

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

ORIGINAL
RECEIVED

Notice of Change in Water Right Ownership

DEC 04 2012

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

WATER RESOURCES
WESTERN REGION

Water Right/Claim No.	Split?	Water Right/Claim No.	Split?	Water Right/Claim No.	Split?
PD 65-2946C	Yes ☐		Yes ☐		Yes ☐
PD 65-23423	Yes ☐		Yes ☐		Yes ☐
PD 65-7535	Yes ☐		Yes ☐		Yes ☐
PD 65-12136B	Yes ☐		Yes ☐		Yes ☐
	Yes ☐		Yes ☐		Yes ☐

2. Previous Owner's Name: Blackhawk Partners LLC
Name of current water right holder/claimant
3. New Owner(s)/Claimant(s): Blackhawk Lake Property Owner's Association, Inc.
Name of each new owner as listed on the conveyance document

New owner continued Name connector ☐ and ☐ or ☐ and/or

Mailing address

420 W. Bannock

Boise

Idaho

City

State

ZIP

208-343-7500

chas@mcdevitt-miller.com

Telephone

Email

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

Settlement Agreement 6.1;

5. Date you acquired the water rights and/or claims listed above: Transfer No. 76412; October 26, 2012

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

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

7. Signature: [Signature] Title, if applicable: Blackhawk Board Mem. Date: 21 Sep 12
- Signature: _____ Title, if applicable: _____ Date: _____
- Signature of new owner/claimant Title, if applicable Date

For IDWR Office Use Only:

Received by MP Date 9-27-12 Receipt No. WDM0002 Receipt Amt. 400-

Approved by PS Processed by PS Date 2-28-13

SUPPORT DATA

IN FILE # 65-2946C

SCANNED

MAR 01 2013



RECEIVED

FEB 13 2013

This space for recorder's use only.

WATER RESOURCES
WESTERN REGION

WATER RIGHTS QUITCLAIM DEED

FOR VALUE RECEIVED, Blackhawk Partners, LLC ("Grantor"), does hereby release and quitclaim unto Blackhawk Lake Property Owner's Association, Inc., whose address is 420 W. Bannock St., Boise, Idaho 83701 ("Grantee"), all of Grantor's right, title and interest in and to those certain water rights represented in the records of the Idaho Department of Water Resources by the following numbers:

65-2946C; 65-23423; 65-7535; 65-12136B;

TO HAVE AND TO HOLD such water rights unto the Grantee, its successors, and assigns, forever.

DATED this 31st day of January, 2013.

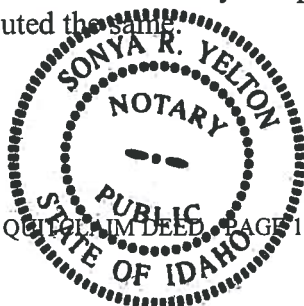
BLACKHAWK PARTNERS, LLC,
an Idaho Limited Liability Company,

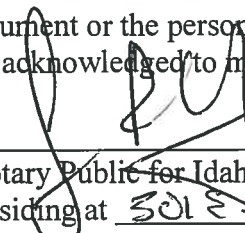
By: THE MCCALL ASSOCIATES LLC,
an Idaho Limited Liability Company,
its sole member,

By: 
Haden Tanner,
its sole member.

State of Idaho)
) ss.
County of Valley)

On this 31st day of January, in the year of 2013, before me, a Notary Public in and for the State of Idaho, personally appeared HADEN TANNER, the individual known or identified to me to be the sole member of THE MCCALL ASSOCIATES LLC, the limited liability company known or identified to me to be the sole member of BLACKHAWK PARTNERS, LLC, the limited liability company that executed the instrument or the person who executed the instrument on behalf of said limited liability company, and acknowledged to me that such limited liability company executed the same.




Notary Public for Idaho
Residing at 301 E Lake St Malad
My Commission expires 6-1-17

VALLEY COUNTY, CASCADE, IDAHO
11-27-2012 12:52:29 No. of Pages: 80
Recorded for : MCDEVITT & MILLER, LLP
ARCHIE N. BANBURY Fee: 247.00
Ex-Officio Recorder Deputy *[Signature]*
Index to: AFFIDAVIT

RECEIVED
DEC 04 2013
WATER RESOURCES
WESTERN REGION

Further your Affiant sayeth not.

Dated this 27th day of November, 2012.

Chas F. McDevitt

Chas. F. McDevitt

SUBSCRIBED AND SWORN to before me this 27th day of November, 2012.



Heather M. Houle
Notary Public for IDAHO
Residing at Boise ID
Commission Exp.: 6/20/18

ORIGINAL

Dean J. Miller (*ISB No. 1968*)
Chas. F. McDevitt (*ISB No. 835*)
McDEVITT & MILLER LLP
420 West Bannock Street
P.O. Box 2564-83701
Boise, ID 83702
Tel: 208.343.7500
Fax: 208.336.6912
joe@mcdevitt-miller.com
chas@mcdevitt-miller.com

2012-051238
RECORDED
11/15/2012 11:18 AM

00009626201200512380780781
CHRIS YAMAMOTO
CANYON COUNTY RECORDER
Pgs=78 JCRANE \$241.00
MISC
MCDEVITT & MILLER

AFFIDAVIT OF CHAS F. MCDEVITT

STATE OF IDAHO)
: ss
County of Ada)

CHAS. F. McDEVITT being first duly sworn on oath deposes and states as follows:

1. That I am over the age of eighteen (18) and I make this Affidavit based upon my own personal knowledge.
2. Appended hereto is a true and correct copy of a Settlement Agreement and Court Order acknowledging the ownership by the Blackhawk Lake Homeowner's Association (BLHOC), of those certain Water Rights designated as follows:

65-2946C

65-23423

65-7435

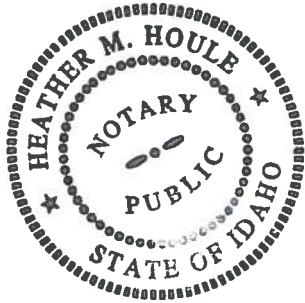
65-12136B

Further your Affiant sayeth not.

Dated this 13th day of November, 2012.


Chas. F. McDevitt

SUBSCRIBED AND SWORN to before me this 13th day of November, 2012.



Heather Houle
Notary Public for IDAHO
Residing at 5012
Commission Exp.: 6/20/18

SETTLEMENT AGREEMENT

This Agreement is made and entered into this 9th day of February, 2007, by and between Sage SGI LLC, an Idaho limited liability company ("Sage"); Blackhawk Partners, LLC, an Idaho limited liability company ("Blackhawk Partners"); L. B. Industries, Inc., an Idaho corporation ("LBI"); and the Blackhawk Lake Property Owner's Association, Inc., an Idaho not for profit corporation (the "BLPOA"). Also parties hereto are Long Valley Holdings LLC, an Idaho limited liability company; Don and Penny Grotting, husband and wife; James Durst, individual; John W. Anderson, individual; Dennis and Laura Lee, husband and wife; Steve and Tawni Swann, husband and wife; Robert F. Rice, individual; Richard and Sue Schrandt, husband and wife; Dodd Cosgrove, individual; Jeffrey D. McCune, individual; Joseph and Pamela Klobucher, husband and wife; Clinton and Connie Eshelman, husband and wife; Robert and Alison Peterson, husband and wife; Tami and Alan Peterson, husband and wife; John and Jeannette Corbett, husband and wife; Troy and Ann Smith, husband and wife; Robert and Margaret Terry, husband and wife; Richard Goodell, individual; Brent and Virginia Davis, husband and wife; Deanna and Gary Wehr, husband and wife; Tim and Lori Henrickson, husband and wife; Mel and Connie Abert, husband and wife; and Dean and Pam Seibel, husband and wife (collectively referred to herein as "the Lake Lot Owners").

WITNESSETH:

Whereas, prior to January 5, 2005, LBI was the owner of certain real property located in Valley County, Idaho which is referred to herein as "the LBI Property" and which is more particularly described in Exhibit A hereto; and

Whereas, the general outline of the LBI Property, together with certain geographic features as well as existing platted and preliminary planned subdivisions and improvements, is depicted on the map attached hereto as Exhibit B (hereafter, "the Illustrative Map"); and

Whereas, LBI had developed and platted certain portions of the LBI Property as residential subdivisions, including Phase I of the Blackhawk Lake Estates, the plat of which is recorded at Book 8, at Page 36 of Plats of the Valley County Recorder as Instrument No. 198035 (as modified on August 22, 1994, by Instrument No. 206204 recorded at Book 8, page 54 of Plats, and on January 12, 1999 by Instrument No. 237769 recorded at Book 8, page 54 of Plats, Lots 2 and 3), and Phase II of the Blackhawk Lake Estates, the plat of which is recorded at Book 8, of Page 82, of Plats of the Valley County Recorder as Instrument No. 221848 (hereafter, respectively, "Blackhawk Lake Phase I" and "Blackhawk Lake Phase II"; these two Phases are so identified on the Illustrative Map); and

Whereas, the Lake Lot Owners are all members the BLPOA; and

Whereas, prior to January 5, 2005, each of the Lake Lot Owners had purchased their lots from LBI or from predecessors who had originally purchased from LBI; and

Whereas, the Reserve at Blackhawk Lake (the "Reserve"), as identified on the Illustrative Map which is attached hereto as Exhibit B, is a platted subdivision that has been annexed to the Blackhawk Lake Estates, the owners of which are members of BLPOA and are part of the "Lake Lot Owners" referenced herein; and

Whereas, the Lake Lot Owners now own platted lots within Phases I and II of the Blackhawk Lake Estates and the Reserve; and

Whereas, upon the occurrence of the events described in paragraphs 15 and 16 of this Agreement, the owners of lots in Phases III, IV and V of Blackhawk Lake, as depicted on the



Illustrative Map, shall become members of the BLPOA and entitled to the identical rights and responsibilities enjoyed by all other Lot owners who are members of the BLPOA and subject to the Restated CC&Rs; and

Whereas, the BLPOA has been established to represent the Lake Lot Owners and other owners of lots within Phases I and II of Blackhawk Lake Estates and the owners of platted lots that may subsequently become subject to the Restated Blackhawk Lake Estates Declaration of Covenants, Conditions and Restrictions, recorded as Instrument No. 222414 with the Valley County Recorder, and all amendments recorded with respect thereto (collectively, "the Restated CC&Rs") and to assume and exercise those rights, duties, and responsibilities accorded to it by the Restated CC&Rs; and

Whereas, LBI, as seller, and Sage, as purchaser, entered into a Real Estate Purchase Agreement, effective as of January 5, 2005 ("the Purchase Agreement"), under which Sage purchased the entirety of the LBI Property except for contiguous parcels bordering the southwestern shore of Blackhawk Lake which are identified on the Illustrative Map as "Blackhawk Lake Phase III" and "Blackhawk Lake Phase IV" which LBI retained ownership of; and

Whereas, Sage has conveyed all of the right, title, and interest it acquired from LBI in the LBI Property to Blackhawk Partners, LLC, and the interests of Sage and Blackhawk Partners (referred to collectively as "Sage" unless otherwise identified) are synonymous insofar as the terms of this Agreement are concerned ;and

Whereas, prior to January 5, 2005, there were disputes and disagreements between LBI on the one hand and the BLPOA and some of the Lake Lot Owners on the other concerning the ownership, development, use, and management of portions of the LBI Property, and after



January 5, 2005, disputes and disagreements arose between Sage on the one hand and the BLPOA and some of the Lake Lot Owners on the other concerning the ownership, development, use, and management of portions of the LBI Property; and

Whereas, the foregoing disputes and disagreements occasioned the filing of a lawsuit in the District Court of the Fourth Judicial District of the State of Idaho, Valley County, on February 24, 2006, being Case No. CV 2006 120 C, wherein the BLPOA and the Lake Lot Owners (except Long Valley Holdings LLC) are Plaintiffs and in which Sage SGI, LLC is the named Defendant (hereafter, "the Lawsuit"); and

Whereas, the parties hereto wish to settle and resolve all disputes and disagreements between them pertaining to the ownership, development, use, and management of the LBI Property and interests therein, including the Lawsuit; and

Whereas, the BLPOA, representatives of the Lake Lot Owners, Sage and LBI mediated their disputes on August 23, 2006, and agreed to settle the disputes between them, which agreement was summarized in a memorandum prepared by the mediator and signed by representatives of each party, and a copy which is attached hereto as Exhibit C; and

Whereas, the parties contemplated that their agreement, as embodied in the memorandum attached hereto as Exhibit C, should be supplemented by a more formal writing, which is the intent of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises, agreements, payments, and releases agreed to at the August 23 mediation and as further set forth herein, the parties hereto agree as follows:

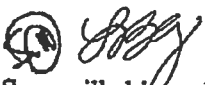
1. The "Effective Date" of this Agreement shall be February 9, 2007.



2. LBI and Sage will jointly pay the BLPOA \$100,000 in connection with legal fees incurred by Plaintiffs in the Lawsuit. Such money shall be paid to the BLPOA by delivery of a check, made payable to Blackhawk Lake Property Owners' Association, Inc. c/o Advantage Idaho, within 10 days after the Effective Date of this Agreement.

3. LBI and Sage will jointly pay the BLPOA the additional sum of \$25,000 which shall be applied by and at the sole discretion of the BLPOA to the repair, upkeep, and maintenance of Common Areas and Common Facilities conveyed to the BLPOA in conformity with the Restated CC&Rs and/or the terms of this Agreement. Such money shall be paid to the BLPOA by delivery of a check to, made payable to Blackhawk Lake Property Owners' Association, Inc. c/o Advantage Idaho, within 10 days after the Effective Date of this Agreement.

4. In addition to the amounts identified above, LBI will pay the BLPOA a separate and additional sum of \$50,000 in consideration of the terms contained herein. Such money shall be paid to the BLPOA by delivery of a check, made payable to Blackhawk Lake Property Owners' Association, Inc. c/o Advantage Idaho, within 10 days after the Effective Date of this Agreement.

