EXHIBIT "C"

201312 NOV14'08 PM11:52

REAL ESTATE MORTGAGE

THIS MORTGAGE is made this <u>14</u>th day of November, 2008, by and between DOUGLAS INVESTMENTS, LLC, an Idaho Limited Liability Company, c/o SEAN MOULTON, ESQ., 60 E. Wallace, Driggs, ID 83422, hereinafter referred to as Mortgagor, and ROBERT E. TARDIF, JR., as TRUSTEE of the Bankruptcy Estate of ULRICH ("RITCHIE") ENGLER, Case No. 9:08-bk-04360-ALP, United States District Court for the Central District of Florida, of c/o GREGORY L. CROCKETT, ESQ., 428 Park Avenue, Idaho Falls, ID 83402, hereinafter referred to as Mortgagee,

WITNESSETH:

That said Mortgagor, for and in consideration of those certain loans evidenced by Business Loan Agreements dated December 22, 2006, March 2, 2007, April 10, 2007 and September 5, 2007 in the aggregate principal total of \$11,683,066.00., lawful money of the United States of America, and other good and valuable consideration the receipt of which is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, and convey unto the said Mortgagee, his successors and assigns forever, that certain tract of real property situated in the County of Madison, State of Idaho, described more particularly as follows:

See attached Exhibit A.



: .:

SUBJECT TO, all easements, rights of way, covenants, restrictions, reservations, applicable building and zoning ordinances and use regulations and restrictions and accruing taxes, of record.

The terms of said Business Loan Agreements are incorporated herein by this reference. Said Mortgagor hereby warrants that it has valid fee simple title to said real property and the right to convey the same and agrees to defend title to the same against all other persons whomsoever.

This grant is intended as a mortgage to secure the Mortgagor's payment and performance of the Business Loan Agreements herein described.

PROVIDED, ALWAYS, that if Mortgagor, its heirs, representatives, successors, or assigns shall pay unto Mortgagee, his successors or assigns, the sum of money provided in said Business Loan Agreements and the interest thereon at the time and in the manner specified therein, and all other sums that may become due and owing to Mortgagee pursuant to any terms, covenants, and conditions thereof, and perform all of the conditions and covenants contained in this Mortgage, then these presents and the estate hereby granted shall cease and be void and shall be released by Mortgagee at the expense of Mortgagor, otherwise to remain in full force and effect.

Mortgagor further covenants and agrees as follows:

1. **Default.** That the Mortgagor shall pay said indebtedness, plus interest and applicable charges, in a timely manner and as the same become due. Time is material and of the essence hereof; and in case of breach of any of the covenants or agreements hereof, or of any agreement collateral hereto, or if default be made in the payment of any of the sums hereby secured, then in any such case, all indebtedness hereby secured shall, at the election of any Mortgagee hereunder, become immediately due without notice and this Mortgage may be foreclosed; but the failure of any Mortgagee to exercise such option in any one or more instances shall not be considered a waiver or

- 2 -

relinquishment of the right to exercise such option upon or during the continuance of the same or any other default.

.'

2. Risk of Loss and Insurance. That Mortgagor shall bear the risk of loss on the mortgaged property from all causes except any loss caused by Mortgagee or any agent of the Mortgagee and shall cause all of the insurable improvements on the mortgaged property described herein to be insured against loss by fire and other hazards, casualties, contingencies, and risks embraced within the term "extended coverage", in an amount not less than their fair market value, by a company authorized to sell casualty insurance in Idaho and pre-approved by all Mortgagee. Said policy of insurance shall include an endorsement insuring all of the parties to this Mortgage as their interests appear under the terms of this Mortgage. Mortgagor shall maintain such insurance policy in full force and effect and shall pay all premiums due and owing on said insurance policy and ensure that all notices issued by the insurance company pertaining to the coverage provided by such insurance policy shall be sent to Mortgagee. Any Mortgagee hereunder shall have the right at any time to require Mortgagor to provide said Mortgagee a copy of said insurance policy, together with any amendments or additions to such insurance policy and evidence that all payments required to be made in order to maintain such insurance in full force and effect have been paid in full by Mortgagor. In the event of any loss or destruction of the property described in this Mortgage by any cause insured against, Mortgagor shall have the right to elect to use the insurance proceeds paid or payable to the parties to this mortgage as the result of said insured loss, to repair or restore the damaged property. The amount required to repair or restore such damage shall be taken first from that portion of the insurance proceeds that are payable to Mortgagor and the remainder, if any, shall thereafter be taken from that portion of the insurance proceeds that are payable to Mortgagee. In the event that Mortgagor does not elect to repair or

- 3 -

restore the damaged property or if the amount required to be expended to repair or restore such damages is less than the amount of the insurance proceeds paid or payable to the parties as a result of such loss, then in that event, all proceeds not used to repair or restore the damaged property shall be paid and applied to the balance due on the indebtedness secured hereby.

