of the property covered and encumbered by this Deed of Trust, and all of the foregoing, together with the Land are herein referred to as the **"Property."**

GRANTOR2 hereby grants, bargains, sells, conveys, transfers and assigns unto Trustee, in trust and with power of sale, that certain water right no. 37-8465 (the **"Water Right"**) which is appurtenant to the Land, is used for irrigation and aesthetic purposes on the Land, and which is and shall be **part of the "Property"** for all purposes herein.

1. **THIS DEED OF TRUST SECURES:**

a. All of the indebtedness and obligations of Grantor1 and Grantor2 (as **"Borrowers"**) owed to Beneficiary or order (as **"Lender"**) under that certain Master Revolving Note dated December 1, 2006 (**"Note"**) in the original principal sum of **Four Million Seven Hundred Seventy Eight Thousand Five Hundred and No/100ths Dollars (\$4,778,500.00)**, with interest thereon at the rate specified therein. The maturity date under the Note is December 1, 2011. The credit extended under the Note is for business and investment purposes.

b. Payment of any and all indebtedness, obligations and liabilities, whatsoever, whether primary, secondary, direct, indirect, fixed or contingent, whether now or hereafter due from Borrowers (or any successor in interest to Borrowers) whether created directly or acquired by assignment if the document evidencing such obligation or liability or any other writing signed by Borrowers or either of them (or any successor in interest to either Borrower) specifically provides that said obligation or liability is secured by this Deed of Trust.

c. Performance of each agreement of Grantors herein contained or of Grantors or Borrowers contained in any other agreement, instrument or other writing to which

Grantors and/or Borrowers are a party if the same is written in connection with any of the foregoing.

d. Payment of all sums to be expended by the Beneficiary or Trustee pursuant to the terms hereof.

The security of this Deed of Trust shall not be affected by the extension, renewal or modification from time to time of the obligations, instruments or agreements described above.

The terms "indebtedness," "obligations" and "liabilities" are used herein in their most comprehensive sense and include any and all advances, debts, obligations and liabilities heretofore, now or hereafter made, incurred or created, whether voluntary or involuntary and however arising, whether due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined, joint or several, including without limitation, all principal, interest, charges, prepayment charges, late charges, and loan fees at any time accruing or assessed, on or in connection with (a) through (d) above.

2. TO PROTECT THE SECURITY OF THIS DEED OF TRUST, GRANTORS AGREE:

a. To keep the Property in good condition and repair; not to remove or demolish any building, improvements or fixtures thereon; to complete or restore promptly and in good and workmanlike manner any building, improvements, or fixtures which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting the Property or requiring any alteration or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character of use of the Property may be reasonable necessary, the specific enumerations herein not excluding the general.

b. To provide, maintain and deliver to Beneficiary evidence of fire and other insurance on the Property satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon indebtedness secured hereby and in such order as Beneficiary may determine, or at the option of Beneficiary, the entire amount so collected or any part thereof may be released to Grantors. Such application or release shall not cure or waive any default hereunder or invalidate any act done pursuant to such notice. Grantors shall deliver such policies or acceptable written evidence of such policies to Beneficiary upon demand. Failure to maintain the insurance required under this Deed of Trust or to deliver such policies or acceptable written evidence of the policies to Beneficiary will give Beneficiary the option to purchase insurance on behalf of Grantors. Any insurance Beneficiary procures may insure only Beneficiary's interest in the Property and may not provide any coverage for Grantors. Any costs or expenses incurred by Beneficiary in procuring such insurance will be added to the principal balance and will bear interest from the date they are advanced at the highest rate shown in the instrument or instruments evidencing the indebtedness secured by this Deed of Trust. Such amounts

shall be payable upon demand or, at Beneficiary's option, in the form of larger installments otherwise payable under such instrument or instruments.

c. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary or Trustee to foreclose this Deed of Trust.

d. To pay at least ten days before delinquency all taxes and assessments affecting the Property, including assessment of appurtenant water stock, all encumbrances, charges and liens, any interest, on the property or any part thereof, which appear to be prior or superior hereto and all costs, fees and expenses of this Deed of Trust.

c. That should Grantors fail to make any payment or do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Grantors and without releasing Grantors from any obligation hereof, may:

(1) Make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon the Property for such purposes.