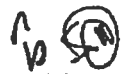
5.  LBI and Sage will chip seal those named and existing private roads within Blackhawk Lake Phase I and Blackhawk Lake Phase II as platted (such private roads are also identified in the schematic map which is attached hereto as Exhibit D). Such work will include filling and repairing potholes and other requisite preparatory work, if any. All work on the roads will be completed by July 15, 2007. The method and ultimate adequacy of such work is subject to the BLPOA's approval after consultation with an expert of its own selection and retained at its own expense, which approval shall not be unreasonably withheld; the BLPOA may retain a



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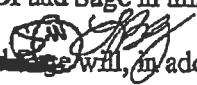
4. In addition to the amounts identified above, LBI will pay the BLPOA a separate and additional sum of \$50,000 in consideration of the terms contained herein. Such money shall be paid to the BLPOA by delivery of a check, made payable to Blackhawk Lake Property Owners' Association, Inc. c/o Advantage Idaho, within 10 days after the Effective Date of this Agreement.

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consultant, also at its own expense, to review and inspect the progress of such work, but such expert shall not be entitled to direct or otherwise manage the work itself. Sage shall provide the BLPOA with a copy of the report and estimates from David Powell and Valley Paving and give the BLPOA at least five days to review, respond and indicate a desire to negotiate with Sage and LBI for any additional work to be mutually agreed upon. The Parties agree to work together in identifying a mutually agreeable contractor to perform, and a reasonable maximum price to be paid by LBI and Sage for, the work described in this paragraph. The parties further agree that, if all parties agree upon the maximum price to be paid by LBI and Sage for the work described in this paragraph, Sage and LBI may pay that maximum price directly to the BLPOA in lieu of the other obligations of LBI and Sage in this paragraph.

6.  LBI ~~and Sage~~ will, in addition to the chip sealing provided for in the preceding paragraph, repair damage to Wood Duck Court, a private road within Blackhawk Lake Phase II, such that its condition shall be comparable to the other private roads to be chip sealed, as provided in the preceding paragraph and as shown on Exhibit D hereto. The method and ultimate adequacy of such repairs to Wood Duck Court is subject to the BLPOA's approval after consultation with an expert of its own selection and retained at its own expense and such approval shall not be unreasonably withheld; the BLPOA may retain a consultant, also at its own expense, to review and inspect the progress of such work, but such expert shall not be entitled to direct or otherwise manage the work itself. The Parties agree to work together in identifying a mutually agreeable contractor to perform, and a reasonable maximum price to be paid by LBI and Sage for, the work described in this paragraph. The parties further agree that, if all parties agree upon the maximum price to be paid by LBI and Sage for the work described in this

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paragraph, Sage and LBI may pay that maximum price directly to the BLPOA in lieu of the other obligations of LBI and Sage in this paragraph.

7. Sage shall, within thirty (30) days after the Effective Date of this Agreement, convey to the BLPOA by warranty deeds, free and clear of any and all easements and/or encumbrances except for government dedications, utility easements, visible conditions and conditions caused by owners of lots within the platted Phases of Blackhawk Lake Estates, title to: (1) Parcels A, B, C, ~~D~~, E, F, and G as identified on the Plats recorded for Phases I and II of Blackhawk Lake Estates, which Plats are attached hereto as Exhibit E, (2) "Open Space" Parcels 1, 2, 3 and 4 as identified on the Plats recorded for Phases I and II of Blackhawk Lake Estates; (3) all private roads so designated on the Plats recorded for Phases I and II of Blackhawk Lake Estates; (4) "Parcel I" as identified on the Illustrative Map attached hereto as Exhibit B; (5) the beds and banks of Blackhawk Lake and Banana Lake (also known as Blackhawk Pond), as more particularly described in Exhibits F and G hereto; (6) Blackhawk dam; and (7) the dam for Banana Lake. *Secesh to review & approve the best description.*

8. The BLPOA agrees to provide a survey of Blackhawk Lake to Sage to facilitate conveyance of the bed and banks thereof to the BLPOA, but if such survey is not made available when the obligation of conveyance arises hereunder, Sage will nonetheless convey Blackhawk Lake by the best description then practicably available and Sage will provide an amended conveyance when a more complete survey is made available to it by the BLPOA.

9. The parties agree that there shall be no more than 10 single residence Lots finally platted or sold by Sage or its successors in Blackhawk Lake Phase V; and no more than 35 single residence Lots finally platted by Sage or its successors in Blackhawk Ridge, as depicted on the Illustrative Map attached hereto as Exhibit B. The parties additionally agree that if Sage (or its

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successors) reduces the number of Lots agreed to in this paragraph that it actually plats in Blackhawk Lake Phase V, that Sage or its successors may develop a corresponding number of additional Lots in Blackhawk Ridge. The parties agree that no fractional-interest ownership housing will be permitted in: (a) Blackhawk Lake Phases I through V; or (b) Blackhawk Ridge, as described above.

10. Before Blackhawk Lake Phases III, IV and V are platted and annexed into Blackhawk Lake Estates in accordance with Paragraphs 15 and 16, below, LBI and Sage, and their successors, agents, representatives and contractors, shall be granted by BLPOA reasonable access over Blackhawk Lake Drive to reach the real property owned by LBI that is identified as Blackhawk Lake Phase III and Blackhawk Lake Phase IV on the Illustrative Map, and that parcel of real property owned by Sage that is identified as Blackhawk Lake Phase V on the Illustrative Map, for the sole and limited purposes of selling and constructing residential homes in those Phases, subject to the restrictions herein. The BLPOA shall cooperate with LBI and Sage to allow LBI's and Sage's agents and contractors reasonable access to Blackhawk Lake Drive for this limited purpose through the controlled gate at the intersection of Blackhawk Lake Drive and West Mountain Road. Sage and LBI shall be liable to repair any damage to those portions of Blackhawk Lake Drive within Blackhawk Lake Estates Phases I and II caused by them or their successors, agents, representatives and contractors. Notwithstanding the foregoing, LBI and Sage, and their successors, agents, representatives and contractors, shall not be permitted to use those portions of Blackhawk Lake Drive that are located within Blackhawk Lake Phase I and Blackhawk Lake Phase II, as platted, for infrastructure development or for heavy equipment used in connection with the development of property owned by them in Blackhawk Lake Phase III, Blackhawk Lake Phase IV, and Blackhawk Lake Phase V. After Blackhawk Lake Phases III, IV



and V are platted and annexed into Blackhawk Lake in accordance with Paragraphs 15 and 16, below, access over Blackhawk Lake Drive to reach the real property identified as Blackhawk Lake Phases III, IV and V on the Illustrative Map shall be controlled by BLPOA and the Restated CC&R's and will be consistent with the same rights and restrictions applicable to all lot owners in Blackhawk Phases I through V.

11. The parties hereto acknowledge that access to and use of Blackhawk Lake and Banana Lake shall be limited to the Owners of individual Lots within Phases I and II of Blackhawk Lake Estates and The Reserve as currently platted, and, as they are platted, developed and sold, to the Owners of individual Lots within Blackhawk Lake Phases III, IV, and V.

12. It is agreed that the extension of Blackhawk Lake Drive by LBI and Sage through those parcels now owned by them and which are identified as Blackhawk Lake Phases III, IV, and V on the Illustrative Map shall connect with private roads to be constructed by Sage within or adjacent to that planned development identified on the Illustrative Map as Blackhawk Ridge. LBI will allow Sage to connect those portions of Blackhawk Lake Drive which are and will be located in Blackhawk Lake Phases III and IV with that portion of Blackhawk Lake Drive to be constructed by Sage in Blackhawk Lake Phase V as shown on the attached Illustrative Map. Concurrent with the recording of the plat for Blackhawk Lake Phase V, Sage or its successors shall have installed, and conveyed to the BLPOA, an appropriate electric security gate at that end of Blackhawk Lake Drive terminating in Blackhawk Lake Phase V in order to limit access to Blackhawk Lake Drive to i) emergency vehicles (such as fire, police, and ambulance); ii) the Owners of Lots within Blackhawk Lake Phases I, II, III, IV and V and the Reserve for residential use only; and, iii) heavy equipment (as referenced in paragraph 10 above) used by LBI and Sage



for construction and development in Blackhawk Lake Phases III, IV, and V. The security gate to be installed by Sage or its successors is subject to approval by the Architectural Control Committee of the BLPOA and shall be of the same in-general type and metal construction as the presently existing security gate installed at the intersection of Blackhawk Drive with West Mountain Road. During the development and construction of Blackhawk Lake Phases III, IV and V, and prior to the completion of the permanent security gate, Sage will provide a manual temporary security gate and other appropriate security measures to limit access (as discussed above) to the existing roads and lots in Blackhawk Lake Phases I and II.

13. Sage shall provide a "buffer" of undeveloped land at least 40 feet wide between the southern border of Blackhawk Lake Phase V and Blackhawk Ridge, as those areas are identified on the Illustrative Map. This buffer area shall, with the approval of the BLPOA's Architectural Control Committee, include a fence and/or appropriate landscaping as reasonably needed to establish a visual buffer between Blackhawk Lake Phase V and Blackhawk Ridge. The land comprising this buffer area shall be within and designated as "common area" on the final plat that will be recorded for Blackhawk Lake Phase V and subsequently conveyed by Sage (or its successor) to the BLPOA in conformity with paragraph 16, below.

14. The parties acknowledge that Sage acquired several decreed water rights from LBI, including water rights 65-7052E and 65-2946C (where the points of diversion are Blackhawk Lake), and 65-7535 (where the point of diversion is Banana Lake). Additionally, LBI's predecessor in interest, James Hait, obtained a license (65-12136) with a priority dated 1978 for 600 acre-feet of irrigation storage and irrigation from storage in Blackhawk Lake, but 584.4 acre-feet of this right were not claimed in the Snake River Basin Adjudication. The parties hereto agree that it is in their mutual interest to preserve the said water rights and their priorities.



Therefore, within forty-five (45) days after the Effective Date of this Agreement, Sage will apply to the Idaho Department of Water Resources ("IDWR") to transfer the beneficial use for the storage components of water rights 65-2946C, 65-7052E and 65-7535 from irrigation storage and irrigation from storage to aesthetic storage and/or recreational storage and to allow Sage to use groundwater for irrigation under Permit 65-22945 and pending Permit 65-23042 upon such transfer. Within the said forty-five (45) days, Sage shall also make a late claim with the Snake River Basin Adjudication for the 584.4 acre-feet of additional capacity licensed to James Hait for irrigation storage and irrigation from storage purposes and, if such right is decreed, further request that the irrigation storage and irrigation from storage component thereof be transferred from irrigation storage and irrigation from storage to aesthetic storage and/or recreational storage. Such applications shall be at Sage's expense. Sage, LBI, the BLPOA and the Lake Lot Owners shall all support such applications and undertake all actions which Sage or BLPOA may reasonably request of them to support such applications. In connection herewith, though not in limitation hereof, the BLPOA shall within fifteen (15) days of the Effective Date of this Agreement withdraw the Notices of Protest it filed with the IDWR opposing the applications of Sage for extensions of time relative to water rights 65-7535, 65-7052E and 65-2946C. Within thirty (30) days after IDWR approval of the change of beneficial use as herein provided of water right(s) from irrigation storage and irrigation from storage to aesthetic storage and/or recreational storage, as contemplated by this paragraph, Sage shall assign each of such water right(s) for aesthetic storage and/or recreational storage to the BLPOA.

15. LBI shall, not later than 24 months from the Effective Date of this Agreement, make application to Valley County to plat that portion of the LBI Property retained by it, which is identified on the Illustrative Map as Blackhawk Lake Phase III and Blackhawk Lake Phase IV,



as a necessary precondition to the development of that real property. Concurrent with the recording of each final plat with respect thereto, LBI shall convey the private roads and common areas within each such final plat to the BLPOA, free of all easements or encumbrances of any kind except governmental dedications, and utility easements. The parties acknowledge that some of the borders of Blackhawk Lake Phases III and IV have not yet been formally surveyed or defined beyond what is depicted on the Illustrative Map and on the map attached hereto as Exhibit H. Accordingly, the parties agree that such borders of Blackhawk Lake Phases III and IV, as finally included in the plat for Blackhawk Lake Phases III and IV, shall, to the extent permitted by Valley County and other governmental departments and entities having jurisdiction thereover, substantially conform to the depictions on the Illustrative Map. Moreover, the parties agree that there shall be no more than a total of nine (9) single residence Lots finally platted or sold by LBI or its successors in Blackhawk Lake Phase III and Blackhawk Lake Phase IV, collectively. The borders of the individual Lots platted and sold by LBI or its successors in Blackhawk Lake Phase III and Blackhawk Lake Phase IV shall substantially conform to the depictions on Exhibit H to this Agreement. LBI agrees to consult and cooperate with BLPO in selecting the location of the pads for any homes to be constructed on the Lots within Blackhawk Lake Phase III and Blackhawk Lake Phase IV. Concurrent with the recording of a final plat with respect to the property identified on the Illustrative Map as Blackhawk Lake Phases III and IV, LBI shall (1) cooperate with the BLPOA and/or Sage in filing, and execute all documents necessary for the filing of, an Amendment to the Restated CC&Rs, annexing the platted real property to the Restated CC&Rs, and (2) convey the private roads and identified common areas and common facilities within such final plat to the BLPOA, free of all easements or encumbrances of any kind except governmental dedications, and utility easements.