3. **Maintenance of the Property.** That Mortgagor covenants to keep the mortgaged property in good condition and repair; not to remove or demolish or permit the removal or demolishment of any building thereon; to restore promptly and in good and workmanlike manner any building, structure, or improvement thereon which may be damaged or destroyed; to comply with all laws, ordinances, regulations, covenants, conditions, and restrictions affecting the mortgaged property and its use; not to commit or permit waste thereof; to do all acts or things necessary to preserve all water rights now or hereafter appurtenant to or used in connection with said premises, and not to remove or permit the removal of any oil, gas, minerals, stone, rock, clay, fertilizer, gravel, or topsoil on the mortgaged premises without the prior written consent of Mortgagee hereunder; and to cultivate, irrigate, fertilize, fumigate, prune, and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

4. Legal Proceedings. That Mortgagor covenants and agrees to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of any Mortgagee hereunder, and to pay all costs and expenses, including costs necessary to establish evidence of title and reasonable attorney's fees in any such action or proceeding.

5. **Taxes and Assessments.** That Mortgagor covenants and agrees to pay before delinquent all taxes, assessments, and other charges affecting the mortgaged

- 4 -

property, and all encumbrances, charges, and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto, and all costs, fees, and expenses of this Mortgage. Mortgagor's failure to so pay shall constitute a default under this Mortgage.

6. Mortgagee's Right to Protect Property. That should Mortgagor fail to make payments of any taxes or assessments or insurance premiums or other charges payable by them as herein agreed, or suffer said premises to become subject to any lien or encumbrance having presedence to this Mortgage, any Mortgagee may, at its option, make payment thereof, and the amounts so paid with interest thereon at the rate of eighteen percent (18%) per annum shall be immediately repayable by Mortgagor without demand, and shall be added to and become a part of the debt secured by this Mortgage, without waiver, however, of any rights of such Mortgagee for the breach of any of the covenants herein contained.

7. Costs of Litigation. That in the event suit is instituted to effect foreclosure, the said Mortgagee, its successors, or assigns, may recover from Mortgagor DDas attorney's fees such sum as the court may adjudge reasonable, all other costs and disbursements allowed under the Idaho Rules of Civil Procedure, and the costs of any abstract of title or evidence of title covering said property.

8. Appointment of Receiver. That in the event suit is instituted to effect foreclosure, the said Mortgagee, its successors, or assigns, shall, as a matter of right and without regard to the sufficiency of the security or of waste or danger of misapplication of any of the properties of the Mortgagor, be entitled forthwith to have a receiver appointed over all the property hereby mortgaged, and the Mortgagor hereby expresses consent to the appointment of a receiver by any court of competent jurisdiction

- 5 -

and expressly stipulate, covenant, and agree that such receiver may remain in possession and control of the mortgaged property until final determination of such suit or proceeding.

9. **Inspections.** That Mortgagee shall have the right to inspect the mortgaged property at such reasonable times as Mortgagee may desire for the purpose of determining Mortgagor's compliance with the covenants contained in this Mortgage.

10. **Condemnation.** That if any of the mortgaged property shall be taken under right of eminent domain, Mortgagee hereunder shall be entitled at its option to receive all compensation for the portion taken and damages to the remaining portion; said amount to be applied by Mortgagee upon the indebtedness hereby secured in such manner as he or she may elect.

11. **Binding Effect.** That the covenants herein contained shall bind and the benefits and advantages hereof shall inure to the respective heirs, executors, administrators, successors, and assigns of the parties hereto. In this Mortgage where the context so requires, the singular shall include the plural and the plural shall include the singular, and words in the masculine gender include the feminine and the neuter.

12. **Controlling Law.** That this Mortgage and the Note secured thereby shall be governed and construed according to the laws of the State of Idaho on the date of execution.

13. Assignment of Rents. That upon or during the continuance of any default herein, Mortgagee shall have the right to enter into and upon the mortgaged $\mathcal{T}\mathcal{P}$ property and take possession thereof, and collect the rents, issues, and profits thereof, and apply the same, less reasonable costs of collection, upon the indebtedness hereby secured; and Mortgagee shall have the right to appoint a receiver to collect the rents, issues, and profits of the mortgaged property. The rents, issues, and profits of the premises after a

- 6 -

default are hereby assigned and mortgaged to Mortgagee as additional security for the indebtedness herein described.

IN WITNESS WHEREOF, the said Mortgagor has executed this Mortgage the day and year first above written.

