



Washington Federal Savings

LOAN SERVICING DEPARTMENT

Date: August 29, 2001

To: Tim and Jan Peterson
5960 W Hollilynn Drive
Boise ID 83709

RE: Our Loan # 172547-2
Paid Off: 6-29-01

Enclosed you will find the original copy of FULL RELEASE OF DEED OF TRUST for the above referenced loan. Should you have any questions regarding this document, please contact me at (800) 324-3975 extension 270. This document is proof that your loan has been satisfied with Washington Federal and there is no longer a lien on your property. We thank you for your business and hope that you will allow us to serve you in the future with any of your financial needs.

Sincerely,

Nicole Harding
Loan Servicing Dept./ Reconveyances

WHEN RECORDED RETURN TO:

WASHINGTON FEDERAL SAVINGS
425 PIKE STREET
SEATTLE, WA 98101

ADA COUNTY RECORDER
J. DAVID NAVARRO
BOISE, IDAHO

2001 AU 17 AM 8:41

RECORDED - REQUEST OF

Washington
Federal FEE 3.00 DEPUTY *Maple*

101084021 ✓

2179 172547-2

DEED OF RECONVEYANCE

Washington Federal Savings, doing business in the State of Idaho, as Successor Trustee under that certain Deed of Trust dated **September 25, 1995** which was executed by

TIM C PETERSON AND JAN M PETERSON**HUSBAND AND WIFE**

as Grantors, recorded **October 2, 1995** as Instrument Number **95072168**, records of **ADA** County, State of Idaho, pursuant to the written request of the Beneficiary under said Deed of Trust to reconvey, reciting that the obligations secured by the Deed of Trust has been fully satisfied, does hereby reconvey without warranty to the **PERSON OR PERSONS LEGALLY ENTITLED THERETO** all the estate now held by it under said Deed of Trust.

Dated: August 7, 2001

Washington Federal Savings

BY: *L.L. Plumb*

Vice President

STATE OF WASHINGTON)
COUNTY OF KING)

I certify that I know or have satisfactory evidence that **LL PLUMB** signed this instrument, on oath stated that he/she was authorized to execute this instrument and acknowledged that as Vice President of Washington Federal Savings to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

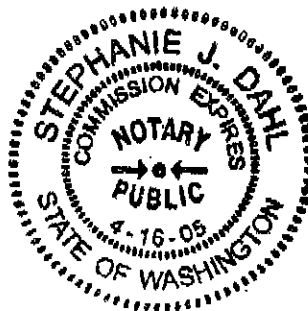
Dated:

August 7, 2001

Stephanie J. Dahl
Notary Public in and for the State of Washington,
Residing at LYNNWOOD

My appointment expires

April 16, 2005



172547-2

ADA COUNTY RECORDER
DAVID NAVARRO
IDAHO

RECORDED-REQUEST OF

FEE 3.00 DEPUTY

WHEN RECORDED RETURN TO:

2001 AUG 7 AM 8:41

101084020

WASHINGTON FEDERAL SAVINGS
425 PIKE STREET
SEATTLE, WA 98101

2179 172547-2

SUBSTITUTION OF TRUSTEE

WHEREAS the undersigned, as beneficiary under the Deed of Trust described below, hereby appoints **Washington Federal Savings** whose address is **425 Pike Street Seattle, WA 98101** as successor trustee in the Deed of Trust for the sole purpose of reconveyance.

Original Beneficiary: **WASHINGTON FEDERAL SAVINGS**
Original Grantor: **TIM C PETERSON AND JAN M PETERSON**
HUSBAND AND WIFE
Recorded in **ADA** County, Idaho, on **October 2, 1995**
as Instrument # **95072168** Dated **September 25, 1995**

NOW THEREFORE, the undersigned, who is the holder of the above described Deed of Trust in consideration of full payment and satisfaction of the debt secured thereunder, hereby requests that the successor trustee reconvey to the parties designated by the terms of said Deed of Trust, without warranty, all estate now held by him under the same.