16. Sage shall, not later than 24 months from the Effective Date of this Agreement, make application to Valley County to plat a portion of the LBI Property that it owns, which is identified as Blackhawk Lake Phase V on the Illustrative Map, as a necessary precondition to the development of that real property. Sage agrees that when Phase V is platted, such plat will include that parcel of real property identified on the Illustrative Map as "Easement Area B" and that all of Easement Area B shall be designated "common area" within the plat for Blackhawk Lake Phase V. In connection herewith, the parties acknowledge that only portions of the property lines defining "Easement Area B" have been determined as of the date hereof by the recorded plat for Blackhawk Lake Phase I, the dam and shoreline of Blackhawk Lake and by West Mountain Road. The parties further acknowledge that the borders of Phase V have not yet been formally surveyed or defined beyond what is depicted on the Illustrative Map. Accordingly, the parties agree that Easement Area B and the borders of Blackhawk Lake Phase V, as finally included in the plat for Blackhawk Lake Phase V, shall, to the extent permitted by Valley County and other governmental departments and entities having jurisdiction thereover, substantially conform to the depictions on the Illustrative Map. Concurrent with the recording of a final plat with respect to Blackhawk Lake Phase V, Sage shall (1) cooperate with BLPOA in filing, and execute all documents necessary for the filing of, an Amendment to the Restated CC&Rs, annexing the platted real property to the Restated CC&Rs, (2) convey the private roads and identified common areas within such final plat to the BLPOA, free of all easements or encumbrances of any kind except governmental dedications, and utility easements, and (3) grant all current and future lot owners in Blackhawk Lake Estates an easement for pedestrian access extending from the west side of the Blackhawk Lake Dam to Blackhawk Lake Drive. Before Sage conveys to BLPOA the private roads and common areas located in Blackhawk Lake Phase



V and Easement Area B as contemplated herein, Sage shall be responsible for maintaining, at its sole cost and expense, such areas in conformance with all reasonable standards set by the BLPOA, which standards must be uniform for all common areas within Blackhawk Lake Estates. If Sage fails to maintain such private roads and common areas in accordance with the reasonable standards set by BLPOA, BLPOA shall have the authority to enter and maintain such areas, and shall be entitled to recover reimbursement from Sage for all reasonable costs and expenses incurred in performing such maintenance.

17. The Lawsuit will be dismissed with prejudice by stipulation of the parties' respective counsel contemporaneously with the execution of this Agreement. The stipulation shall provide that no party shall recover fees and costs in connection with the Order of Dismissal, though such provision in the Order of Dismissal with prejudice shall not affect any obligation for the payment of money under this Agreement.

18. Except as specifically provided in this Agreement, Sage hereby releases the BLPOA and the Lake Lot Owners and their predecessors, successors, assigns, members, officers, directors, shareholders, agents, employees, investors, representatives, advisers, consultants, contractors, and other persons and parties associated with them, from all claims, liabilities and causes of action arising from or related to any conduct before the execution of this Agreement, whether known or unknown, pertaining to the ownership, management, condition, use, or development of any real property within the LBI Property or of any interest therein. Anything to the contrary herein notwithstanding, it is understood and agreed that the predecessors of the BLPOA and the Lake Lot Owners released by this paragraph shall not include LBI, nor shall this Agreement effect, waive, change or modify the rights, duties and obligations of Sage and LBI



under the terms of the Purchase Agreement or under any other express agreement Sage and LBI have entered into.

19. Except as specifically provided in this Agreement, LBI hereby releases the BLPOA and the Lake Lot Owners and their predecessors, successors, assigns, members, officers, directors, shareholders, agents, employees, investors, representatives, advisers, consultants, contractors, and other persons and parties associated with them, from all claims, liabilities and causes of action arising from or related to any conduct before the execution of this Agreement, whether known or unknown, pertaining to the ownership, management, condition, use, or development of any real property within the LBI Property or of any interest therein.

20. Except as specifically provided in this Agreement, the BLPOA and the Lake Lot Owners hereby release LBI and Sage, and each of them and their predecessors, successors, assigns, members, officers, directors, shareholders, agents, employees, investors, representatives, advisers, consultants, contractors, and other persons and parties associated with them, from all claims, liabilities and causes of action arising from or related to any conduct before the execution of this Agreement, whether known or unknown, pertaining to the ownership, management, condition, use, or development of any real property within the LBI Property or of any interest therein.

21. Nothing in this Agreement shall affect any rights, duties, obligations, or interests set forth in their entirety in the Restated CC&Rs or in other instruments duly recorded with the Valley County Recorder as of the date hereof, except to the extent explicitly provided for in this Agreement.



22. Nothing in this Agreement shall affect any rights, duties, obligations, or interests set forth in the "Grant of Easement" duly recorded with the Valley County Recorder as Instrument Number 222415.

23. Sage shall not deprive owners of lots within Blackhawk Lake Estates, including the Reserve, access to the River Trail System depicted in the plan attached hereto as Exhibit I, which trail extends generally from the northern-most point of the LBI Property to the southern-most point of the LBI property meandering along on and off the west bank of the North Fork of the Payette River, subject to the same privileges and the same responsibilities as the other Owners of lots within the LBI property specifically related to the River Trail System. So long as Sage owns land within the LBI Property, the parties shall share in the maintenance, repair, upkeep, snow removal, and grooming of the River Trail System in conformance with the Maintenance Agreement attached hereto as Exhibit J. Sage covenants and agrees that only owners of lots within the LBI Property shall have access and the right to use the River Trail System. Sage agrees that this granted right is and shall be exclusive to lot owners within the LBI Property. The parties agree that lot owners within the LBI Property may vote to share that portion of the River Trail System located to the north and to the south of the Property identified

in Exhibit K

with other parties who do not own lots within the LBI Property provided there is approval by a 51% majority vote of all owners of sold platted lots in the LBI Property approving any such use.

This provision shall be construed to be applied so that only persons who have purchased platted lots shall have one vote per lot.

Sage can grant access to the built amenities on the river trail system north & south of the Wildlife Preserve.

24. All conveyances provided for by this Agreement shall be subject to all governmental dedications and utility easements of record.

*16
9 Feb 07
1610*

25. The parties acknowledge that Sage intends to establish an equestrian center in the southern portion of the LBI Property. Sage agrees that this center will be established for the principal use and enjoyment of owners of individual platted lots within the LBI Property and their personal invitees. However, the parties agree that Sage, or its successors, may offer incidental boarding and equestrian uses to third parties not including invitees and guests of Blackhawk Residents so long as such services are incidental to and comprise less than fifteen percent (15%) of the center's business. The parties agree that no horses will be permitted in Easement Area B, the Reserve, or in Blackhawk Lake Phases I-V.

26. In the event any party hereto claims that any other party has breached any provision of this Agreement, the complaining party shall deliver a written notice of such breach to the party alleged to have been responsible therefore, reasonably describing the alleged breach (with copies of the said notice to be contemporaneously delivered to all other parties to this Agreement), and the party alleged have been responsible for the breach shall have thirty (30) days after receipt thereof in which to remedy the breach complained of, if cure is reasonably possible. No litigation shall be commenced by any party hereto without such notice and opportunity to cure (if applicable) having first been accorded to the party claimed to be responsible for such breach. In the event of such permitted litigation, the prevailing party therein shall be entitled to recover reasonable attorneys fees incurred in the course of such litigation, in addition to costs and other relief.

27. This Agreement constitutes the entire agreement and understanding of the parties and supersedes all prior agreements, commitments, or negotiations between them concerning the subject matter this Agreement. There are no representations, agreements, contracts or understandings, whether written or oral, concerning the subject matter this Agreement other than



those set forth or specifically referred to herein. The foregoing notwithstanding, it is acknowledged that Sage and LBI have, contemporaneously with this Agreement, entered into an agreement strictly between themselves that concerns the rights, duties and obligations set forth herein.

28. The parties hereto have relied upon their own investigation into the facts and upon the advice of their respective independent legal counsel and enter into this Agreement as their free and voluntary act.

29. This Agreement shall be controlled by the laws of the state of Idaho. The parties acknowledge that this Agreement is the result of a cooperative effort between them and their independent counsel, and that in the event of any dispute over the meaning or effect of any provision herein, the rule of interpretation of ambiguous terms against the drafting party shall have no application.

30. The parties enter into this Agreement to amicably resolve issues and controversies between them and to avoid the cost and distraction of continued litigation. Therefore, this Agreement is not and shall not be portrayed as an admission or assertion of the strength or weakness, or of the validity or invalidity of any position previously taken by any party with respect to the matters set forth herein.

31. All notices of communications provided for herein shall be addressed to the parties at the following addresses. It is agreed that all notices that the Lake Lot Owners are entitled to receive may be delivered to the BLPOA in care of Advantage Idaho, and the BLPOA shall have the responsibility to reasonably communicate with and inform its membership with respect thereto. Similarly, copies of any notice that the BLPOA may send to Sage and LBI, or either of them, in conformity with any requirement of this Agreement, need not be sent by the

BLPOA to each individual Lake Lot Owner, but the BLPOA shall nevertheless have responsibility for reasonably communicating the contents of each such notice to individual Lake Lot Owners.

BLPOA: C/O Advantage Idaho
PO Box 140273
Garden City, ID 83714

Sage: 112 N. Third Street
McCall, ID 83638

LBI: 8749 W. Hackamore Drive
Boise, Idaho 83709

32. This agreement may not be amended or modified except by a writing signed by Sage, LBI and the BLPOA (in which case, such execution by the BLPOA shall, after it has given reasonable notice of its intention to do so to its membership, shall bind the individual Lake Lot Owners).

33. If any provision of this Agreement is held to be unenforceable by any court of competent jurisdiction, such provision shall be severed and all remaining provisions shall survive and continue in full force and effect.

34. This Agreement may be executed in several counterparts, no one of which need be executed by all other parties, all of which shall collectively constitute a fully executed original copy of this Agreement.

35. The parties agree to execute any and all agreements or documents reasonably necessary to effectuate the terms and agreements contained herein.

36. Sage shall, within thirty (30) days after the Effective Date of this Agreement, file a Memorandum of Agreement with the Valley County Recorder, giving constructive notice of the existence of this Agreement, the lot density limitations set forth above, and further giving

Sage will not oppose LBI's Blackhawk Lake phases 3, 4, +
Payette River Phase III development

Boise 2006743 0063599-00004

Handwritten notes and initials: "RW", "9 Feb 07", "16/10", and a circled "17".

Sima Muroff 2/9/07
 Sima Muroff,
 Partners, LLC
 Manager of Blackhawk
 @ 7:45 P.T.

APPROVED:

STOEL RIVES

Mark S. Geston 2/13/07
 Mark S. Geston, of the Firm
 Attorneys for Defendants

STATE OF IDAHO)

County of Manon)

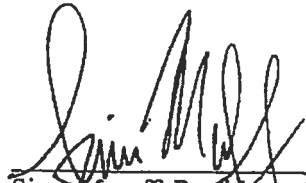
) ss.

On this 9 day of February, 2007, before me, *Joan E. Cuff*, a notary public in and for said state, personally appeared Sima Muroff, ~~Manager~~ of Blackhawk Partners, LLC, known or identified to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that she executed the same and that the statements therein contained are true.

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



Joan E. Cuff
 Notary Public for Idaho
 My commission expires 5/20/10


Sima Muroff, President of Sage SGI, LLC
Manager
2/9/07 @ 1:45 P.T.

APPROVED:

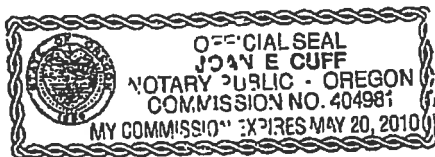
STOEL RIVES

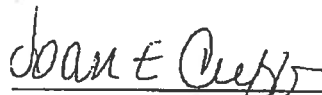
Mark S. Geston, of the Firm
Attorneys for Defendants

STATE OF IDAHO)
County of Marion) ss.

On this 9 day of February, 2007, before me, Joan E. Cuff, a notary public in and for said state, personally appeared Sima Muroff, manager of Sage SGI, LLC, known or identified to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that she executed the same and that the statements therein contained are true.

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



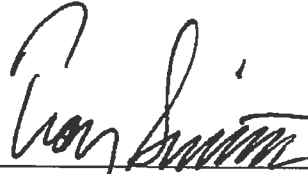


Notary Public for Idaho
My commission expires 5/20/10

2/



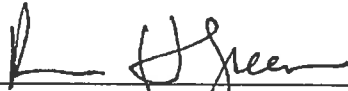
constructive notice of the limitation on the business of the equestrian center set forth in paragraph 25, above.



Troy Smith, President of the Blackhawk
Lake Property Owners Association

APPROVED:

GREENER BANDUCCI SHOEMAKER, P.A.



Richard H. Greener, of the Firm
Attorneys for Plaintiffs

STATE OF IDAHO)
) ss.
County of Ada)

On this 8th day of February, 2007, before me, Heather Maynard a notary public in and for said state, personally appeared Troy Smith, president of the Blackhawk Lake Property Owners Association, known or identified to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that she executed the same and that the statements therein contained are true.

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



Notary Public for Idaho

My commission expires 5.21.2010

Thy Barnes Girner
LORI BARNES GIRNER V.P. of L. B.
Industries, Inc.

APPROVED:

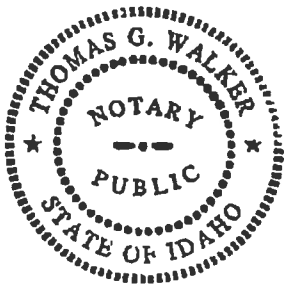
COSHO HUMPHREY, LLP

Thomas A. Walker
Thomas A. Walker, of the Firm
Attorneys for L. B. Industries, Inc.

STATE OF IDAHO)
) ss.
County of ADA)

On this 9th day of February, 2007, before me, THOMAS G. WALKER a notary public in and for said state, personally appeared LORI GIRNER VICE-PRES of L. B. Industries, Inc., known or identified to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that she executed the same and that the statements therein contained are true.