DOUGLAS INVESTMENTS, LLC

By:

David Douglas, Manager/Member

STATE OF IDAHO) County of <u>Teton</u>)

ON THIS //// thay of November, 2008, before me, Farch Eddins, a Notary Public in the for said State, personally appeared DAVID DOUGLAS, known or identified to me to be a managing member of DOUGLAS INVESTMENTS, LLC, an Idaho limited liability company, the limited liability company that executed the foregoing instrument or the person who executed the within and foregoing instrument on behalf of the limited liability company, and acknowledged to me that such limited liability company executed the same in said limited liability company's name.

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

S E A L STATE OF IDAHO

Notary Public for Idaho Residing at: Tetor County, Idaho My Commission Expires: 2/6/2014

EXHIBIT A

LEGAL DESCRIPTION FOR FIDELITY NATIONAL RANCH PROPERTIES (LINDERMAN RANCH)

Part of Sections 20, 29, 30, 31 and 32, Township 7 North, Range 43 East of the Boise Meridian, Madison County, Idaho and part of Sections 15, 21, and 22, Township 7 North, Range 43 East of the Boise Meridian, Teton County, Idaho described as follows:

Beginning at a found 3" brass cap Bureau of Reclamation monument at the Southeast corner of said Section 32 and running thence N.89°42'43"W. 2636.42 feet to a found 3" brass cap Bureau of Reclamation monument at the South Quarter corner of said Section 32; thence N.89°45'33"W. 2635.31 feet to a found 3" brass cap Bureau of Reclamation monument at the Southwest corner of said Section 32; thence N.89°40'38"W. 2648.09 feet to a found 3" brass cap Bureau of Reclamation monument at the South Quarter corner of Section 31, Township 7 North, Range 43 East of the Boise Meridian, Madison County, Idaho; thence N.00°51'48"W. 5267.30 feet along the north-south centerline through section to a found 3" brass cap Bureau of Reclamation monument at the North Quarter corner of said Section 31; thence N.00°15'17"E. 3680.79 feet along the north-south centerline through the section to a found concrete Bureau of Reclamation monument on the south line of the Bureau of Reclamation Reservoir right-of-way in Section 30. Township 7 North, Range 43 East of the Boise Meridian, Madison County, Idaho as shown on the Township plat on file with the Bureau of Reclamation, dated September 1973; thence along said south line the following four (4) courses: (1) S.41°14'22"E. 102.68 feet to a found concrete Bureau of Reclamation monument; thence (2) N.87°03'38"E. 913.28 feet; thence (3) N.64°02'17"E. 1088.22 feet; thence (4) N.48°00'17"E. 935.61 feet to the west line of Section 29, Township 7 North, Range 43 East of the Boise Meridian, Madison County, Idaho; thence N.00°11'03"E. 527.79 feet to the Northwest corner of said Section 29; thence S.89°15'14"E. 1453.55 feet along the section line to the south line of the Bureau of Reclamation Reservoir right-of-way in Section 20, Township 7 North, Range 43 East of the Boise Meridian, Madison County, Idaho as shown on the Township plat on file with the Bureau of Reclamation, dated September 1973; thence along said south line the following three (3) courses: (1) N.23°51'10"E. 323.89 feet to a found concrete Bureau of Reclamation monument; thence (2) N.49°22'02"E. 1380.25 feet to a found concrete Bureau of Reclamation monument; thence (3) S.87°55'37"E. 14.63 feet to a found concrete Bureau of Reclamation monument; thence N.00°04'46"W, 918.55 feet along the north-south centerline through the section to the south meander line of the Teton River; thence along said south line the following twelve (12) courses: (1) N.68°22'37"E. 134.92 feet; thence (2) S.85°01'30"E. 165.45 feet; thence (3) S.76°53'12"E. 168.85 feet; thence (4) N.66°27'55"E. 433.15 feet; thence (5) S.60°55'19"E. 96.84 feet; thence (6) N.88°29'36"E. 108.32 feet; thence (7) S.86°03'09"E. 123.76 feet; thence (8) N.60°26'06"E. 312.59 feet; thence (9) N.68°57'25"E. 68.80 feet; thence (10) N.1°41'58"E. 71.29 feet; thence (11) N.74°43'50"E. 179.20 feet; thence (12) N.00°47'10"E. 70.75 feet to the north line of the Southeast Quarter of said