(2) Appear in and defend any action or proceeding purporting to affect the security hereof or the rights or power of Beneficiary or Trustee.

(3) Pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or to be superior hereto.

(4) In exercising any such powers, pay necessary expenses, employ counsel and pay all reasonable fees incurred in connection therewith.

f. To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the maximum rate allowed by law in effect at the date hereof or at the option of Beneficiary, such sums may be added to the principal balance of any indebtedness secured hereby and shall bear the highest rate of interest as any such indebtedness.

g. To pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

3. IT IS FURTHER AGREED THAT:

a. Any award of damages in connection with any condemnation for public use of or injury to the Property or any part thereof is hereby assigned and shall be paid to the Beneficiary who may apply or release such monies received by it in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

b. By accepting payment of any sum secured hereby after its due date, or after the filing of notice of default and of election to sell, Beneficiary shall not waive its right to require prompt payment when due of all other sums so secured, or to declare default for failure so to pay, or to proceed with the sale under any such notice of default and of election to sell, for any unpaid balance of said indebtedness. If Beneficiary holds any additional security for any obligation secured hereby, it may enforce the sale thereof at its option, either before, contemporaneously with, or after the sale is made hereunder, and on any default of Grantors, Beneficiary may, at its option, offset against any indebtedness owing by it to Grantors.

c. Without affecting the liability of any person, including Grantors, for the payment of any indebtedness secured hereby, or the lien of this Deed of Trust on the remainder of the Property for the full amount of any indebtedness unpaid, Beneficiary and Trustee are respectively empowered as follows:

(1) Beneficiary may from time to time and without notice (a) release any person liable for the payment of any of the indebtedness, (b) extend the time or otherwise alter the terms of payment of any of the indebtedness, (c) accept additional security therefore of any kind, including deeds of trust or mortgages, (d) alter, substitute or release any of the Property securing the indebtedness.

(2) Trustee may, at any time, and from time to time, upon the written request of Beneficiary (a) consent to the making of any map or plat of the Property, (b) join in granting any easement or creating any restriction thereon, (c) join in any subordination or other agreement affecting this Deed of Trust or the lien or change thereof or, (d) reconvey without any warranty, all or any part of the Property.

d. That upon written request of Beneficiary stating that all sums secured hereby have been paid, cancellation of the Note, guarantee, agreement or other writing evidencing the indebtedness secured hereby and performance of all obligations of the Grantors hereunder and thereunder, and upon surrender of this Deed of Trust, the Note, and said guarantee, agreement or other evidence of indebtedness secured hereby to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the Property then held hereunder. The recital in such reconveyance of any matters of fact shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto." Five years after issuance of such reconveyance, Trustee may destroy the Note, guarantee, agreement or other evidence of indebtedness and this Deed of Trust (unless directed in such request to retain them).

e. Grantors hereby give to and confer upon Beneficiary the right, power, and authority during the continuance of these trust to collect the rents, issues and profits of the Property and of any personal property located thereon, and hereby absolutely and unconditionally assigns all such rents, issues and profits to Beneficiary, provided, however, that Beneficiary hereby consents to the collection and retention of such rents, issues and profits as they accrue and become payable by Grantors if Grantors are not, at such times, in default with respect to payment of any indebtedness secured hereby or in

the performance of any agreement hereunder. Under any such default, Beneficiary may at any time, without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Property or any part thereof, and in its own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection including reasonable attorneys fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine; and also perform such acts of repair, cultivation, irrigation or protection, as may be necessary or proper to conserve the value of the Property; and also lease the same or any part thereof for such rental, term, and upon such conditions as its judgment may dictate; and also prepare for harvest, remove, and sell any crops that may be growing upon the premises, and apply the net proceeds thereof upon the indebtedness secured hereby. The entering upon and taking possession of the Property, the collection of such rents, issues and profits, and the application thereof as aforesaid, shall not waive or cure any default or notice of default hereunder or invalidate any act done pursuant to such notice. Grantors also assign to Trustee, as further security for the performance of the obligations secured hereby, all prepaid rents and all monies which may have been or may hereafter be deposited with Grantors by any lessee of the premises herein described, to secure the payment of any rent, and upon default in the performance of any of the provisions hereof, Grantors agree to deliver such rents and deposits to the Trustee.