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

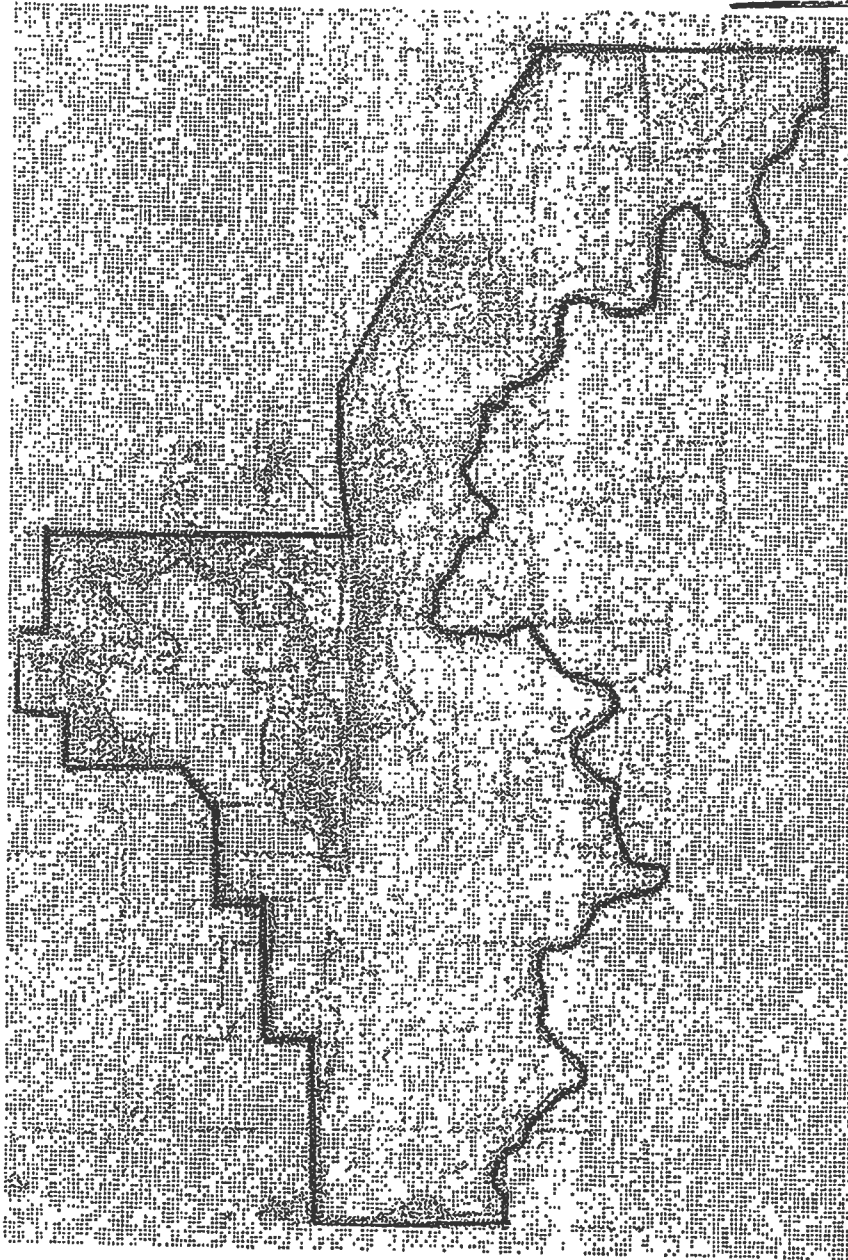


Thomas G. Walker
Notary Public for Idaho
My commission expires 3/20/2007

EXHIBIT A

BLACKHAWK
EXHIBIT A
~~CONSERVATION EASEMENT~~

[Signature]
LBI Property



BLACKHAWK

112 N. 3RD STREET, MCAL, IDAHO 83401 TEL: 208-637-8073 WWW.BLACKHAWKRECREATION.COM

 The features and amenities described and depicted herein are based upon current development plans and subject to change by the Company in its sole discretion without notice. This material shall not constitute an offer or solicitation in any jurisdiction where the legal requirements for such an offering have not been met. Offered by McCall Real Estate. WARNING: THE CALIFORNIA DEPARTMENT OF REAL ESTATE HAS NOT INSPECTED, EXAMINED, OR QUALIFIED THIS OFFERING.

EXHIBIT A = Boundary Map of Perimeter of LBI Property

[Signature]
9 Feb 07
1610

EXHIBIT A**LEGAL DESCRIPTION OF BLACKHAWK**

A parcel of land situated in portions of Sections 25, 35 and 36 of Township 18 North, Range 2 East, Sections 30 and 31 of Township 18 North, Range 3 East, and Sections 1, 2, 11 and 12 of Township 17 North, Range 2 East, Boise Meridian, Valley County, Idaho, and more particularly described as follows:

BEGINNING at the W 1/4 corner of said Section 30, said point also being the NW corner of Government Lot 11 of said section, from which corner the NW corner of said section bears N.00°22'24"W., 2646.19 feet; thence, along the North line of said Government Lot 11,

S.89°46'13"E., 1352.79 feet to the NE corner of the NW 1/4 of the SW 1/4 of said Section 30, said point also being the NE corner of said Government Lot 11; thence, along the East line of said Government Lot 11,

S.01°12'55"E., 644.89 feet to the right bank of the North Fork of the Payette River; thence, along said right bank through said Sections, the following courses:

S.83°10'04"W., 209.91 feet; thence,

S.36°01'39"W., 301.29 feet; thence,

S.11°18'36"W., 254.14 feet; thence,

S.44°34'09"W., 260.41 feet; thence,

S.66°02'15"W., 218.17 feet; thence,

S.22°04'04"W., 442.20 feet; thence,

S.01°01'23"W., 310.17 feet; thence,

S.35°04'51"E., 237.70 feet; thence,

S.30°04'07"E., 91.19 feet; thence,

S.08°49'13"E., 81.26 feet; thence,

S.20°18'46"W., 142.21 feet; thence,

S.34°00'09"W., 175.86 feet; thence,

S.60°11'49"W., 149.72 feet; thence,

N.88°50'42"W., 280.49 feet; thence,

N.64°33'00"W., 235.09 feet; thence,

N.11°18'01"W., 120.19 feet; thence,

N.14°59'57"E., 298.79 feet; thence,

N.32°44'08"W., 210.21 feet; thence,

N.44°23'02"W., 128.57 feet; thence,

N.62°03'46"W., 146.05 feet; thence,
S.74°13'58"W., 172.67 feet; thence,
S.48°36'30"W., 153.75 feet; thence,
S.33°16'46"W., 241.82 feet; thence,
S.06°06'44"W., 585.46 feet; thence,
S.02°11'19"W., 406.34 feet; thence,
S.33°53'46"W., 153.92 feet; thence,
S.68°37'46"W., 147.91 feet; thence,
S.87°55'03"W., 219.74 feet; thence,
N.66°59'28"W., 316.65 feet; thence,
N.36°21'29"W., 84.28 feet; thence,
S.88°39'36"E., 341.46 feet; thence,
S.54°11'48"W., 150.15 feet; thence,
S.27°38'46"W., 94.65 feet; thence,
S.09°29'58"W., 254.02 feet; thence,
S.07°39'28"E., 239.70 feet; thence,
S.20°49'31"W., 174.07 feet; thence,
S.38°58'21"W., 226.53, thence,
S.26°33'54"W., 116.06 feet; thence,
S.65°39'32"W., 276.07 feet; thence,
N.87°23'51"W., 131.89 feet; thence,
S.71°08'49"W., 86.49 feet; thence,
S.36°07'57"W., 105.05 feet; thence,
S.04°28'02"E., 128.15 feet; thence,
S.38°39'35"W., 51.13 feet; thence,
N.88°02'51"W., 175.78 feet; thence,
S.75°57'50"W., 90.54 feet; thence,
S.01°34'10"E., 145.78 feet; thence,

S.36°36'25"W., 87.04 feet; thence,
S.01°52'04"E., 183.76 feet; thence,
S.43°36'10"W., 86.84 feet; thence,
S.32°35'33"W., 289.07 feet; thence,
S.28°08'30"W., 97.35 feet; thence,
S.10°41'06"E., 53.84 feet; thence,
S.26°33'54"E., 107.13 feet; thence,
S.67°14'56"E., 67.11 feet; thence,
S.09°27'44"E., 121.43 feet; thence,
S.50°47'34"E., 195.80 feet; thence,
S.58°09'27"E., 223.25 feet; thence,
S.00°00'00"W., 70.87 feet; thence,
S.64°43'20"W., 158.95 feet; thence,
S.06°34'55"W., 104.50 feet; thence,
S.19°58'59"E., 70.10 feet; thence,
S.56°36'41"W., 105.20 feet; thence,
N.86°59'14"W., 37.98 feet; thence,
S.72°13'43"W., 163.51 feet; thence,
S.41°00'33"W., 60.85 feet; thence,
S.15°43'55"W., 368.13 feet; thence,
S.57°39'09"W., 70.89 feet; thence,
S.27°49'27"W., 162.52 feet; thence,
S.50°35'58"W., 72.34 feet; thence,
S.70°33'36"W., 107.97 feet; thence,
S.20°13'29"W., 161.69 feet; thence,
S.48°59'27"E., 60.85 feet; thence,
S.17°33'44"W., 135.58 feet; thence,
S.41°59'14"W., 94.00 feet; thence,

S.14°12'57"W., 154.45 feet; thence,
S.15°35'34"E., 89.12 feet; thence,
S.58°10'09"E., 162.42 feet; thence,
S.60°15'18"E., 284.88 feet; thence,
N.58°08'02"E., 219.91 feet; thence,
S.71°13'43"E., 407.85 feet; thence,
N.63°09'11"E., 223.55 feet; thence,
N.58°55'15"E., 215.12 feet; thence,
S.66°22'14"E., 88.16 feet; thence,
S.30°57'50"E., 397.35 feet; thence,
S.16°37'15"E., 88.24 feet; thence,
S.43°12'07"E., 398.18 feet; thence,
S.59°19'52"E., 126.18 feet; thence,
S.77°47'58"E., 288.63 feet; thence,
S.64°44'49"E., 147.90 feet; thence,
S.11°32'48"E., 239.57 feet; thence,
S.33°41'24"W., 172.90 feet; thence,
N.80°32'16"W., 76.76 feet; thence,
S.51°39'33"W., 353.97 feet; thence,
N.73°08'30"W., 87.03 feet; thence,
S.29°36'07"W., 74.02 feet; thence,
S.01°14'24"E., 291.58 feet; thence,
S.35°31'20"E., 175.98 feet; thence,
S.12°39'09"E., 63.37 feet; thence,
S.57°18'08"E., 232.44 feet; thence,
S.67°23'59"E., 285.69 feet; thence,
S.13°28'53"W., 271.65 feet; thence,
S.09°07'56"E., 374.34 feet; thence,

S.18°59'48"E., 462.74 feet; thence,
S.77°59'19"E., 155.48 feet; thence,
S.88°56'21"E., 263.67 feet; thence,
S.57°25'33"E., 104.28 feet; thence,
S.01°28'08"E., 95.23 feet; thence,
S.29°25'39"W., 109.30 feet; thence,
S.55°07'29"W., 294.56 feet; thence,
S.69°00'13"W., 81.75 feet; thence,
N.86°02'07"W., 247.13 feet; thence,
N.65°13'29"W., 104.85 feet; thence,
S.68°43'47"W., 388.72 feet; thence,
N.86°25'25"W., 158.53 feet; thence,
S.48°33'06"W., 250.76 feet; thence,
S.08°07'48"W., 172.60 feet; thence,
S.12°27'54"E., 237.49 feet; thence,
S.24°24'28"E., 159.49 feet; thence,
S.40°14'11"E., 290.98 feet; thence,
S.27°27'25"W., 278.04 feet; thence,
N.89°22'55"W., 341.03 feet; thence,
S.47°44'37"W., 282.90 feet; thence,
S.10°18'17"W., 109.16 feet; thence,
S.05°02'33"E., 166.63 feet; thence,
S.21°43'18"E., 323.19 feet; thence,
S.02°49'38"W., 197.96 feet; thence,
N.16°56'39"W., 117.37 feet; thence,
S.45°30'58"W., 95.80 feet; thence,
S.15°28'47"E., 384.94 feet; thence,
S.47°29'22"E., 218.55 feet; thence,

S.49°51'04"E., 469.44 feet; thence,
S.19°01'32"E., 149.76 feet; thence,
S.17°06'10"W., 66.40 feet; thence,
S.55°10'32"W., 102.59 feet; thence,
S.50°11'40"W., 190.65 feet; thence,
N.71°43'56"W., 132.38 feet; thence,
S.47°43'35"W., 145.15 feet; thence,
S.37°43'05"W., 371.07 feet; thence,
N.49°23'55"W., 45.01 feet; thence,
S.46°04'51"W., 45.75 feet; thence,
S.22°06'34"E., 42.16 feet; thence,
S.22°24'07"W., 180.20 feet; thence,
S.18°12'31"W., 97.65 feet; thence,
S.39°28'21"W., 53.76 feet; thence,
S.74°21'28"W., 165.15 feet; thence,
S.33°29'05"W., 278.06 feet; thence,
S.26°23'14"W., 175.76 feet; thence,
S.00°42'42"W., 98.26 feet; thence,
S.39°45'38"E., 198.46 feet; thence,
S.47°33'50"E., 115.76 feet to the center of section line of said section; thence, leaving said right
bank along said section line,
S.00°40'54"W., 190.98 feet to the centerline of that particular 60 foot wide non-exclusive
easement as detailed in Warranty Deed Instrument No. 173995, records of Valley County, Idaho;
thence, along said centerline the following courses:
S.84°40'56"W., 826.14 feet; thence,
N.44°43'11"W., 319.64 feet; thence,
S.88°37'38"W., 350.00 feet; thence,
S.80°16'50"W., 500.00 feet; thence,
S.88°37'38"W., 800.00 feet to the East line of said Section 11; thence, leaving said centerline,
along said east line,

N.00°33'50"E., 1284.38 feet to the E 1/4 corner of said section; thence, continuing along said east line,

N.00°46'29"E., 1321.80 feet to the SE corner of the NE 1/4 of the NE 1/4 of said section; thence, along the south line of said NE 1/4,

N.89°40'40"W., 666.05 feet to the SW corner of the E 1/2 of said NE 1/4 of the NE 1/4; thence, along the west line of said E 1/2,