Section 20; thence S.89°12'37"E. 967.69 feet along said north line to the West Quarter corner of Section 21, Township 7 North, Range 43 East of the Boise Meridian, Teton County, Idaho; thence S.00°00'35"W. 786.59 feet along the section line to the south line of the Bureau of Reclamation Reservoir right-of-way in said Section 21 as shown on the Township plat on file with the Bureau of Reclamation, dated September 1973; thence along said south line the following eighteen (18) courses: (1) S.83°02'30"E. 721.69 feet; thence (2) N.28°28'39"W. 246.80 feet; thence (3) N.35°28'19"W. 322.63 feet; thence (4) N.08°39'51" E. 895.12 feet; thence (5) N.27°12'14"E. 349.55 feet; thence (6) N.36°32'05"E. 643.18 feet; thence (7) S.89°59'52" E. 240.70 feet; thence (8) N.00°00'29" E. 241.72 feet; thence (9) N.51°43'59" E. 221.32 feet; thence (10) N.35°17'07" E. 356.26 feet; thence (11) N.26°13'19" E. 427.86 feet; thence (12) S.64°19'27" E. 824.11 feet; thence (13) S.85°43'47" E. 18.13 feet to the north-south centerline through said Section 21; thence (14) S.00°00'25"W. 7.34 feet along said north-south centerline; thence (15) S.86°42'15"E. 531.24 feet a found concrete Bureau of Reclamation monument; thence (16) S.38°29'11"E. 689.14 feet; thence (17) S.38°47'11"E. 1219.34 feet; thence (17) N.76°56'04"E. 344.60 feet; thence (18) N.46°34'49"E. 199.63 feet to the west line of the property as described as Tract 11 in Warranty Deed, Instrument No. 175985, Teton County courthouse; thence along said property the following (3) courses: (1) N.18°47'44"W. 144.38 feet; thence (2) N.02°35'09"E. 264.51 feet; thence (3) N.65°09'06"E. 230.79 feet to the south line of the Bureau of Reclamation Reservoir right-of-way in said Section 21 as shown on the Township plat on file with the Bureau of Reclamation, dated September 1973; thence along said south line the following two (2) courses: (1) N.01°33'13"E. 217.12 feet to a found concrete Bureau of Reclamation monument; thence (2) N.63°31'02"E. 307.00 feet to a found concrete Bureau of Reclamation monument on the west line of Section 22, Township 7 North, Range 43 East of the Boise Meridian, Teton County, Idaho; thence N.00°01'45"W. 1083.33 feet to the Southwest corner of Section 15, Township 7 North, Range 43 East of the Boise Meridian, Teton County, Idaho; thence N.00°25'56"W. 901.31 feet along the section line to the south line of the Bureau of Reclamation Reservoir right-of-way in said Section 15 as shown on the Township plat on file with the Bureau of Reclamation, dated September 1973; thence along said south line in Section 15 the following eight (8) courses: (1) N.77°01'11"E. 1570.00 feet; thence (2) N.15°27'38"E. 1115.00 feet; thence (3) N.20°14'42"E. 387.62 feet; thence (4) N.03°06'14"E. 779.90 feet; thence (5) N.52°26'05"E. 781.24 feet; thence (6) S.89°52'13"E. 193.98 feet; thence (7) N.59°40'00"E. 1197.77 feet; thence (8) N.39°28'55"E. 918.70 feet to the north line of said Section 15; thence S.89°52'09"E. 358.53 feet along said north line to a point that is 467.00 feet from the east line of said Section 15; thence S.00°21'34"E. 5270.64 feet parallel with and 467.00 feet perpendicular to said east line of Section 15 to the north line of Section 22, Township 7 North, Range 43 East of the Boise Meridian, Teton County, Idaho; thence S.00°04'42"E. 2634.49 feet parallel with and 467.00 feet perpendicular to the east line of Section 22; thence S.00°02'46"E. 2635.88 feet parallel with and 467.00 feet perpendicular to said east line of Section 22 to the south line of Section 22; thence N.89°52'48"W. 2178.78 feet to a found 3" brass cap Bureau of Reclamation monument at the South Quarter corner of said Section 22; thence N.89°52'39"W. 2646.36 feet to a found 3" brass cap Bureau of Reclamation monument at the Southeast corner of Section 21, Township 7 North, Range 43 East of the Boise Meridian, Teton County, Idaho; thence S.89°59'13"W. 5317.75 feet to the Southeast corner of Section 20, Township 7 North, Range 43 East of the Boise Meridian, Madison County, Idaho; thence N.89°14'51"W. 2645.86 feet to a

found 3" brass cap Bureau of Reclamation monument at the North Quarter corner of Section 29, Township 7 North, Range 43 East of the Boise Meridian, Madison County, Idaho; thence S.00°18'16"W. 5276.60 feet along the north-south centerline through the section to a found 3" brass cap Bureau of Reclamation monument at the South Quarter corner of said Section 29; thence S.89°18'54"E. 2643.03 feet to the Northeast corner of Section 32, Township 7 North, Range 43 East of the Boise Meridian, Madison County, Idaho; thence S.00°42'44"E. 5244.31 feet along the east line of Section 32 to the point of beginning.

Parcel contains 3083.34 acres.