Dated: August 7, 2001

Washington Federal Savings

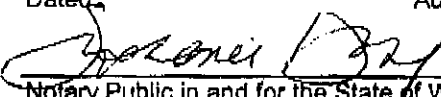
BY: 

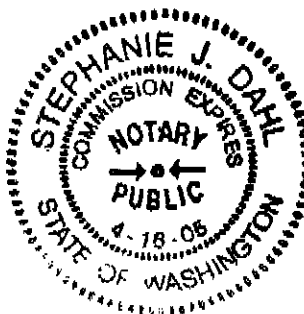
Vice President

STATE OF WASHINGTON)
COUNTY OF KING)

I certify that I know or have satisfactory evidence that **L L PLUMB** signed this instrument, on oath stated that he/she was authorized to execute this instrument and acknowledged that as Vice President of Washington Federal Savings to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: August 7, 2001


Notary Public in and for the State of Washington,
Residing at LYNNWOOD
My appointment expires APRIL 16, 2005



QUITCLAIM DEED

For Value Received

TIMOTHY C. PETERSON AND JAN M. PETERSON, who aquired title as JAN N. PETERSON, husband and wife

do hereby convey, release, remise and forever quit claim unto

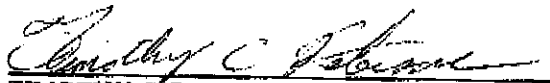
TIM C. PETERSON AND JAN M. PETERSON, husband and wife

whose address is 5960 W. HOLLILYNN DRIVE, BOISE, IDAHO 83709
the following described premises, to-wit:

Lot 11 and 12 in Block 1 of AMENDED PLAT OF CALDERON ESTATES SUBDIVISION, according to the Official Plat thereof, filed in Book 59 of Plats at Page 5651 and 5652, Official Records of Ada County, Idaho.

together with their appurtenances.

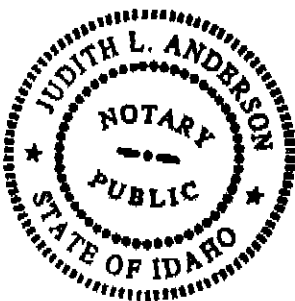
Dated: September 25, 1995


TIMOTHY C. PETERSON


JAN M. PETERSON

STATE OF IDAHO)
 ss.
COUNTY OF Ada)

On This 25th day of September, in the year 1995, before me, a Notary Public in and for said State, personally appeared TIMOTHY C. PETERSON AND JAN M. PETERSON, known or identified to me to be the person(s) whose name(s) are subscribed to the within Instrument, and acknowledged to me that they executed the same.




Notary Public of Idaho
Residing at Boise
Commission expires: 12/21/95

93106313



PIONEER TITLE COMPANY OF ADA COUNTY

821 West State Street • Boise, Idaho 83702
(208) 336-6700

888 North Cole Road • Boise, Idaho 83704
(208) 377-2700

ADA CO. RECORDER
J. DAVID NAVARRO
BOISE ID

PIONEER TITLE

'93 DEC 15 PM 1 48

FEE 6.00 DEP J. Navarro
RECORDED AT THE REQUEST OF

SPACE ABOVE FOR RECORDING DATA

WARRANTY DEED

(INDIVIDUAL)

FOR VALUE RECEIVED ROGER L. SHEPHERD, TRUSTEE OF THE ROGER L. SHEPHERD FAMILY TRUST DATED 1/6/87 AND DAVID J. CALDERON, JR. & MARJORIE SHEPHERD CALDERON, H/W AND JAMES H. STONE & PHYLLIS SHEPHERD STONE, H/W GRANTOR(s), does(do) hereby GRANT, BARGAIN, SELL and CONVEY unto

TIMOTHY C. PETERSON AND JAN N. PETERSON, HUSBAND AND WIFE GRANTEE(S), whose current address is: 1996 MAPLE, SUITE 9, CASA MESA, CALIFORNIA 92627 the following described real property in ADA County, State of Idaho, more particularly described as follows, to wit:

LOTS 11 & 12, IN BLOCK 1 OF AMENDED PLAT OF CALDERON ESTATES SUBDIVISION, ACCORDING TO THE PLAT THEREOF, FILED IN BOOK 59 OF PLATS AT PAGES 5651 AND 5652, RECORDS OF ADA COUNTY, IDAHO.