f. Upon the occurrence of an event of default by Borrowers under the Note, or a default by Grantors or Borrowers in the performance of any payment or other obligation secured hereby, or a default by Grantors in the performance of any agreement hereunder (an "Event of Default"), irrespective of the maturity date(s) expressed in the Note or any other note evidencing the same, at the option of the Beneficiary, and without demand or notice, all indebtedness under the Note and this Deed of Trust shall immediately become due and payable.

g. Should Grantors mortgage or pledge the Property or any part thereof as security for any indebtedness or obligations not described herein and secured hereby (except for the Senior Lien); or sell, transfer, convey, assign or otherwise dispose of the Property or any part thereof or any interest therein by deed, installment sale contract, or any other instrument or means; or if title to the Property or any part thereof shall become vested in any other person or entity in any manner whatsoever; or if Colman should remove the Property from the Trust estate; or if any other person or entity has, may have, or claims title to or an ownership interest in the Property; or if there is any change in the occupancy of the Property; or if Colman ceases to be the Trustee of Grantor1; or if there is any disposition (through one or more transactions) of legal or beneficial title or interest in and to the Grantor1 or the Property, either voluntarily, involuntarily or otherwise; or if Grantors or either of them enters into any agreement to do any of the foregoing without the prior written consent of Beneficiary being first had and obtained (any such event also constituting an Event of Default hereunder), then Beneficiary may, at its option, declare all sums secured hereby immediately due and payable. Consent to one such transaction shall not be deemed to be a waiver of the right to require such consent to future or successive transactions.

h. Upon any Event of Default, and regardless of whether Beneficiary has accelerated payment of the Indebtedness or exercised any other remedy it may have hereunder, under the Note, or otherwise at law, Beneficiary may execute or cause the Trustee to execute a written notice of such default and of its election to cause the Property to be sold to satisfy the obligations secured hereby, and shall cause such notice to be recorded in the office of the recorder of the county wherein the Property or some part thereof is situated. Notice of sale having been given as then required by law, and not less than the time then required by law having elapsed, Trustee, without demand on Grantors, shall sell the Property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee shall deliver to the purchaser its deed conveying the Property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including the Beneficiary under this Deed of Trust, may purchase at such sale. After deducting all costs, fees and expenses of Trustee and of this trust, including costs of evidence of title in connection with the sale, the Trustee shall apply the proceeds of the sale to the payment of all sums then secured hereby, in such order and manner as may be required by the Beneficiary; the remainder, if any, to be paid to the person or persons legally entitled thereto.

i. Beneficiary may rescind any notice before Trustee's sale by executing a notice of rescission and recording the same. The recordation of such notice shall also constitute a cancellation of any prior declaration of default and demand for sale, and of any acceleration of maturity of indebtedness affected by any prior declaration or notice of default. The exercise by Beneficiary of the right of rescission shall not constitute a waiver of any default then existing or subsequently occurring, nor impair the right of the Beneficiary to execute other declarations of default and demand for sale, or notices of default and of election to cause the Property to be sold, nor shall it otherwise affect the Note or this Deed of Trust, or any of the obligations or indebtedness of Grantors and Borrowers, or the rights or remedies of the Beneficiary or Trustee hereunder.

j. If Beneficiary shall elect to bring suit to foreclose this Deed of Trust in the manner and subject to the provisions, right and remedies relating to the foreclosure of a mortgage, Beneficiary shall be entitled to a reasonable sum to be fixed by the court as attorney's fees expended in the prosecution of said action.

k. No failure or delay by Beneficiary in exercising any right, power or privilege under law, this Deed of Trust or any other document relating to the indebtedness shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise of such right, power or privilege or any other right, power or privilege. All rights and remedies of Beneficiary under this Deed of Trust, any other collateral security documents securing the indebtedness, any guaranty of the indebtedness, the Note or any other notes or other evidence of the indebtedness issued pursuant to any of the foregoing, or otherwise under applicable law, shall be cumulative and may be exercised singly or concurrently, and are not exclusive of any other right or remedy permitted by law or in equity.

l. Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the County where the Property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Grantors, Trustee and Beneficiary hereunder, the location where this Deed of Trust is recorded and the name and address of the new Trustee.

m. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the Note, guarantee, agreement, or other evidence of indebtedness secured hereby, whether or not named as Beneficiary herein. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or the neuter, and the singular number includes the plural.

n. Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Grantors, or either of them, Beneficiary or Trustee shall be a party unless brought by Trustee.

o. Any Grantor or Borrower who is a married person expressly agrees that his or her community property and separate property shall be liable for any deficiency after the sale of the said Property to the extent such Grantor or Borrower is personally obligated to pay the indebtedness secured hereby.

p. Colman and Grantor1 hereby represent and warrant to Beneficiary that Colman is the sole trustee of the Trust; that Colman as trustee of the Trust and on behalf of the Trust is vested with title in fee to the Property that is the trust estate; the Trust is an inter vivos trust; no other person or beneficiary of the Trust is required to join in the execution of this Deed of Trust or otherwise consent to Grantor1's giving of this Deed of Trust; Colman has the full power and authority to execute this Deed of Trust as trustee of the Trust, to bind the Trust as Grantor1; and to encumber the Property that is the trust estate; there has been no modification or revocation of the trust declaration or terms thereof since the Amended and Restated Declaration of Trust, Robert S. Colman Revocable Trust dated September 1, 1995 ("Declaration"); and there has been no sale, transfer, assignment or other disposition, whether by operation of law or otherwise, of any beneficial interest in the Trust or to the Property, or any change in occupancy of the Property, since September 1, 1995, and the Property remains part of the trust estate subject to the Trust as set forth in said Declaration.

q. Grantor2 hereby represents and warrants to Beneficiary that the Water Right is owned by Grantor2 and no other person or entity (other than Grantor1) has any

ownership interest in or right to use the water subject thereto; there are no prior liens or encumbrances on the Water Right; the Water Right has been properly claimed in the Snake River Basin Adjudication, if and as required; and there are no outstanding judicial or administrative proceedings or challenges to or against the Water Right. Grantor2 hereby authorizes Beneficiary to file a Notice of Water Right Lien with the Idaho Department of Water Resources with a copy of this Deed of Trust.

r. The pleading of any statute of limitations as a defense to any and all obligations secured by this Deed of Trust is hereby waived to the full extent permitted by law.

s. Grantors authorize Beneficiary, without notice or demand and without affecting his liability under this Deed of Trust, from time to time, to:

(1) Renew, extend, accelerate, decrease or increase the amount of the indebtedness, or otherwise change the time for payment of any of the indebtedness or any other term thereof;

(2) Renew, extend, accelerate, terminate or otherwise modify any of the collateral security documents securing any of the indebtedness, and any notes and/or any other evidence of indebtedness in connection with any of the foregoing, including, without limitation, increase or decrease of the rate of interest thereon;

(3) Accept partial payments on the indebtedness;

(4) Substitute, withdraw, waive, decrease, increase, release, exchange or otherwise alter any collateral security, in whole or in part, securing the indebtedness or any guarantee of the indebtedness;

(5) Apply any and all such collateral security and direct the order or manner of sale thereof as Beneficiary in its sole discretion may determine;

(6) Release or substitute any one or more of the guarantors of the indebtedness, and otherwise deal Grantors, or any other guarantor as Beneficiary may elect;

(7) Settle or release, either by agreement on terms satisfactory to Beneficiary or by operation of law or otherwise, compound, compromise, collect or otherwise liquidate any indebtedness and/or collateral security therefore in any manner; and/or consent to the transfer to any collateral security and bid and purchase at any sale; all without in any way diminishing, releasing or discharging the liability of the Grantors hereunder.

t. Grantors waive: notice of acceptance of the Deed of Trust, any document evidencing or relating to the indebtedness; diligence and all demands, presentments, protests, notices of protest; notices of nonperformance; notices of dishonor; and notices of the existence, creation or incurring of any new or additional indebtedness.