Instrument # 350064 REXBURG, MADISON, IDAHO 11-17-2008 12:30:00 No. of Pages: 10 Recorded for : SEAN MOVETON MARILYN R. RASMUSSEN Ex-Officio Recorder Deputy

REAL ESTATE MORTGAGE

Ľ.

.

THIS MORTGAGE is made this <u>///</u>⁴ day of November, 2008, by and between DOUGLAS INVESTMENTS, LLC, an Idaho Limited Liability Company, c/o SEAN MOULTON, ESQ., 60 E. Wallace, Driggs, ID 83422, hereinafter referred to as Mortgagor, and ROBERT E. TARDIF, JR., as TRUSTEE of the Bankruptcy Estate of ULRICH ("RITCHIE") ENGLER, Case No. 9:08-bk-04360-ALP, United States District Court for the Central District of Florida, of c/o GREGORY L. CROCKETT, ESQ., 428 Park Avenue, Idaho Falls, ID 83402, hereinafter referred to as Mortgage,

WITNESSETH:

That said Mortgagor, for and in consideration of those certain loans

evidenced by Business Loan Agreements dated December 22, 2006, March 2, 2007, April 10, 2007 and September 5, 2007 in the aggregate principal total of \$11,683,066.00., lawful money of the United States of America, and other good and valuable consideration the receipt of which is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, and convey unto the said Mortgagee, his successors and assigns forever, that certain tract of real property situated in the County of Madison, State of Idaho, described more particularly as follows:

See attached Exhibit A.

.'

;

SUBJECT TO, all easements, rights of way, covenants, restrictions, reservations, applicable building and zoning ordinances and use regulations and restrictions and accruing taxes, of record.

The terms of said Business Loan Agreements are incorporated herein by this reference. Said Mortgagor hereby warrants that it has valid fee simple title to said real property and the right to convey the same and agrees to defend title to the same against all other persons whomsoever.

This grant is intended as a mortgage to secure the Mortgagor's payment and performance of the Business Loan Agreements herein described.

PROVIDED, ALWAYS, that if Mortgagor, its heirs, representatives, successors, or assigns shall pay unto Mortgagee, his successors or assigns, the sum of money provided in said Business Loan Agreements and the interest thereon at the time and in the manner specified therein, and all other sums that may become due and owing to Mortgagee pursuant to any terms, covenants, and conditions thereof, and perform all of the conditions and covenants contained in this Mortgage, then these presents and the estate hereby granted shall cease and be void and shall be released by Mortgagee at the expense of Mortgagor, otherwise to remain in full force and effect.

Mortgagor further covenants and agrees as follows:

1. **Default.** That the Mortgagor shall pay said indebtedness, plus interest and applicable charges, in a timely manner and as the same become due. Time is material and of the essence hereof; and in case of breach of any of the covenants or agreements hereof, or of any agreement collateral hereto, or if default be made in the payment of any of the sums hereby secured, then in any such case, all indebtedness hereby secured shall, at the election of any Mortgagee hereunder, become immediately due without notice and this Mortgage may be foreclosed; but the failure of any Mortgagee to exercise such option in any one or more instances shall not be considered a waiver or

- 2 -

relinquishment of the right to exercise such option upon or during the continuance of the same or any other default.

<u>,</u>*

,'

Risk of Loss and Insurance. That Mortgagor shall bear the risk of 2. loss on the mortgaged property from all causes except any loss caused by Mortgagee or any agent of the Mortgagee and shall cause all of the insurable improvements on the mortgaged property described herein to be insured against loss by fire and other hazards, casualties, contingencies, and risks embraced within the term "extended coverage", in an amount not less than their fair market value, by a company authorized to sell casualty insurance in Idaho and pre-approved by all Mortgagee. Said policy of insurance shall include an endorsement insuring all of the parties to this Mortgage as their interests appear under the terms of this Mortgage. Mortgagor shall maintain such insurance policy in full force and effect and shall pay all premiums due and owing on said insurance policy and ensure that all notices issued by the insurance company pertaining to the coverage provided by such insurance policy shall be sent to Mortgagee. Any Mortgagee hereunder shall have the right at any time to require Mortgagor to provide said Mortgagee a copy of said insurance policy, together with any amendments or additions to such insurance policy and evidence that all payments required to be made in order to maintain such insurance in full force and effect have been paid in full by Mortgagor. In the event of any loss or destruction of the property described in this Mortgage by any cause insured against, Mortgagor shall have the right to elect to use the insurance proceeds paid or payable to the parties to this mortgage as the result of said insured loss, to repair or restore the damaged property. The amount required to repair or restore such damage shall be taken first from that portion of the insurance proceeds that are payable to Mortgagor and the remainder, if any, shall thereafter be taken from that portion of the insurance proceeds that are payable to Mortgagee. In the event that Mortgagor does not elect to repair or

- 3 -

restore the damaged property or if the amount required to be expended to repair or restore such damages is less than the amount of the insurance proceeds paid or payable to the parties as a result of such loss, then in that event, all proceeds not used to repair or restore the damaged property shall be paid and applied to the balance due on the indebtedness secured hereby.