N.00°55'22"E., 1321.77 feet to the NW corner of said E 1/2 and the SE corner of the W 1/2 of the SE 1/4 of the SE 1/4 of Section 2, Township 17 North, Range 2 East; thence, along the east line of said W 1/2,

N.00°34'21"E., 1317.99 feet to the NE corner of said W 1/2; thence, along the north line of said W 1/2,

N.89°37'17"W., 663.98 feet to the NW corner of said W 1/2 and the SW corner of the NE 1/4 of the SE 1/4 of said section; thence, along the west line of said NE 1/4,

N.00°30'18"E., 1318.84 feet to the NW corner of said NE 1/4; thence,

N.41°05'24"W., 794.05 feet; thence,

N.89°30'44"W., 422.04 feet to the southeasterly corner of the exterior boundary of Blackhawk Lake Estates - Phase IV, as shown on the plat thereof; thence, along the southerly boundary line of said Blackhawk Lake Estates - Phase IV,

N.89°30'44"W., 1060.19 feet; thence, continuing along said boundary and the exterior boundary of Blackhawk Lake Estates - Phase III, as shown on the Plat thereof,

N.00°53'51"E., 726.06 feet to the NE corner of the NW 1/4 of the SE 1/4 of the NW 1/4 of said Section 2; thence, along said boundary and the exterior boundary of Blackhawk Lake Estates - Phase II as shown on the Plat thereof filed in Book 8 of Plats at Page 82, Records of Valley County, Idaho and recorded under Instrument No. 221848,

N.89°31'37"W., 675.22 feet to the NW corner of said SE 1/4 of the NW 1/4 of said section; thence, along the West line of the NE 1/4 of the NW 1/4,

N.01°10'29"E., 1092.00 feet to the NW corner of the NE 1/4 of the NW 1/4 of said section; thence, along said boundary and along the Section line shared by said Section 2, Township 17 North, Range 2 East and Section 35, Township 18 North, Range 2 East,

S.89°47'39"E., 412.08 feet to the SW corner of the SE 1/4 of the SW 1/4 of said Section 35; thence, along said boundary and the West line of said SE 1/4,

N.00°33'38"E., 1321.97 feet to the NW corner of said SE 1/4; thence, along the North line of said SE 1/4 and along said boundary and the exterior boundary of Blackhawk Lake Estates - Phase I as shown on the Plat thereof filed in Book 8 of Plats at Page 36, Records of Valley County, Idaho and recorded under Instrument No. 198036,

S.89°45'28"E., 1329.62 feet to the NE corner of said SE 1/4 and NW corner of the S 1/2 of the SE 1/4 of said section; thence, continuing along said boundary and along the North line of said S 1/2 and the extension of said North line,

S.89°40'52"E., 2678.01 feet to the S 1/16 corner common to Sections 35 and 36, Township 18 North, Range 2 East; thence,

N.45°09'00"E., 333.27 feet to a non-tangent curve on the centerline of West Mountain Road; thence, along said centerline the following courses:

Northwesterly along said curve to the left having a radius of 2400.00 feet, an arc length of 188.03 feet, through a central angle 04°29'20", and a chord bearing and distance of N.04°30'00"W., 187.98 feet; thence, tangent from said curve,

N.06°44'40"W., 970.14 feet to the beginning of a tangent curve; thence,

Northeasterly along said curve to the right having a radius of 1400.00 feet, an arc length of 819.09 feet, through a central angle 33°31'18", and a chord bearing and distance of N.10°00'59"E., 807.45 feet; thence, tangent from said curve,

N.26°46'38"E., 1848.88 feet to the beginning of a tangent curve; thence,

Northeasterly along said curve to the right having a radius of 4000.00 feet, an arc length of 525.65 feet, through a central angle 07°31'46", and a chord bearing and distance of N.30°32'31"E., 525.28 feet; thence, tangent from said curve,

N.34°18'24"E., 2314.25 feet to the beginning of a tangent curve; thence,

Northeasterly along said curve to the left having a radius of 2392.34 feet, an arc length of 488.15 feet, through a central angle 11°09'51", and a chord bearing and distance of N.28°43'29"E., 465.41 feet; thence, tangent from said curve and leaving said centerline,

S.89°47'52"E., 2398.66 feet to the POINT OF BEGINNING.

CONTAINING 1570.40 acres, more or less.

SUBJECT TO all Covenants, Rights, Right-of-Way, Easements of Record and all other encumbrances.

AND INCLUDING THE FOLLOWING [LEGAL DESCRIPTION OF BLACKHAWK TREATMENT PLANT]:

A parcel of land situated in a portion of the E ½ of the SE ¼ of Section 25, Township 18 North, Range 2 East, and a portion of Government Lot 11 of Section 30, Township 18 North, Range 3 East; Boise Meridian, Valley County, Idaho, and more particularly described as follows:

BEGINNING at the W ¼ corner of said Section 30, said point also being the NW corner of Government Lot 11 of said Section; thence, along the northerly line of said Government Lot 11,

S.89°46'13"E., 174.40 feet; thence,

S.06°35'19"E., 703.51 feet; thence,

S.40°32'35"W., 573.94 feet; thence,

S.64°06'24"W., 567.92 feet; thence,

S.83°09'45"W., 449.58 feet; thence,

N.03°28'32"W., 1528.95 feet to said northerly line; thence, along said line,

S.89°47'52"E., 1117.11 feet to the POINT OF BEGINNING.

CONTAINING 37.95 acres, more or less.

SUBJECT TO all Covenants, Rights, Rights-of-Way, Easements of Record and all encumbrances.

EXCEPT THE FOLLOWING [DESCRIPTION OF BLACKHAWK LAKE ESTATES]:

All of "Blackhawk Lake Estates, Phase I", as shown on the official plat thereof, filed in Book 8 of Plats, at Page 38, as Instrument No. 198035; "Blackhawk Lake Estate, Phase II", as shown on the official plat thereof, filed in Book 8 of Plats, Page 82, as Instrument No. 221848; and the "Amended Plat of Blackhawk Lake Estates, Phase I", filed in Book 8 of Plats, Page 54, as Instrument No. 208204; all situated in a portion of Sections 35 and 36, Township 18 North, Range 2 East; and Sections 1 and 2 of Township 17 North, Range 2 East, Boise Meridian, Valley County, Idaho, more particularly described as follows:

BEGINNING at the NE corner of the SE 1/4 of the SE 1/4 of said Section 35, from which corner, the Southeast corner of said Section bears S.01°00'51"W., 1323.25 feet; thence, along the exterior boundary of the aforementioned plats, the following courses:

S.04°00'59"E., 243.46 feet; thence,

S.02°30'45"W., 515.00 feet; thence,

S.09°30'45"W., 809.00 feet; thence,

S.60°30'45"W., 200.00 feet; thence,

S.85°30'45"W., 158.32 feet; thence,

S.10°59'15"E., 50.75 feet to the beginning of a tangent curve; thence,

Along said curve to the right having a radius of 871.39 feet, an arc length of 439.27 feet, through a central angle of 28°52'58", and a chord bearing and distance of S.03°27'14"W., 434.83 feet; thence, tangent from said curve,

S.64°29'15"E., 194.55 feet; thence,

S.33°59'15"E., 230.00 feet; thence,

S.10°29'15"E., 354.00 feet; thence,

S.03°30'45"W., 363.76 feet; thence,

S.69°33'39"W., 305.34 feet to the beginning of a tangent curve; thence,

Along said curve to the right having a radius of 315.00 feet, an arc length of 312.96 feet, through a central angle of $58^{\circ}55'28''$, and a chord bearing and distance of $S.19^{\circ}01'32''E.$, 300.24 feet; thence, tangent from said curve,

$S.09^{\circ}26'11''W.$, 101.65 feet to the beginning of a tangent curve; thence,

Along said curve to the left having a radius of 425.00 feet, an arc length of 245.90 feet, through a central angle of $33^{\circ}09'02''$, and a chord bearing and distance of $S.07^{\circ}08'20''E.$, 242.48 feet; thence, tangent from said curve,

$S.23^{\circ}42'51''E.$, 166.21 feet to the beginning of a tangent curve; thence,

Along said curve to the right having a radius of 335.00 feet, an arc length of 336.56 feet, through a central angle of $57^{\circ}33'48''$, and a chord bearing and distance of $S.05^{\circ}04'03''W.$, 322.59 feet; thence, tangent from said curve,

$S.33^{\circ}50'58''W.$, 123.25 feet to the beginning of a tangent curve; thence,

Along said curve to the left having a radius of 90.00 feet, an arc length of 182.18 feet, through a central angle of $115^{\circ}58'49''$, and a chord bearing and distance of $S.24^{\circ}08'27''E.$, 152.63 feet; thence, tangent from said curve,

$S.82^{\circ}07'51''E.$, 218.41 feet; thence,

$S.07^{\circ}52'09''W.$, 70.00 feet; thence,

$N.82^{\circ}07'51''W.$, 218.41 feet to the beginning of a tangent curve; thence,

Along said curve to the right having a radius of 160.00 feet, an arc length of 323.88 feet, through a central angle of $115^{\circ}58'49''$, and a chord bearing and distance of $N.24^{\circ}08'26''W.$, 271.35 feet; thence, tangent from said curve,

$N.33^{\circ}50'58''E.$, 123.25 feet to the beginning of a tangent curve; thence,

Along said curve to the left having a radius of 265.00 feet, an arc length of 234.95 feet, through a central angle of $50^{\circ}47'57''$, and a chord bearing and distance of $N.08^{\circ}26'59''E.$, 227.33 feet; thence, tangent from said curve,

$S.54^{\circ}30'45''W.$, 176.27 feet; thence,

$N.55^{\circ}29'15''W.$, 288.00 feet; thence,

$N.75^{\circ}29'15''W.$, 220.00 feet; thence,

$N.12^{\circ}29'15''W.$, 398.00 feet; thence,

$N.64^{\circ}29'15''W.$, 125.00 feet; thence,

$N.28^{\circ}29'15''W.$, 266.00 feet; thence,

$N.11^{\circ}30'45''E.$, 260.00 feet; thence,

$N.00^{\circ}30'45''E.$, 90.00 feet; thence,

$N.09^{\circ}29'15''W.$, 90.00 feet; thence,

N.11°30'45"E., 130.00 feet; thence,
N.21°30'45"E., 375.00 feet; thence,
N.01°30'45"E., 290.00 feet; thence,
N.72°29'15"W., 260.00 feet; thence,
N.29°54'00"W., 176.14 feet; thence,
S.89°42'02"E., 571.50 feet; thence,
N.00°17'58"E., 660.00 feet; thence,
N.89°42'02"W., 627.61 feet; thence,
N.04°53'06"W., 220.24 feet; thence,
N.39°29'15"W., 130.00 feet; thence,
N.14°30'45"E., 250.00 feet; thence,
N.37°29'15"W., 47.00 feet; thence,
S.82°30'45"W., 318.00 feet; thence,
N.49°29'15"W., 290.00 feet; thence,
N.25°29'15"W., 230.00 feet; thence,
N.85°29'15"W., 90.00 feet; thence,
S.44°30'45"W., 305.00 feet; thence,
S.68°30'45"W., 440.00 feet; thence,
N.69°29'15"W., 440.00 feet; thence,
N.89°29'15"W., 210.48 feet; thence,
S.81°30'45"W., 52.00 feet; thence,
S.38°52'15"E., 223.00 feet; thence,
S.44°59'04"E., 351.82 feet; thence,
S.36°11'56"E., 289.08 feet; thence,
S.63°10'29"E., 100.08 feet; thence,
S.88°04'54"E., 163.00 feet; thence,
S.59°19'43"E., 271.45 feet; thence,
S.38°38'35"E., 179.59 feet; thence,

S.15°46'21"E., 94.35 feet; thence,
S.19°46'43"W., 96.94 feet; thence,
S.26°00'32"W., 162.72 feet; thence,
S.69°19'35"W., 140.27 feet; thence,
N.84°48'37"W., 154.88 feet; thence,
N.74°09'31"W., 251.42 feet; thence,
N.72°33'26"W., 188.73 feet; thence,
S.41°35'22"W., 29.03 feet; thence,
N.60°40'36"W., 44.96 feet; thence,
S.39°32'45"W., 151.35 feet; thence,
S.31°56'52"W., 149.42 feet; thence,
N.55°08'09"W., 431.83 feet; thence,
S.89°19'53"W., 176.31 feet to the beginning of a tangent curve; thence,

Along said curve to the left having a radius of 312.60 feet, an arc length of 105.78 feet, through a central angle of 19°23'18", and a chord bearing and distance of S.10°12'24"W., 105.28 feet; thence, tangent from said curve,

S.00°30'45"W., 215.74 feet; thence,
S.00°56'33"E., 157.37 feet; thence,
S.78°50'17"W., 296.00 feet; thence,
S.20°19'15"E., 168.40 feet; thence,
N.89°31'37"W., 330.91 feet; thence,
N.01°10'29"E., 1092.00 feet; thence,
S.89°47'39"E., 412.08 feet; thence,
N.00°33'38"E., 1321.97 feet; thence,
S.89°45'28"E., 1329.62 feet; thence,
S.89°40'52"E., 2678.01 feet to the POINT OF BEGINNING.

CONTAINING 167.46 acres, more or less

SUBJECT TO all Covenants, Rights, Right-of-way, Easements of Record and all other Encumbrances

BUT INCLUDING THE FOLLOWING, COMMON AREA LOTS AND PRIVATE ROADS

BLACKHAWK LAKE ESTATES, PHASE I

Open space/common areas Parcels A,B,C,E,F & G; private roads identified as Blackhawk Lake Drive, Whispering Pines Court, Stillwater Court, North Wood Court, and Mariah Court, all as depicted on the Amended Plat of Blackhawk Lake Estates, Phase I, filed in Book 8, Page 54 of Plats and recorded as Instrument No. 208204 in the records of Valley County, Idaho.