Phyllis Shepherd Stone by Roger L. Shepherd, AIF
Attorney in Fact

TO HAVE AND TO HOLD the said premises, with their appurtenances unto the said Grantee(s), and Grantee(s) heirs and assigns forever. And the said Grantor(s) does(do) hereby covenant to and with the said Grantee(s), the Grantor(s) is/are the owner(s) in fee simple of said premises; that said premises are free from all encumbrances, EXCEPT those to which this conveyance is expressly made subject and those made, suffered or done by the Grantee(s); and subject to reservations, restrictions, dedications, easements, rights of way and agreements, (if any) of record, and general taxes and assessments, (includes irrigation and utility assessments, (if any) for the current year, which are not yet due and payable, and that Grantor(s) will warrant and defend the same from all lawful claims whatsoever.

Dated: NOVEMBER 30, 1993

Roger L. Shepherd, Trustee

ROGER L. SHEPHERD, Trustee

David J. Calderon, Jr. by Roger L. Shepherd
David J. Calderon, Jr. by Roger L. Shepherd
his Attorney in Fact

Marjorie Shepherd Calderon by Roger L. Shepherd, her Attorney in Fact
Marjorie Shepherd Calderon, by Roger L. Shepherd, her Attorney in Fact

James H. Stone by Roger L. Shepherd, his Attorney in Fact
James H. Stone by Roger L. Shepherd, his Attorney in Fact

STATE OF _____, County of _____, ss.

On this _____ day of _____, in the year of _____, before me personally appeared _____, a notary public, known or identified to me to be the person (s) whose name (s) _____ instrument, and acknowledged to me that he _____ subscribed to the within executed the same.

Notary Public:

Residing at: _____

My Commission Expires: _____

Water Right Purchase and Sale Agreement

This Water Right Purchase and Sale Agreement is made this 11 day of MARCH, 2004, between Pacific Hide & Fur Depot, represented by William Knick, 1401 3rd St NW, Great Falls, Montana, 59404 (hereinafter "Seller"), and Tim C. and/or Jan M. Peterson, P.O. Box 16602, Boise, Idaho, 83715 (hereinafter "Buyers").

Whereas Seller is the owner of the water right evidenced by water right license no. 63-31439 for 0.18 cubic feet per second (cfs) of water appurtenant to land in Section 12, Township 1 North, Range 1 East, Ada County, more particularly described on Exhibit A. hereto. And whereas all the parties have reached agreement on the terms and conditions for the purchase and sale of a portion of Seller's water right, for the consideration hereinafter recited, Seller and Buyers agree as follows:

- 1) Purchase and Sale of Rights. Seller agrees to sell to Buyers and Buyers agree to purchase from Seller 0.047 cfs (18 ac-ft.) of Seller's water right evidenced by water right no. 63-31439 (hereinafter referred to as "the purchased water right").
- 2) Purchase Price and Payment. Buyers shall pay the Seller, as consideration for the purchased water right, _____ per irrigated acre for four (4) acres, more or less, of land _____ (hereinafter referred to as "the purchase price"). Buyers agree to deliver the purchase price in the form of a personal check to the escrow agent, Idaho Escrow, 4290 Chinden Blvd., Boise, Idaho, 83714, to be deposited in an escrow account pursuant to the escrow instructions of paragraph 5, hereof upon execution of this Agreement by Seller and Buyers at the closing of this transaction, which shall occur on a date and at a time agreeable to the Buyers and Seller. Buyers and Seller agree to share the escrow costs equally.
- 3) Conveyance of Title and Title Policy. Seller agrees to execute a Water Right Warranty Deed, in the form of Exhibit B, conveying the purchased water right to Buyers, and Seller agrees to deliver such deed to the escrow agent at the closing of this transaction. Seller agrees to

provide Buyers with a title insurance policy on the four (4) acres covered by the purchased water right at the time of delivery of the purchase price to the escrow agent. Seller shall also provide Buyers, at closing, written certification from the Idaho Department of Water Resources (IDWR) that no Notice of Security Interest has been filed concerning the four (4) acres of the purchased water right as of the closing date.