3. **Maintenance of the Property.** That Mortgagor covenants to keep the mortgaged property in good condition and repair; not to remove or demolish or permit the removal or demolishment of any building thereon; to restore promptly and in good and workmanlike manner any building, structure, or improvement thereon which may be damaged or destroyed; to comply with all laws, ordinances, regulations, covenants, conditions, and restrictions affecting the mortgaged property and its use; not to commit or permit waste thereof; to do all acts or things necessary to preserve all water rights now or hereafter appurtenant to or used in connection with said premises, and not to remove or permit the removal of any oil, gas, minerals, stone, rock, clay, fertilizer, gravel, or topsoil on the mortgaged property may be reasonably necessary, the specific enumerations herein not excluding the general.

4. Legal Proceedings. That Mortgagor covenants and agrees to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of any Mortgagee hereunder, and to pay all costs and expenses, including costs necessary to establish evidence of title and reasonable attorney's fees in any such action or proceeding.

5. **Taxes and Assessments.** That Mortgagor covenants and agrees to pay before delinquent all taxes, assessments, and other charges affecting the mortgaged

- 4 -

property, and all encumbrances, charges, and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto, and all costs, fees, and expenses of this Mortgage. Mortgagor's failure to so pay shall constitute a default under this Mortgage.

6. Mortgagee's Right to Protect Property. That should Mortgagor fail to make payments of any taxes or assessments or insurance premiums or other charges payable by them as herein agreed, or suffer said premises to become subject to any lien or encumbrance having presedence to this Mortgage, any Mortgagee may, at its option, make payment thereof, and the amounts so paid with interest thereon at the rate of eighteen percent (18%) per annum shall be immediately repayable by Mortgagor without demand, and shall be added to and become a part of the debt secured by this Mortgage, without waiver, however, of any rights of such Mortgagee for the breach of any of the covenants herein contained.

7. Costs of Litigation. That in the event suit is instituted to effect foreclosure, the said Mortgagee, its successors, or assigns, may recover from Mortgagor DDas attorney's fees such sum as the court may adjudge reasonable, all other costs and disbursements allowed under the Idaho Rules of Civil Procedure, and the costs of any abstract of title or evidence of title covering said property.

8. **Appointment of Receiver.** That in the event suit is instituted to effect foreclosure, the said Mortgagee, its successors, or assigns, shall, as a matter of right and without regard to the sufficiency of the security or of waste or danger of misapplication of any of the properties of the Mortgagor, be entitled forthwith to have a receiver appointed over all the property hereby mortgaged, and the Mortgagor hereby expresses consent to the appointment of a receiver by any court of competent jurisdiction

- 5 -

and expressly stipulate, covenant, and agree that such receiver may remain in possession and control of the mortgaged property until final determination of such suit or proceeding.

,

9. **Inspections.** That Mortgagee shall have the right to inspect the mortgaged property at such reasonable times as Mortgagee may desire for the purpose of determining Mortgagor's compliance with the covenants contained in this Mortgage.

10. **Condemnation.** That if any of the mortgaged property shall be taken under right of eminent domain, Mortgagee hereunder shall be entitled at its option to receive all compensation for the portion taken and damages to the remaining portion; said amount to be applied by Mortgagee upon the indebtedness hereby secured in such manner as he or she may elect.

11. **Binding Effect.** That the covenants herein contained shall bind and the benefits and advantages hereof shall inure to the respective heirs, executors, administrators, successors, and assigns of the parties hereto. In this Mortgage where the context so requires, the singular shall include the plural and the plural shall include the singular, and words in the masculine gender include the feminine and the neuter.

12. **Controlling Law.** That this Mortgage and the Note secured thereby shall be governed and construed according to the laws of the State of Idaho on the date of execution.

13. Assignment of Rents. That upon or during the continuance of any default herein, Mortgagee shall have the right to enter into and upon the mortgaged $\mathcal{T}\mathcal{P}$ property and take possession thereof, and collect the rents, issues, and profits thereof, and apply the same, less reasonable costs of collection, upon the indebtedness hereby secured; and Mortgagee shall have the right to appoint a receiver to collect the rents, issues, and profits of the mortgaged property. The rents, issues, and profits of the premises after a

- 6 -

default are hereby assigned and mortgaged to Mortgagee as additional security for the indebtedness herein described.

IN WITNESS WHEREOF, the said Mortgagor has executed this Mortgage the day and year first above written.