BLACKHAWK LAKE ESTATES, PHASE II

Open space areas Parcel 1, Parcel 2, Parcel 3, Parcel 4; and private roads identified as Parcel 5, Blackhawk Lake Drive, Loon Pint Court and Woodduck Court, all as depicted on the plat of Blackhawk Lake Estates, Phase II, filed in Book 8, Page 82 of Plats and recorded as Instrument No. 221848 in the records of Valley County, Idaho.

AND EXCEPT THE FOLLOWING [DESCRIPTION OF BLACKHAWK RANCH, PHASES 1, 2 AND 3]:

A parcel of land being all of Blackhawk Ranch Subdivision Phase 1, 2 and 3 situated in portions of Sections 25 and 36 of Township 18 North, Range 2 East, and Section 1 of Township 17 North, Range 2 East, Boise Meridian, Valley County, Idaho, more particularly described as follows:

BEGINNING at a 2 inch aluminum cap on the easterly right-of-way line of West Mountain Road marking the Point of Beginning and southwest corner of Blackhawk Ranch No. 3, as shown on the official plat thereof on file as Instrument No. 255795 in Book 9, Page 25 of Plats, records of Valley County, Idaho; thence, along said easterly right-of-way line,

N.26°46'38"E., 1878.82 feet to the beginning of a tangent curve; thence,

Along said curve to the right having a radius of 3961.72 feet, an arc length of 149.18 feet, through a central angle 02°09'27", and a chord bearing and distance of N.27°51'22"E., 149.18 feet to the northeasterly corner of said Blackhawk Ranch No. 3; thence, leaving said right-of-way line, along said exterior boundary line of Blackhawk Ranch Phase 1, 2 and 3 the following courses:

S.90°00'00"E., 727.90 feet; thence,

S.45°39'43"E., 214.04 feet to a non-tangent curve on the right-of-way line of Oneida Drive; thence, along said right-of-way line,

Along said curve to the left having a radius of 318.85 feet, an arc length of 114.24 feet, through a central angle 20°31'42", and a chord bearing and distance of N.25°03'46"E., 113.83 feet to the beginning of a non-tangent curve; thence,

Along said curve to the right having a radius of 60.00 feet, an arc length of 302.05 feet, through a central angle 288°25'59", and a chord bearing and distance of S.79°34'05"E., 70.17 feet to a non-tangent curve; thence,

Along said curve to the right having a radius of 388.85 feet, an arc length of 144.66 feet, through a central angle 21°18'56", and a chord bearing and distance of S.24°40'09"W., 143.83 feet; thence, leaving said curve, and said right-of-way line,

S.33°12'02"E., 389.15 feet; thence,

S.26°11'14"W., 144.15 feet to a non-tangent curve on the northerly right-of-way line of Bruneau Drive, thence, along said right-of-way line,

Along said curve to the right having a radius of 120.00 feet, an arc length of 108.57 feet, through a central angle $50^{\circ}52'53''$, and a chord bearing and distance of $S.43^{\circ}02'40''E.$, 103.10 feet; thence, tangent from said curve,

$S.17^{\circ}36'13''E.$, 200.79 feet to a non-tangent curve; thence,

Along said curve to the right having a radius of 60.00 feet, an arc length of 203.98 feet, through a central angle $194^{\circ}45'55''$, and a chord bearing and distance of $S.25^{\circ}27'52''W.$, 119.01 feet; thence, leaving said curve, and said right-of-way line,

$S.32^{\circ}13'03''W.$, 163.30 feet; thence,

$S.10^{\circ}24'15''E.$, 294.82 feet; thence,

$N.81^{\circ}13'34''W.$, 283.97 feet; thence,

$N.73^{\circ}10'28''W.$, 365.79 feet; thence,

$N.85^{\circ}27'49''W.$, 365.11 feet; thence,

$S.75^{\circ}07'14''W.$, 213.19 feet; thence,

$S.60^{\circ}12'06''W.$, 159.80 feet; thence,

$S.39^{\circ}52'10''W.$, 137.95 feet; thence,

$S.22^{\circ}43'49''W.$, 131.59 feet; thence,

$S.15^{\circ}35'01''W.$, 227.60 feet; thence,

$S.08^{\circ}48'00''E.$, 203.30 feet; thence,

$S.24^{\circ}46'00''E.$, 143.20 feet; thence,

$S.34^{\circ}19'00''E.$, 140.40 feet; thence,

$S.38^{\circ}18'00''E.$, 178.22 feet; thence,

$N.59^{\circ}00'00''E.$, 53.03 feet; thence,

$S.25^{\circ}00'00''E.$, 33.83 feet; thence,

$S.22^{\circ}00'00''W.$, 125.00 feet; thence,

$S.22^{\circ}26'00''E.$, 92.30 feet; thence,

$S.32^{\circ}27'00''E.$, 181.56 feet; thence,

$S.06^{\circ}26'00''E.$, 365.00 feet; thence,

$S.80^{\circ}00'00''W.$, 208.00 feet; thence,

$S.52^{\circ}00'00''W.$, 185.00 feet; thence,

$S.42^{\circ}39'00''W.$, 196.19 feet; thence,

S.22°16'35"W., 61.28 feet; thence,
S.89°59'36"W., 119.55 feet; thence,
S.25°42'16"E., 119.36 feet; thence,
S.09°35'43"W., 70.43 feet; thence,
S.25°26'58"E., 170.50 feet; thence,
S.31°35'23"E., 158.53 feet; thence,
S.13°29'30"E., 233.38 feet; thence,
S.04°27'49"W., 70.54 feet; thence,
S.09°30'00"W., 112.00 feet; thence,
S.16°00'00"E., 173.00 feet; thence,
S.26°24'08"W., 121.92 feet; thence,
S.01°30'07"E., 63.92 feet; thence,
S.37°18'24"W., 115.45 feet; thence,
S.26°12'36"W., 155.29, thence,
S.18°57'17"W., 150.01 feet; thence,
S.07°40'22"W., 176.36 feet; thence,
S.05°53'11"W., 192.91 feet; thence,
S.08°08'41"W., 162.74 feet; thence,
S.02°37'41"E., 139.25 feet; thence,
S.12°16'32"E., 135.82 feet; thence,
S.38°32'38"E., 164.95 feet; thence,
S.25°59'15"E., 196.44 feet; thence,
S.34°22'07"E., 280.74 feet; thence,
S.30°05'23"W., 208.14 feet; thence,
S.77°11'07"W., 275.01 feet; thence,
S.56°45'59"W., 221.88 feet; thence,
S.76°00'00"W., 100.00 feet; thence,
N.60°00'00"W., 137.00 feet; thence,

N.85°15'43"W., 107.74 feet to the easterly right-of-way line of West Mountain Road; thence, along said right-of-way line,

N.04°44'17"E., 822.63 feet to the beginning of a tangent curve; thence,

Along said curve to the left having a radius of 10040.00 feet, an arc length of 291.76 feet, through a central angle 01°39'54", and a chord bearing and distance of N.03°54'20"E., 291.75 feet; thence, tangent from said curve,

N.03°04'23"E., 1689.33 feet to the beginning of a tangent curve; thence,

Along said curve to the left having a radius of 2440.00 feet, an arc length of 412.47 feet, through a central angle 09°41'08", and a chord bearing and distance of N.01°46'11"W., 411.98 feet; thence, non-tangent from said curve,

N.06°38'35"W., 987.32 feet to the beginning of a tangent curve; thence,

Along said curve to the right having a radius of 1360.00 feet, an arc length of 792.80 feet, through a central angle 33°24'01", and a chord bearing and distance of N.10°03'25"E., 781.62 feet; thence, non-tangent from said curve,

N.26°46'39"E., 170.05 feet to the POINT OF BEGINNING.

CONTAINING 121.99 acres, more or less.

SUBJECT TO all Covenants, Rights, Right-of-Way, Easements of Record and any other encumbrances.

BUT INCLUDING THE FOLLOWING COMMON AREA LOTS AND PRIVATE ROADS:

BLACKHAWK RANCH PHASE 1

Common Area No. 1, Common Area No. 2, Common Area No. 3, Common Area No. 4; private roads identified as Sawtooth Court, Whitecloud Court, and Bitterroot Court, all as depicted on the plat of Blackhawk Ranch, Phase I, recorded in Book 8, Pages 82-83 of Plats, as Instrument No. 221851 in the records of Valley County, Idaho.

BLACKHAWK RANCH PHASE 2

Common Areas, and private roads identified as Targhee Court and Lost River Drive, as depicted on the plat of Blackhawk Ranch, Phase II, filed in Book 9, Page 16 of Plats and recorded as Instrument No. 248830 in the records of Valley County, Idaho.

BLACKHAWK RANCH PHASE 3

Common Areas A, B, & C; private roads identified as Cassia Court, Onelda Drive and Minidoka Drive, all as depicted on the plat of Blackhawk Ranch, Phase III, filed in Book 9, Page 26 of Plats and recorded as Instrument No. 255785 in the records of Valley County, Idaho.

AND EXCEPT THE FOLLOWING ["RETAINED PROPERTY"]:

A parcel of land being the proposed plat of Blackhawk Lake Estates, Phases 3 and 4 lying in the N1/2 of Section 2, Township 17 North, Range 2 East, Boise Meridian, Valley County, Idaho, being more particularly described as follows.

COMMENCING at the NW1/16 corner of said Section 2, as shown on the official plat of Blackhawk Lake Estates, Phase 2, filed for record in Book 8 of Plats, Page 82, as Instrument No. 221848, Records of Valley County, Idaho; thence, along the southerly line of Lot 49 of said Blackhawk Lake Estates, Phase 2,

S.89°31'37"E., 330.92 feet to the southeasterly corner of said Lot 49, and the POINT OF BEGINNING; thence, along the easterly line of said Lot 49,

N.20°19'15"W., 168.40 feet to the southwesterly corner of Amended Lot 51, Blackhawk Lake Estates, Phase 2, filed in Book 9 of Plats, at Page 20, as Instrument No. 254380, Records of Valley County, Idaho; thence, along the southerly line of said Lot 51,

N.78°50'17"E., 298.00 feet to the southeasterly corner of said Lot 51; thence, along the easterly line of said Lot the following courses:

N.00°58'33"W., 157.37 feet; thence,

N.00°30'45"E., 215.74 feet to the beginning of a tangent curve; thence,

Along said curve to the right having a radius of 312.60 feet, an arc length of 105.78 feet, through a central angle of 19°23'18", and a chord bearing and distance of N.10°12'24"E., 105.28 feet to the northeasterly corner of said Lot 51; thence, leaving said easterly line, non-tangent from said curve,

N.89°19'53"E., 178.31 feet to the northeasterly line of proposed Lot 58 of Blackhawk Lake Estates Phase III and IV and the southerly line of the proposed Amended Open Space Parcel 4; thence, along said southerly line,

S.55°08'09"E., 431.83 feet to the northeasterly corner of said proposed Lot 58; thence, continuing along said exterior boundary line of proposed Lots 58 through 61 of said Blackhawk Lake Estates Phases 3 and 4 the following courses:

S.08°17'59"W., 132.95 feet; thence,

S.29°18'38"W., 121.57 feet; thence,

S.18°26'06"E., 75.56 feet; thence,

S.87°29'46"E., 104.29 feet; thence,

S.11°26'28"W., 94.15 feet; thence,

S.22°20'33"E., 100.44 feet; thence,

S.25°07'47"E., 92.47 feet; thence,

S.03°34'13"W., 50.58 feet; thence,

S.23°38'52"E., 59.91 feet; thence,

S.45°35'10"E., 90.32 feet; thence,

S.47°13'05"E., 101.27 feet; thence,

S.61°00'33"E., 85.07 feet; thence,

N.81°42'45"E., 100.04 feet; thence,

N.28°53'40"E., 50.70 feet; thence,

N.72°11'36"E., 77.61 feet; thence,

S.18°03'37"E., 45.55 feet; thence,

N.60°02'38"E., 53.63 feet; thence,

S.61°59'02"E., 37.96 feet; thence,

S.03°16'01"W., 372.46 feet to the southerly line of said proposed Blackhawk Lake Estates Phase 3 and 4; thence, along said southerly line,

N.89°30'44"W., 1060.19 feet; thence, along the westerly and southerly line of said proposed Lot 50,

N.00°53'51"E., 726.06 feet; thence,

N.89°31'37"W., 344.31 feet to the POINT OF BEGINNING.

CONTAINING 22.41 acres, more or less

SUBJECT TO all Covenants, Rights, Right-of-way, Easements of Record and all other Encumbrances

AND EXCLUDING WEST MOUNTAIN ROAD:

A parcel of land, already dedicated for County Road purposes, and shown on the plats for Blackhawk Ranch Phase III, at Book 9, Page 25 of plats on sheets 2 and 3; Blackhawk Ranch Phase II, at Book 9, Page 16 of plats; and Blackhawk Ranch Phase I, at Book 8, Page 83 of plats. Said land falls in the South ½ of Section 25, and the West ½ of Section 36, Township 18 North, Range 2 East; and the West ½ of Section 1, Township 17 North, Range 2 East, all Boise Meridian, Valley County, Idaho, and more particularly described, by Section, as follows:

South ½ of Section 25

Commencing at the East 1/4 corner of said Section 25; thence along the 1/4 section line, N.89°47'52"W., 2344.02 feet to a point, the northwest corner of the Blackhawk Ranch parcel, a 5/8 inch rebar marked PLS 998, the point of beginning.