4) Water Right Transfer. The parties acknowledge and agree that diversion of the purchased water right for use on the Tim C. and Jan M. Peterson property will require an Idaho Department of Water Resources (IDWR) approval of an Application for Transfer of Water Right. Buyers agree to prepare and file an Application for Transfer to change the elements of the purchased water right that is acceptable to both Seller and Buyers and pay the appropriate filing fee. Buyers agree to be primarily responsible for monitoring the status of the Transfer and for maintaining contact with both IDWR and Seller. Buyers may request ERO Resources Corp.'s assistance in monitoring the status of the Transfer with IDWR. Seller agrees to participate as applicant and advocate for the Transfer in all administrative and judicial proceedings necessary to obtain final approval of the Transfer. For purposes of this Agreement, final approval shall mean approval of the Transfer on terms and conditions that are acceptable to both Seller and Buyers after all administrative and judicial remedies are exhausted. Costs and attorney fees in preparing, filing, and obtaining final approval of the Transfer shall be paid by Seller and Buyers as follows:

a) Seller shall be responsible for all costs and attorney fees incurred in responding to issues regarding the validity and Seller's ownership of the purchased water right. Buyers shall be responsible for their costs and attorneys fees incurred in responding to all other issues regarding the Transfer not to exceed two thousand five hundred dollars (\$2500.00). At any time after Buyers expenditure of two thousand five hundred dollars (\$2500.00) pursuant to this paragraph, Buyers may extend or terminate this Agreement and either withdraw or continue with the Transfer.

b) Termination of Sale. If Seller makes invalid the purchased water right available to the Buyers, the escrow shall terminate and all monies and accrued interest shall be returned to

the Buyers. The Seller shall also reimburse the Buyers for all out-of-pocket expenses incurred relating to the purchase and transfer of the water right. If Buyers terminate this Agreement for any cause other than that described in paragraph 4.a. above, twenty percent (20%) of the purchase price plus the accrued interest on that amount shall be transferred to the Seller. The remaining eighty percent (80%) of the purchase price and the accrued interest on that amount shall be returned to Buyers by the escrow agent.

5) Escrow Agent and Instructions. The parties hereby appoint Idaho Escrow, 4290 Chinden Blvd., Boise, Idaho, 83714, telephone: (208) 377-2212, as the escrow agent to hold and release a purchase price and deed to a water right pursuant to the terms of this Agreement and any additional written instructions signed by both parties hereto and provided to the escrow agent.

a) The purchase price shall be released to the Seller only upon: 1) Approval by the IDWR of the Transfer for the purchased water right; 2) The expiration of all administrative and judicial periods for appeal; and 3) The written approval by Buyers of any conditions placed on the Transfer by the IDWR. Buyers approval shall not unreasonably be withheld and shall be provided within thirty (30) days after delivery of written notice of such conditions to Buyers by Seller or within thirty (30) days after expiration of the applicable administrative and judicial periods for appeal should conditions already approved by Buyers be modified by subsequent administrative or judicial action. Failure by Buyers to provide written approval to escrow agent within thirty (30) days after delivery of such written notice of such conditions to Buyers shall be deemed written approval.

b) The Seller and the Buyers shall act in good faith and use best efforts to complete the agreed upon property transfer as described herein on or before March 1, 2005. If the property transfer has not been completed by that date, the Seller and the Buyers may terminate the escrow by executing a mutual written consent and by each party providing a copy of the mutual written consent to the escrow agent. Termination of the escrow shall be effective upon receipt by the escrow agent of a separate copy of the mutual written consent from the Seller and from the Buyers.