DOUGLAS INVESTMENTS, LLC By:

David Douglas, Manager/Member

STATE OF IDAHO) ss. County of Teton

ON THIS $\frac{/4/m}{M}$ day of November, 2008, before me, Farch Eddins, a Notary Public in the for said State, personally appeared DAVID DOUGLAS, known or identified to me to be a managing member of DOUGLAS INVESTMENTS, LLC, an Idaho limited liability company, the limited liability company that executed the foregoing instrument or the person who executed the within and foregoing instrument on behalf of the limited liability company, and acknowledged to me that such limited liability company executed the same in said limited liability company's name.

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

S E FAREN Z. EDDINS A NOTARY PUBLIC STATE OF IDAHO L

Notary Public for Idaho Residing at: Teton County, Idaho My Commission Expires: 2/6/2014

EXHIBIT A

LEGAL DESCRIPTION FOR FIDELITY NATIONAL RANCH PROPERTIES (LINDERMAN RANCH)

Part of Sections 20, 29, 30, 31 and 32, Township 7 North, Range 43 East of the Boise Meridian, Madison County, Idaho and part of Sections 15, 21, and 22, Township 7 North, Range 43 East of the Boise Meridian, Teton County, Idaho described as follows:

Beginning at a found 3" brass cap Bureau of Reclamation monument at the Southeast corner of said Section 32 and running thence N.89°42'43"W. 2636.42 feet to a found 3" brass cap Bureau of Reclamation monument at the South Quarter corner of said Section 32; thence N.89°45'33"W. 2635.31 feet to a found 3" brass cap Bureau of Reclamation monument at the Southwest corner of said Section 32; thence N.89°40'38"W. 2648.09 feet to a found 3" brass cap Bureau of Reclamation monument at the South Quarter corner of Section 31, Township 7 North, Range 43 East of the Boise Meridian, Madison County, Idaho; thence N.00°51'48"W. 5267.30 feet along the north-south centerline through section to a found 3" brass cap Bureau of Reclamation monument at the North Quarter corner of said Section 31; thence N.00°15'17"E. 3680.79 feet along the north-south centerline through the section to a found concrete Bureau of Reclamation monument on the south line of the Bureau of Reclamation Reservoir right-of-way in Section 30, Township 7 North, Range 43 East of the Boise Meridian, Madison County, Idaho as shown on the Township plat on file with the Bureau of Reclamation, dated September 1973; thence along said south line the following four (4) courses: (1) S.41°14'22"E. 102.68 feet to a found concrete Bureau of Reclamation monument; thence (2) N.87°03'38"E. 913.28 feet; thence (3) N.64°02'17"E. 1088.22 feet; thence (4) N.48°00'17"E. 935.61 feet to the west line of Section 29, Township 7 North, Range 43 East of the Boise Meridian, Madison County, Idaho; thence N.00°11'03"E. 527.79 feet to the Northwest corner of said Section 29; thence S.89°15'14"E. 1453.55 feet along the section line to the south line of the Bureau of Reclamation Reservoir right-of-way in Section 20, Township 7 North, Range 43 East of the Boise Meridian, Madison County, Idaho as shown on the Township plat on file with the Bureau of Reclamation, dated September 1973; thence along said south line the following three (3) courses: (1) N.23°51'10"E. 323.89 feet to a found concrete Bureau of Reclamation monument; thence (2) N.49°22'02"E. 1380.25 feet to a found concrete Bureau of Reclamation monument; thence (3) S.87°55'37"E. 14.63 feet to a found concrete Bureau of Reclamation monument; thence N.00°04'46"W. 918.55 feet along the north-south centerline through the section to the south meander line of the Teton River; thence along said south line the following twelve (12) courses: (1) N.68°22'37"E. 134.92 feet; thence (2) S.85°01'30"E. 165.45 feet; thence (3) S.76°53'12"E. 168.85 feet; thence (4) N.66°27'55"E. 433.15 feet; thence (5) S.60°55'19"E. 96.84 feet; thence (6) N.88°29'36"E. 108.32 feet; thence (7) S.86°03'09"E. 123.76 feet; thence (8) N.60°26'06"E. 312.59 feet; thence (9) N.68°57'25"E. 68.80 feet; thence (10) N.1°41'58"E. 71.29 feet; thence (11) N.74°43'50"E. 179.20 feet; thence (12) N.00°47'10"E. 70.75 feet to the north line of the Southeast Quarter of said