u. Upon default of Borrowers or Grantors in respect of any indebtedness, Beneficiary may, at its option, and without notice to the Grantors or either of them, proceed directly against the Property under the Deed of Trust to collect and recover full amount of the indebtedness, or any portion thereof, and Grantors waive, to the extent allowed by applicable law, any right to require Beneficiary to: (a) proceed against Borrowers or any guarantor; (b) proceed against or exhaust any collateral security given to or held by Beneficiary in connection with the indebtedness; or (c) pursue any other remedy in Beneficiary's power whatsoever. Grantors further authorize Beneficiary, without notice or demand and without affecting the liability of the Grantors hereunder, to foreclose by judicial or non-judicial sale any collateral security given to secure the indebtedness.

v. Grantors waive any defense arising by reason of any disability or other defense of Borrowers or any guarantor or by reason of the cessation from any action of any kind against Borrowers. Beneficiary's rights under the Deed of Trust shall be enforceable without regard to the validity, regularity or enforceability of the indebtedness or any document evidencing the same, the Note or any other notes or other evidence of the indebtedness, any guarantee of the indebtedness, or any collateral security documents securing any of the indebtedness. Grantors specifically agree that the failure of Beneficiary to perfect any lien on or security interest in the Property or any part thereof or any other property given by Borrowers or any guarantor to secure payment of the indebtedness, or the failure to record or file any document relating thereto, shall not terminate, diminish or otherwise affect Beneficiary's rights under Deed of Trust.

w. Grantors shall not have any right of subrogation to any of the rights of Beneficiary against Borrowers or any guarantor, and any action by Beneficiary which may affect any right of subrogation that the Grantors, or either of them, may have shall not affect or be raised by either Grantor as a defense to any rights or obligation that the Grantors owe to Beneficiary. Grantors waive any right to enforce any remedy which Beneficiary now has or may hereafter have against either Grantor, Borrowers, or any guarantor, and waives any benefit of, and any other right to participate in, any collateral security for the indebtedness now or hereafter held by Beneficiary.

x. Grantors assume the responsibility for remaining informed of the financial conditions of Borrowers or any guarantor and of all other circumstances bearing upon the risk of non-payment of the indebtedness. Beneficiary shall have no duty to advise the Grantors of information known to Beneficiary regarding such condition or any such circumstance. Beneficiary has no duty to inquire into the powers of Borrowers or any guarantor or the officers, directors, trustees or agents thereof acting or purporting to act in its behalf and/or their behalf.

y. None of the terms or provisions hereof may be waived, altered, modified, or amended except by an instrument in writing, duly executed by the party to be charged thereby, and the rights, obligations and liabilities hereunder shall be governed by, and shall be construed and interpreted in accordance with, the laws of the State of Idaho.

z. The Grantors hereby grant to Beneficiary a security interest under the California, Idaho or any other applicable Uniform Commercial Code in the Property or any part thereof that is fixtures or other personal property covered by Article 9 of such Uniform Commercial Code, and, to the extent not prohibited by law, in all deposit accounts and other property of the Grantors held by the Beneficiary, to secure the indebtedness and obligations of the Grantors and Borrowers to Beneficiary as described herein; *provided, however*, that this security interest shall not secure any indebtedness which is or hereafter becomes "consumer credit" subject to the disclosure requirements of the Truth in Lending Act and Regulation Z promulgated thereunder, both as amended from time to time. Grantors authorize Beneficiary to file all financing statements, to enter into such control or other agreements, and to take all action required by applicable law to perfect and maintain perfection of the security interests granted hereby.

4. WITH REGARD TO HAZARDOUS SUBSTANCES, GRANTORS AGREES:

a. As used in this section, the term "hazardous substance" means any substance which has characteristics of ignitability, corrosivity, toxicity, reactivity or radioactivity or has other characteristics which render the substance dangerous to health, safety or the environment if such substance is or becomes regulated by any federal, state or local law, regulation or ordinance. The term includes, without limitation, substances defined as "hazardous material," "toxic substances," "hazardous wastes" or "hazardous substances" under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Hazard Materials Transportation Act, 49 U.S.C. Section 1801, et seq., and the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., under analogous Idaho statutes, and under the regulations adopted and publications promulgated pursuant to said laws.