Thence along the east Right of Way of West Mountain Road, falling 50 feet perpendicular to the approximate centerline of said road, S.23°29'52"W., 35.00 feet to a point; thence N.66°30'08"W., 10.00 feet to a point falling 40 feet perpendicular to the approximate centerline of said road;

thence, paralleling said centerline, 460.31 feet along a curve to the right, having a delta angle of 10°48'32", radius of 2440.00 feet, and long chord of 459.63 feet bearing S.28°54'08"W.;

thence S.34°18'24"W., 2314.26 to a point;

thence 348.26 feet along a curve to the left, having a delta angle of 5°02'20", radius of 3960.00 feet, and long chord of 348.14 feet bearing S.31°47'14"W. to a point on the south boundary of said Section 25, falling N.89°46'36"W., 2620.16 feet from the South 1/4 corner of Section 25;

thence along said south boundary, N.89°46'36"W., 45.68 feet to a point on the approximate centerline of West Mountain Road;

thence along said centerline, 373.93 feet along a curve to the right, having a delta angle of 5°21'23", radius of 4000.00 feet, and long chord of 373.81 feet bearing N.31°37'43"E. to a point;

thence N.34°18'24"E., 2314.26 feet to a point;

thence, 452.76 feet along a curve to the left, having a delta angle of 10°48'32", radius of 2400.00 feet, and long chord of 452.09 feet bearing N.28°54'08"E. to a point;

thence N.23°29'52"E., 13.47 on the east/west 1/4 section line of Section 25;

thence, along said 1/4 section line, S.89°47'52"E., 54.44 feet to the point of beginning. Containing 2.9034 acres.

West 1/4 of Section 36

Commencing at the South 1/4 corner of Section 25, also the North 1/4 corner of said Section 36; thence along the 1/4 section line, N.89°46'36"W., 2620.16 feet to the point of beginning.

Thence along the east Right of Way of West Mountain Road, falling 40 feet perpendicular to the approximate centerline of said road, paralleling said centerline,

23.01 feet along a curve to the left, having a delta angle of 0°19'58", radius of 3960.00 feet, and long chord of 23.01 feet bearing S.29°08'05"W.;

thence continuing 149.13 feet along a curve to the left, having a delta angle of 2°09'28", radius of 3960.00 feet, and long chord of 149.13 feet bearing S.27°51'22"W.;

thence S.26°46'38"W., 1848.87 feet to a point;

thence 792.85 feet along a curve to the left, having a delta angle of 33°24'08", radius of 1360.00 feet, and long chord of 781.67 feet bearing S.10°03'29"W. to a point;

thence S.6°38'35"E., 987.32 feet to a point;

thence 412.47 feet along a curve to the right, having a delta angle of 9°41'08", radius of 2440.00 feet, and long chord of 411.98 feet bearing S.1°46'11"E. to a point (within this curve the Right of Way width transitions from 40 to 100 feet);

thence S.3°04'23"W., 1325.09 feet to a point on the south boundary of said Section 36, the southwest corner of which falls S.89°49'09"W. 226.58 feet distant;

thence along said south boundary S.89°49'09"W. 100.16 feet to a point on the west Right of Way of West Mountain Road;

thence along said west Right of Way, N.3°04'23"E., 1330.78 feet to a point;

thence 170.74 feet along a curve to the left, having a delta angle of 4°10'50", radius of 2340.00 feet, and long chord of 170.70 feet bearing N.0°58'58"E. to a point;

thence departing said west Right of Way, N.45°03'18"E., 82.25 feet to a point on the approximate centerline of West Mountain Road (at this point the Right of Way transitions from 100 feet to 40 feet);

thence 173.62 feet along a curve to the left, having a delta angle of $4^{\circ}08'42''$, radius of 2400.00 feet, and long chord of 173.58 feet bearing $N.4^{\circ}32'24''W.$ to a point of non-langency; thence $N.6^{\circ}38'35''W.$, 987.30 feet to a point;

thence 816.17 feet along a curve to the right, having a delta angle of $33^{\circ}24'08''$, radius of 1400.00 feet, and long chord of 804.68 feet bearing $N.10^{\circ}03'29''E.$ to a point;

thence $N.26^{\circ}46'38''E.$, 1848.88 feet to a point;

thence 151.17 feet along a curve to the right, having a delta angle of $2^{\circ}10'23''$, radius of 4000.00 feet, and long chord of 151.70 feet bearing $N.27^{\circ}52'06''E.$ to a point on the north boundary of said Section 36;

thence $S.69^{\circ}46'36''E.$, 45.88 feet to the point of beginning. Containing 7.1932 acres.

West $\frac{1}{2}$ of Section 1

Commencing at the Southeast corner of said Section 36, on the north boundary line of said Section 1; thence along said north boundary, $N.89^{\circ}49'09''E.$, 226.56 feet to the point of beginning.

Thence along the east Right of Way of West Mountain Road, $S.3^{\circ}04'23''W.$, 364.23 feet to a point;

thence 291.76 feet along a curve to the right, having a delta angle of $1^{\circ}39'54''$, radius of 10040.00 feet, and long chord of 291.75 feet bearing $S.3^{\circ}54'20''W.$ to a point;

thence $S.4^{\circ}44'17''W.$, 1726.23 feet to a point;

thence 355.19 feet along a curve to the left, having a delta angle of $2^{\circ}33'24''$, radius of 7660.00 feet, and long chord of 355.16 feet bearing $S.3^{\circ}27'35''W.$ to a point;

thence $S.2^{\circ}10'53''W.$, 670.07 feet to a point;

thence, departing said east Right of Way, $N.87^{\circ}49'07''W.$, 100.00 feet to a point on the west Right of Way of West Mountain Road;

thence, along said west Right of Way $N.2^{\circ}10'53''E.$, 670.08 feet to a point;

thence 359.66 feet along a curve to the right, having a delta angle of $2^{\circ}33'24''$, radius of 8060.00 feet, and long chord of 359.63 feet bearing $N.3^{\circ}27'35''E.$ to a point;

thence $N.4^{\circ}44'17''E.$, 1726.23 feet to a point;

thence 288.85 feet along a curve to the left, having a delta angle of $1^{\circ}39'54''$, radius of 9940.00 feet, and long chord of 288.84 feet bearing $N.3^{\circ}54'20''E.$ to a point;

thence $N.3^{\circ}04'23''E.$, 358.54 feet to a point on the north boundary of said Section 1;

thence along said north boundary $N.89^{\circ}49'09''E.$, 100.16 feet to the point of beginning.

Containing 7.8177 acres.

EXHIBIT B

EXHIBIT B' = ILLUSTRATIVE MAP

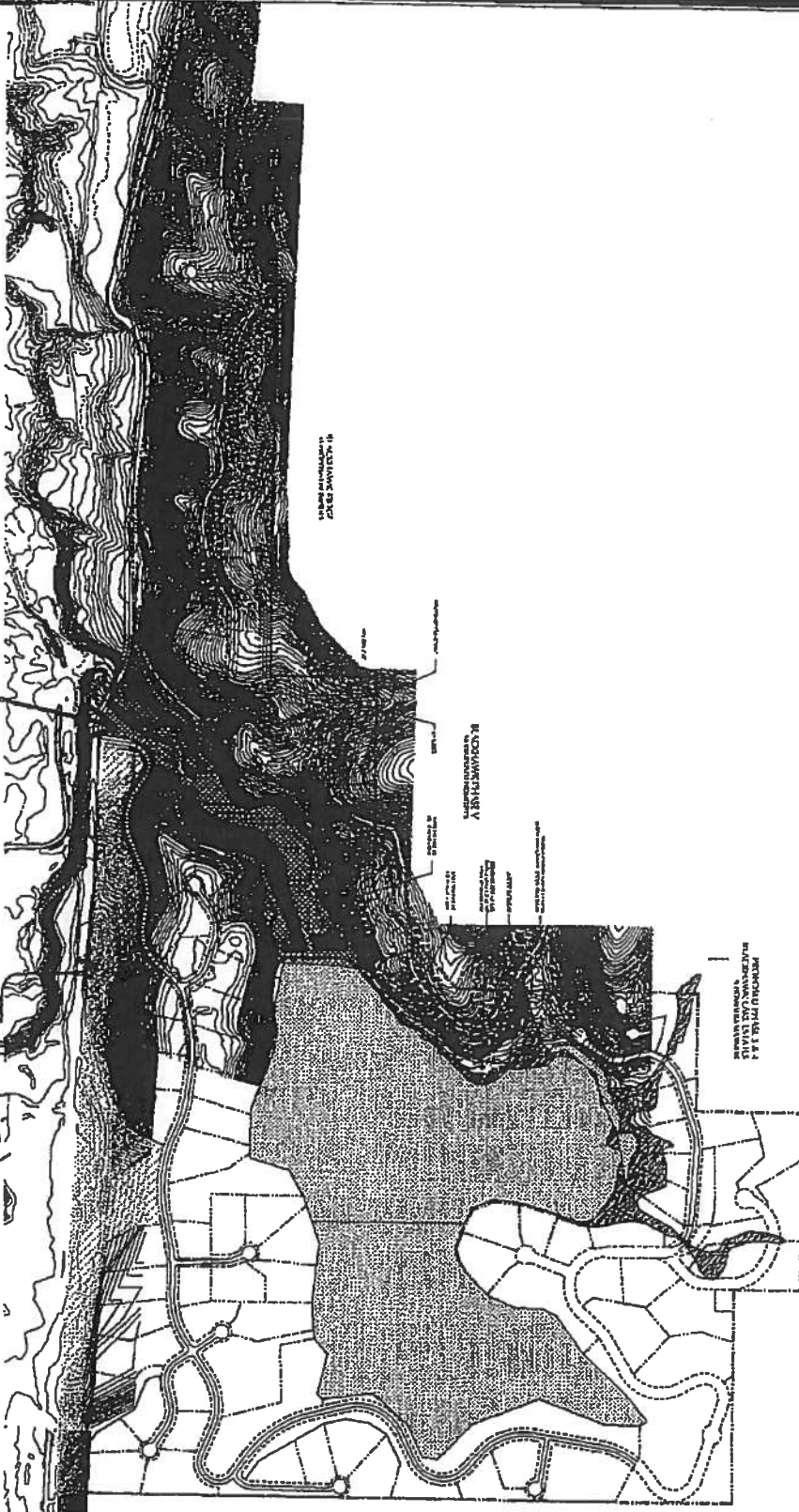
The features and amenities described and depicted herein are based upon current development plans and subject to change by the Company in its sole discretion without notice. This material shall not constitute an offer or solicitation in any jurisdiction where the legal requirements for such an offering have not been met. Offered by McCalli Real Estate. WARNING: THE CALIFORNIA DEPARTMENT OF REAL ESTATE HAS NOT INSPECTED, EXAMINED, OR QUALIFIED THIS OFFERING.

Easement area B'

CONCEPTUAL MASTER PLAN



0 300 600
feet



BLACKHAWK LAKE Village County, Idaho		EPHOS ARCHITECTURE 1111 N. 10th St. PO Box 1000 Village, Idaho 83456	McCalli Realty 1111 N. 10th St. PO Box 1000 Village, Idaho 83456
Project Name: Blackhawk Lake Project No: 1111 City: Village County: Idaho	Project No: 1111 City: Village County: Idaho	Project No: 1111 City: Village County: Idaho	Project No: 1111 City: Village County: Idaho

1111

EXHIBIT C

EXHIBIT C

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August 23

Blackhawk Lake Property Owners (BLPO) and the Developers (Sage and LBI) agree:

1. Developers will chipseal ^{only} ^(S) existing road system (with necessary preparation, not hot repair etc) and will repair and restore Wood Duck Drive at its expense and at no expense to BLPO. (This provision is ^{conditional} AND subject to BLPO's approval of method after consultation w/ appropriate expert; BLPO may retain consultant to inspect progress of work.)
2. Developers to withdraw plans for 4 lot "bar" off West Mt. Road. BLPO to consent and support addition of 3 lots to Blackhawk Lake Phase V and 1 lot to Blackhawk Ridge w/ Valley County.
3. Developer to pay BLPO \$25,000 to reimburse or assist in funding remaining items of deferred maintenance, repairs, restoration, etc.
4. Developer will provide a buffer between Blackhawk Ridge and southern lots of Blackhawk Lake of at least 40'; ^(S) ^(S) ^(S)

CONFIDENTIAL

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will provide appropriate perimeter fence and security gate, and will provide appropriate screening landscape to establish visual

(A)

barrier between subdivision, subject to approval of ^{security gate} fence and screening landscape by Architect

5. Developer agrees to use "back door" ^{into} access for infrastructure development of Phases III, IV (LBI) and V (Sage). ^{to} Developers and contractors to have right to access or lake road for normal house construction. No throughfare; all access limited to projects within B4Lake subdivision.

THE B4LAKE

to the B4LAKE

6. Sage will deed over all common areas in Phase I and II, the dam, the lake and the pond now. Sage agrees that all "red hatched" ground in plat drawings are intended to be common areas, ^{subject to final plat lines.} Sage will

convey remaining common areas to the B4LAKE when the plats for III, IV and phase V are finalized. Sage will proceed with due diligence to obtain final plat approval.

(A)

The conveyances shall by warranty deed and shall not include easements to persons other than B4LAKE members and utility easements of record.

[Handwritten signatures and initials]

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CONFIDENTIAL

7. Parties agree to execute an agreement, or incorporate provisions therein, pertaining to water rights as may be separately agreed between counsel for Sage and Chas McDermott as counsel for BHLPOA.

8. Developer agree to ~~reimburse~~ pay BLP OA \$100,000 to reimburse for costs + expenses incurred in this litigation with by ^{SP} ten (10) days from the execution of Final Settlement Agreement.

9. All litigation to be dismissed with prejudice and without costs.

10. This agreement is to be evidenced by further and more detailed documentation prepared by counsel. Parties agree to return to mediation in event of any disputes in the implementation of this memorandum of understanding.