Section 20; thence S.89°12'37"E. 967.69 feet along said north line to the West Quarter corner of Section 21, Township 7 North, Range 43 East of the Boise Meridian, Teton County, Idaho; thence S.00°00'35"W, 786.59 feet along the section line to the south line of the Bureau of Reclamation Reservoir right-of-way in said Section 21 as shown on the Township plat on file with the Bureau of Reclamation, dated September 1973; thence along said south line the following eighteen (18) courses: (1) S.83°02'30"E. 721.69 feet; thence (2) N.28°28'39"W. 246.80 feet; thence (3) N.35°28'19"W. 322.63 feet; thence (4) N.08°39'51" E. 895.12 feet; thence (5) N.27°12'14"E. 349.55 feet; thence (6) N.36°32'05"E. 643.18 feet; thence (7) S.89°59'52" E. 240.70 feet; thence (8) N.00°00'29" E. 241.72 feet; thence (9) N.51°43'59" E. 221.32 feet; thence (10) N.35°17'07" E. 356.26 feet; thence (11) N.26°13'19" E. 427.86 feet; thence (12) S.64°19'27" E. 824.11 feet; thence (13) S.85°43'47" E. 18.13 feet to the north-south centerline through said Section 21; thence (14) S.00°00'25"W. 7.34 feet along said north-south centerline; thence (15) S.86°42'15"E. 531.24 feet a found concrete Bureau of Reclamation monument; thence (16) S.38°29'11"E. 689.14 feet; thence (17) S.38°47'11"E. 1219.34 feet; thence (17) N.76°56'04"E. 344.60 feet; thence (18) N.46°34'49"E. 199.63 feet to the west line of the property as described as Tract 11 in Warranty Deed, Instrument No. 175985, Teton County courthouse; thence along said property the following (3) courses: (1) N.18°47'44"W. 144.38 feet; thence (2) N.02°35'09"E. 264.51 feet; thence (3) N.65°09'06"E. 230.79 feet to the south line of the Bureau of Reclamation Reservoir right-of-way in said Section 21 as shown on the Township plat on file with the Bureau of Reclamation, dated September 1973; thence along said south line the following two (2) courses: (1) N.01°33'13"E. 217.12 feet to a found concrete Bureau of Reclamation monument; thence (2) N.63°31'02"E. 307.00 feet to a found concrete Bureau of Reclamation monument on the west line of Section 22, Township 7 North, Range 43 East of the Boise Meridian, Teton County, Idaho; thence N.00°01'45"W. 1083.33 feet to the Southwest corner of Section 15, Township 7 North, Range 43 East of the Boise Meridian, Teton County, Idaho; thence N.00°25'56"W. 901.31 feet along the section line to the south line of the Bureau of Reclamation Reservoir right-of-way in said Section 15 as shown on the Township plat on file with the Bureau of Reclamation, dated September 1973; thence along said south line in Section 15 the following eight (8) courses: (1) N.77°01'11"E. 1570.00 feet; thence (2) N.15°27'38"E. 1115.00 feet; thence (3) N.20°14'42"E. 387.62 feet; thence (4) N.03°06'14"E. 779.90 feet; thence (5) N.52°26'05"E. 781.24 feet; thence (6) S.89°52'13"E. 193.98 feet; thence (7) N.59°40'00"E. 1197.77 feet; thence (8) N.39°28'55"E. 918.70 feet to the north line of said Section 15; thence S.89°52'09"E. 358.53 feet along said north line to a point that is 467.00 feet from the east line of said Section 15; thence S.00°21'34"E. 5270.64 feet parallel with and 467.00 feet perpendicular to said east line of Section 15 to the north line of Section 22, Township 7 North, Range 43 East of the Boise Meridian, Teton County, Idaho; thence S.00°04'42"E. 2634.49 feet parallel with and 467.00 feet perpendicular to the east line of Section 22; thence S.00°02'46"E. 2635.88 feet parallel with and 467.00 feet perpendicular to said east line of Section 22 to the south line of Section 22; thence N.89°52'48"W. 2178.78 feet to a found 3" brass cap Bureau of Reclamation monument at the South Quarter corner of said Section 22; thence N.89°52'39"W. 2646.36 feet to a found 3" brass cap Bureau of Reclamation monument at the Southeast corner of Section 21, Township 7 North, Range 43 East of the Boise Meridian, Teton County, Idaho; thence S.89°59'13"W. 5317.75 feet to the Southeast corner of Section 20, Township 7 North, Range 43 East of the Boise Meridian, Madison County, Idaho; thence N.89°14'51"W. 2645.86 feet to a found 3" brass cap Bureau of Reclamation monument at the North Quarter corner of Section 29, Township 7 North, Range 43 East of the Boise Meridian, Madison County, Idaho; thence S.00°18'16"W. 5276.60 feet along the north-south centerline through the section to a found 3" brass cap Bureau of Reclamation monument at the South Quarter corner of said Section 29; thence S.89°18'54"E. 2643.03 feet to the Northeast corner of Section 32, Township 7 North, Range 43 East of the Boise Meridian, Madison County, Idaho; thence S.00°42'44"E. 5244.31 feet along the east line of Section 32 to the point of beginning.

Parcel contains 3083.34 acres.