b. As used in this section, the terms "disposal", "release" and "threatened release" shall have the definitions assigned to them under CERCLA.

c. Grantors represent and warrant that during the period of either Grantor's ownership of the Property there has been no use, generation, manufacture, storage, disposal, release or threatened release of any hazardous substance by Grantors or any other person on, under or about the Property nor are there or have there been any claims of any kind asserted or threatened to be asserted by any third party relating thereto except as previously disclosed to and acknowledged by Beneficiary in writing. Grantors further represent and warrant that neither of the Grantors has any knowledge of, or reason to believe that there has been, any use, generation, manufacture, storage, disposal, release or threatened release of any hazardous substance by any person on, under or about the Property before such Grantor acquired an interest in the Property or any claims of any kind asserted or threatened to be asserted by any third party relating thereto except as previously disclosed to and acknowledged by Beneficiary in writing.

d. Grantors represent, warrant and agree that neither of the Grantors nor any agent, contractor, tenant or other authorized user of the Property shall use, generate, store, dispose or release any hazardous substance on, under or about the Property except in full compliance with all applicable federal, state or local laws, regulations or ordinances,

including, without limitation, the provisions of the federal, state and local laws, regulations, ordinances and publications described in the first paragraph of this section.

e. Grantors jointly and severally agree to indemnify and hold Beneficiary and its successors or assigns harmless from and against all losses, claims, demands, liabilities, damages, response costs, penalties and expenses, including, without limitation, all costs of litigation and, attorneys' fees, which Beneficiary and its successors or assigns may directly or indirectly sustain or suffer as a consequence of any inaccuracy or breach of any representation, warranty or agreement contained in this section, or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to or during either Grantor's ownership or interest in the Property whether or not the same was or should have been known to such Grantor.

f. The provisions of this section shall not be affected by the acquisition by Beneficiary or its successors or assigns of any ownership or other interest in the Property beyond Beneficiary's lien and security interest in the Property created under this Deed of Trust, whether or not such acquisition is pursuant to the foreclosure of this Deed of Trust or otherwise.

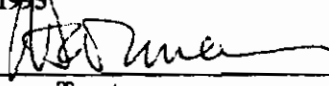
5. GRANTORS, BENEFICIARY AND TRUSTEE ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. EACH PARTY, AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR CHOICE, KNOWINGLY AND VOLUNTARILY, AND FOR THEIR MUTUAL BENEFIT, WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION REGARDING THE PERFORMANCE OR ENFORCEMENT OF, OR IN ANY WAY RELATED TO, THIS DEED OF TRUST OR THE INDEBTEDNESS.

[Signature page follows]

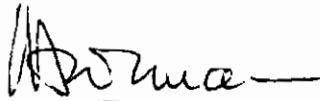
IN WITNESS WHEREOF, the undersigned have executed this Deed of Trust effective as of the day and year first above written.

GRANTOR1:

The Robert S. Colman Trust UDT dated March 13, 1985, as amended and restated by that Amended and Restated Declaration of Trust, Robert S. Colman Revocable Trust dated September 1, 1995

X 
Robert S. Colman, Trustee

GRANTOR2:

X 
Robert S. Colman, an individual

STATE OF CALIFORNIA

COUNTY OF San Francisco

On Dec 14, 2006 before me, a Notary Public in and for said State, personally appeared ROBERT S. COLMAN, known or identified to me to be the person whose name is subscribed to the within instrument as Trustee under the ROBERT S. COLMAN TRUST UDT dated March 13, 1985, as amended and restated by the Amended and Restated Declaration of Trust, ROBERT S. COLMAN REVOCABLE TRUST dated September 1, 1995 (the "Trust"), and acknowledged to me that he executed the same in such capacity as Trustee of the Trust.

WITNESS my hand and official seal.

(SEAL)



(Notary Public's Signature)

Tanya KULBERG
(Type or Print Name)

STATE OF CALIFORNIA

COUNTY OF San Francisco

On Dec 14, 2006 before me, a Notary Public in and for said State, personally appeared ROBERT S. COLMAN, known or identified to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.

WITNESS my hand and official seal.

(SEAL)



(Notary Public's Signature)

TANYA KULBERG
(Type or Print Name)