c) Upon receipt of written notice from IDWR or Court of proper jurisdiction of the timely final approval of the Transfer and after expiration of all applicable appeal periods, expiration of the applicable thirty (30) day period described in paragraph 5.a. hereof and Seller's full performance of the terms of this Agreement, Buyers shall, within ten (10) days of expiration of the applicable thirty (30) day period described in paragraph 5.a. hereof, provide a letter of confirmation thereof to escrow agent and escrow agent shall release the purchase price to Seller. All accrued interest on the purchase price shall be released to Buyers.

d) The deed to the purchased water right shall be released to the Buyers upon release of the purchase price to the Seller.

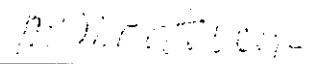
6) Entire Agreement. This Agreement contains the entire understanding of the parties. Any changes or modifications to this Agreement must be in writing signed by Seller and Buyers.

7) Heirs, Successor, and Assigns. The covenants, conditions, and agreements herein contained shall be binding on each of the parties hereto and on all parties and all persons claiming under them or either of them and the advantages hereof shall inure to the benefit of each of the parties hereto and the respective heirs and successors and assigns.

8) Seller affirmatively represent and warrant to Buyers that he is the sole owner of the water right evidenced by water right no. 63-31439 for 0.18 cubic feet per second (cfs) appurtenant to real property located in Section 12, Township 1 North, Range 1 East, Ada County, more particularly described on Exhibit A, hereto. Seller also affirmatively represent and warrant to Buyers that said water right has no pending lien, security interest, mortgage, or other form of encumbrance whatsoever which would prevent or impede the full and complete transfer of legal and equitable title of the purchased water right to Buyers under the terms of this Agreement.

BUYERS:

By: 
Tim C. Peterson

By: 
Jan M. Peterson

State of Idaho/or _____)
County of _____) SS.

On this _____ day of _____ 2004, before me personally appeared **Tim C. Peterson**, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same.

TRINA SEBURN
Notary Public
State of Idaho


Notary Public
Residing at _____
My Commission Expires on _____

State of Idaho/or _____)
County of _____) SS.

On this _____ day of _____ 2004, before me personally appeared **Jan M. Peterson**, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged that she executed the same.

JASON L. HEISEY
Notary Public
State of Idaho


Notary Public
Residing at 1700 W. ID
My Commission Expires on 11-9-07

SELLER:

By:

William Knick
William Knick - Pacific Hide & Fur Depot

State of ~~Idaho~~ or Montana)
County of Cascade) SS.

On this 11th day of April, 2004, before me personally appeared **William Knick of Pacific Hide & Fur Depot**, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same.

SEAL

William E. Smith
Notary Public

Residing at 400 2nd St NW, Great Falls, MT
My Commission Expires on 10-25-2007

Exhibit A

WATER RIGHT LICENSE



IDAHO DEPARTMENT OF WATER RESOURCES
Adjudication Recommended Right Report

03/04/2004

WATER RIGHT NO. 63-31439

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	PACIFIC HIDE & FUR DEPOT PO BOX 849 NAMPA, ID 83651 (208)466-1673
Original Owner	SUSAN K BEVAN
Original Owner	THOMAS M BEVAN 4202 N MARCLIFFE AVE BOISE, ID 83704 (208)323-7873
Original Owner	VIOLET J STRINGER
Original Owner	WILLIAM C STRINGER 421 MARCUS CT MOAB, UT 84532 (801)259-8686

Priority Date: 06/08/1978

Basis: License

Status: Active

<u>Source</u>	<u>Tributary</u>
GROUND WATER	

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/15	11/15	0.13 CFS	49.5 AFA
COMMERCIAL	01/01	12/31	0.05 CFS	13.6 AFA
Total Diversion			0.18 CFS	

Location of Point(s) of Diversion:

GROUND WATER	NENENE	Sec. 12	Township 01N	Range 01E	ADA County
GROUND WATER	NESENE	Sec. 12	Township 01N	Range 01E	ADA County

Place(s) of use:

Place of Use Legal Description: IRRIGATION ADA County

Township	Range	Section	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres
01N	01E	12		NENE	11									

Place of Use Legal Description: COMMERCIAL ADA County

Township	Range	Section	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres
01N	01E	12		NENE			SENE							

Total Acres: 11

Conditions of Approval:

1.	c18	This partial decree is subject to such general provisions necessary for the definition of the rights or for the efficient administration of the water rights as may be ultimately determined by the Court at a point in time no later than the entry of a final unified decree. Section 42-1412(6), Idaho Code.
2.	T08	Failure of the right holder to comply with the conditions of Transfer No. 69750 is cause for the Director to rescind approval of the transfer.
3.	T17	Prior to diversion of water under this approval, the right holder shall provide a means of measurement acceptable to the Department from all authorized points of diversion which will allow determination of the total rate of diversion.
4.	046	Right holder shall comply with the drilling permit requirements of Section 42-235, Idaho Code.
5.	01Q	After specific notification by the Department, the right holder shall measure the diversion or shall enter into an agreement with the Department to determine the amount of water diverted from power records and shall annually report the information to the Department.
6.	R32	This right when combined with all other rights shall provide no more than .02 cfs per acre nor more than 4.5 afa per acre for irrigation of the lands above.

Remarks:

1.	Purpose of Use	Commercial use is for a fur and hide facility.
2.	Purpose of Use	THE USE OF WATER FOR IRRIGATION UNDER THIS RIGHT MAY BEGIN AS EARLY AS MARCH 1 PROVIDED OTHER ELEMENTS OF THE RIGHT ARE NOT EXCEEDED. THE USE OF WATER BEFORE MARCH 15 UNDER THIS REMARK IS SUBORDINATE TO ALL WATER RIGHTS HAVING NO SUBORDINATED EARLY IRRIGATION USE AND A PRIORITY DATE EARLIER THAN THE DATE A PARTIAL DECREE IS ENTERED FOR THIS RIGHT.
3.	Quantity	The total instantaneous diversion of water from all points of diversion under Right 63-31439 shall not exceed 0.18 cfs, nor total combined annual volume of 63.1 af.

Dates:

Other Information:

State or Federal: S

Owner Name Connector: And

Water District Number:

Generic Max Rate per Acre: 0.02

Generic Max Volume per Acre: 4.5

Swan Falls Trust or Nontrust:

Swan Falls Dismissed:

DLE Act Number:

Cary Act Number:

Mitigation Plan: True

Exhibit B

WATER RIGHT WARRANTY DEED

Water Right Warranty Deed

Pacific Hide and Fur Depot, represented by William Knick, 1401 3rd St, NW, Great Falls, Montana 59404 ("Grantors"), do hereby GRANT, BARGAIN, SELL and CONVEY unto Tim Peterson ("Grantee"), a portion of the following water right, more particularly described as follows:

That portion of Water Right License No. 63-31439 for 0.18 cubic feet per second (cfs) of water, which is appurtenant to eleven (11) acres of land in Section 12, Township 1 North, Range 1 East, Ada County, more particularly described on Exhibit A, hereto. That portion of said water right is in the quantity of 0.047 cfs, which has been transferred to Grantee's real property, pursuant to the terms and conditions of the Water Right Purchase and Sale Agreement between Grantors and Grantee.

TO HAVE AND TO HOLD unto the said Grantee, heirs, and assigns forever. And the Grantors do hereby covenant to and with said Grantee that Grantors are the owners of Water Right License No. 63-31439 and that it is free of all encumbrances, mortgages, liens, or any other restrictions on the full and complete transfer of title of 0.047 cfs of said water right license to Grantee and that Grantors will warrant and defend the same from all lawful claims whatsoever.

By: _____ Dated: _____
William Knick

State of Idaho)
) s.s.
County of _____)

On this day of 2004, before me personally appeared William Knick, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same.

S
E
A
L

Notary Public
My Commission Expires on _____