Paul H. Green
Ray G. Smith

[Signature]
B. J. [unclear]
[unclear]
[Signature]

[Signature]
8/23/06 @ 7:45
[Signature]
Blackhawk Partner LLC (Manager)

EXHIBIT D

EXHIBIT D

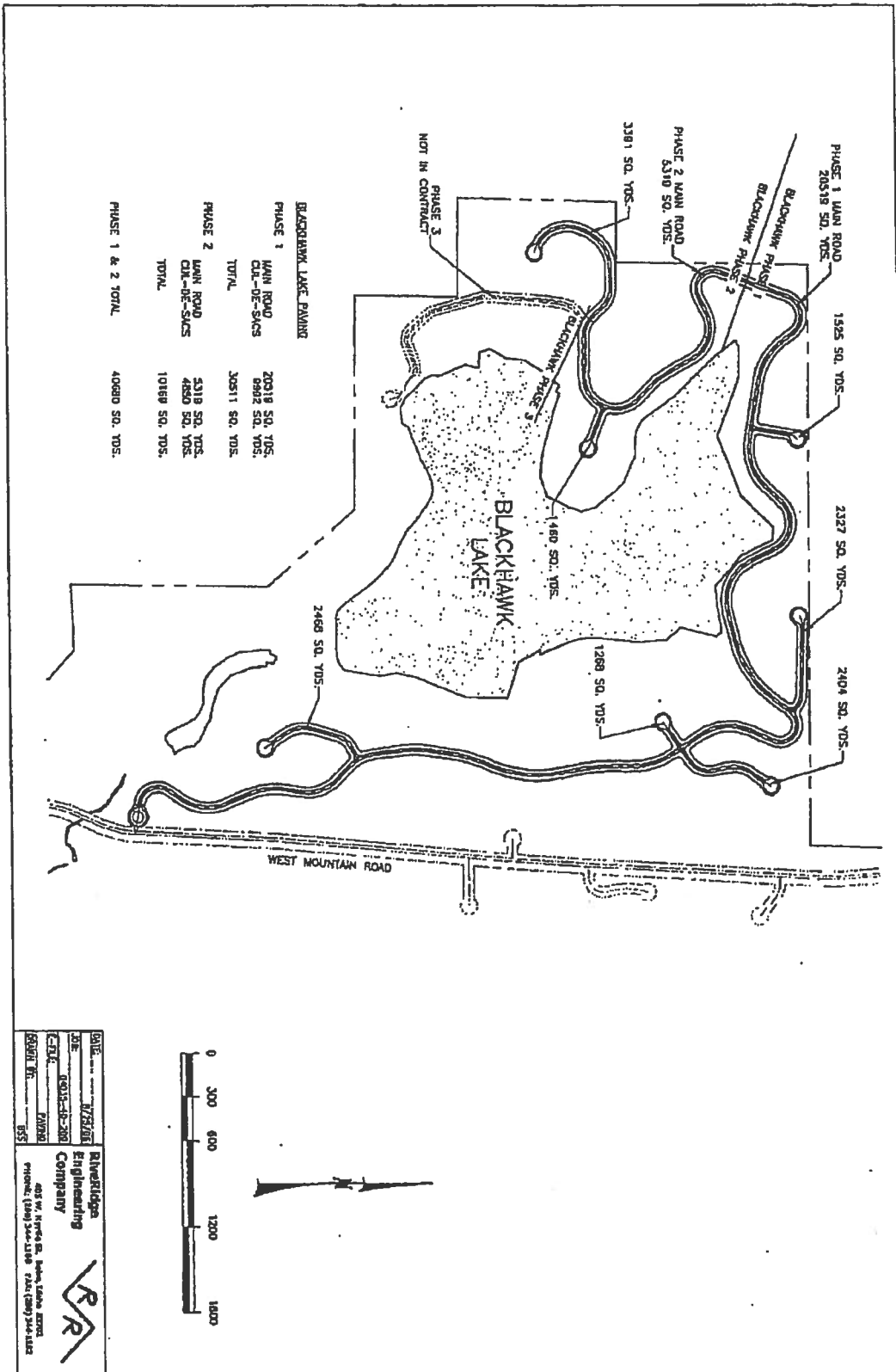


EXHIBIT E

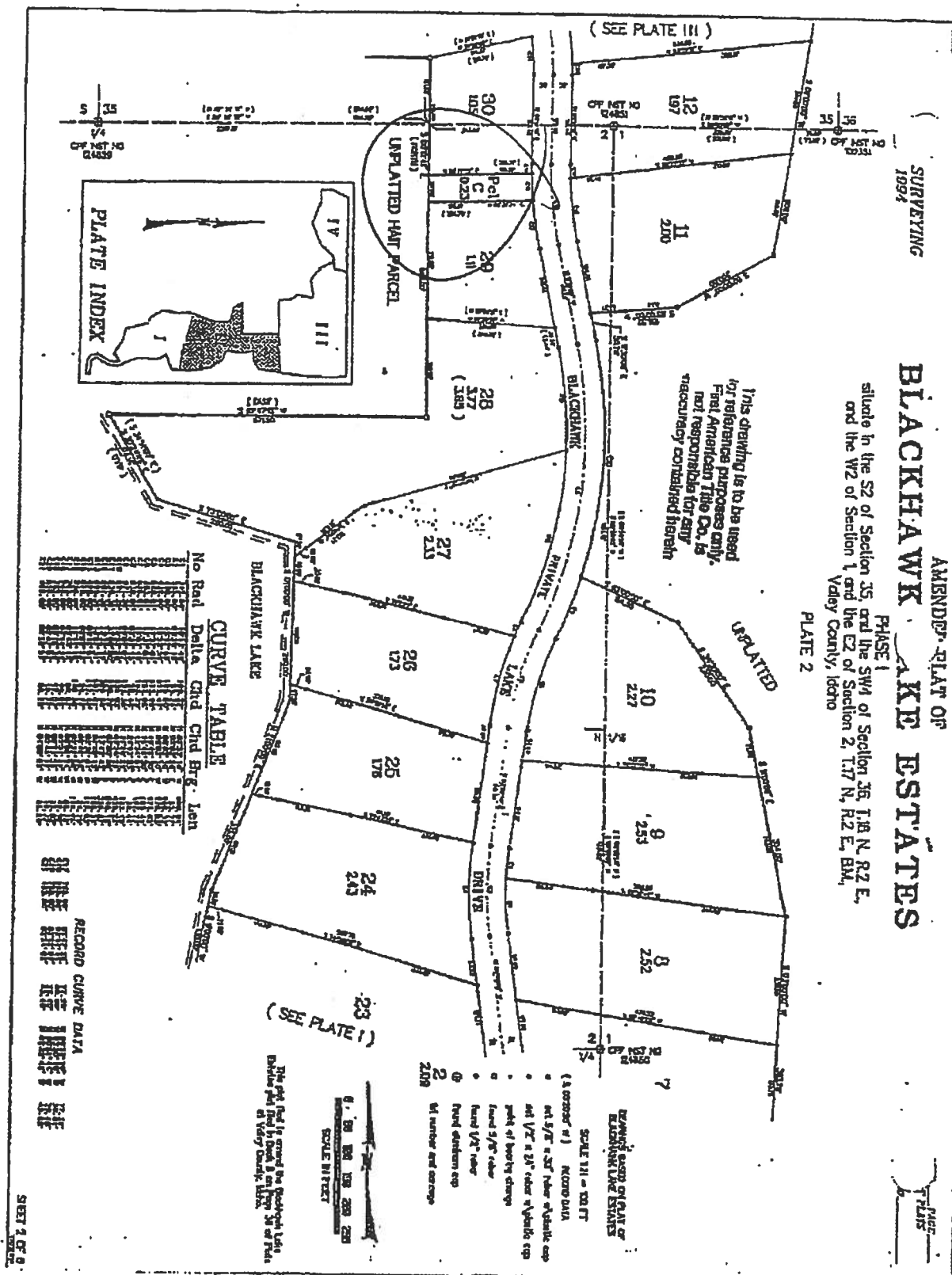


EXHIBIT F

EXHIBIT 'F'



September 12, 2006

Blackhawk LakeLegal Description

A body of water, commonly known as Blackhawk Lake and formerly known as Hair Reservoir, located in Section 2, Township 17 N, Range 2 E and Section 35, Township 18 N, Range 2 E, Boise Meridian, Valley County, Idaho, and more particularly described as follows:

A body of water with a full pool surface elevation of 4968.0 feet above sea level (North American Vertical Datum, 1988) and a surface area of approximately 94.8 acres, impounded by an earthen embankment with a crest elevation of 4974.0 feet above sea level (NAVD 88) and an overflow channel elevation of 4968.0 feet above sea level (NAVD 88), and comprised of the following approximate quarter-quarter sectional areas:

- 15.7 acres in the NE ¼ of the NE ¼,
- 29.9 acres in the NW ¼ of the NE ¼,
- 6.0 acres in the SW ¼ of the NE ¼,
- 10.3 acres in the SE ¼ of the NE ¼, and
- 3.0 acres in the NE ¼ of the NW ¼,
- 0.2 acres in the SE ¼ of the NW ¼, in Section 2, Township 17 N, Range 2 E, BM and
- 6.9 acres in the SE ¼ of the SW ¼, and
- 22.8 acres in the SW ¼ of the SE ¼, in Section 35, Township 18 N, Range 2 E, BM.

A true graphical depiction of the aerial extent of Blackhawk Lake can be found within the Digital Orthoimage of the 3.75 minute Quadrangle entitled "No Business Mountain NE, Idaho," said depiction contained in the electronic file entitled "doi1m2005_44116g2ne_usda.tif" compiled with a Horizontal Geodetic Model of the North American Datum of 1983, Universal Transverse Mercator Zone 11N. Said file is available through the National Agricultural Imagery Program (NAIP), published by the US Department of Agriculture Farm Service Agency, Aerial Photography Field Office, Salt Lake City, Utah, and may be electronically downloaded through the Idaho Geospatial Data Clearinghouse at the following World Wide Web address: http://data.insideidaho.org/data/USDA/NAIP2004/archive/44/doi1m2004_44116g2ne_usda.tif (last visited September 12, 2006).

Secish Engineering to review + approve the
completed legal prior to Sage effectuating the
deed transfer.

(SW)

[Signature]

9/12/06
1610

[Handwritten mark]

EXHIBIT G

EXHIBIT G



Note: The image source for this map is the USGS 7.5 minute "No Business Mountain" topographic map. The Blackhawk Lake Dam was raised in 1968. The actual area of the lake was increased and is greater than shown on this map.

Blackhawk Lake
(Formerly known as Hail Reservoir)

DATE: JUL 10, 2008

JOB NO. 225-01

Quadrant
Consulting, Inc.

1801 N. OVERLAND TRL.
BOISE, IDAHO 83705
(208) 345-0001 FAX (208) 345-0002 FAX
P.O. BOX 10000 BOISE, IDAHO 83720

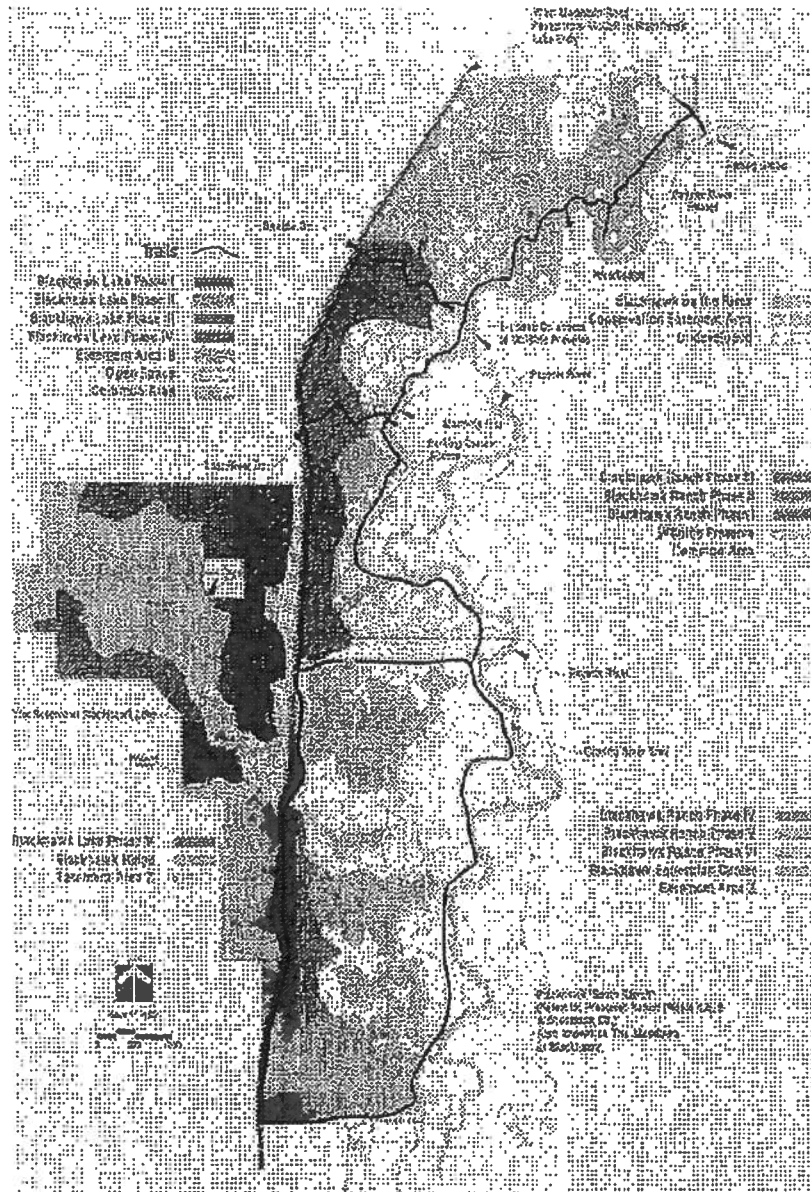
W (S)

EXHIBIT H

EXHIBIT I

EXHIBIT 'I'

BLACKHAWK COMMUNITY RIVER TRAIL SYSTEM



BLACKHAWK

112 N. 3RD STREET, MCALL, IDAHO 83638 | TEL. 208-810-5673 | WWW.BLACKHAWKTRAILSYSTEM.COM



This features and amenities described and depicted herein are based upon current development plans and subject to change by the Company in its sole discretion without notice. This material shall not constitute an offer or solicitation in any jurisdiction where the legal requirements for such an offering have not been met. Offered by McCall Real Estate.

WARNING: THE CALIFORNIA DEPARTMENT OF REAL ESTATE HAS NOT INSPECTED, EXAMINED, OR QUALIFIED THIS OFFERING



EXHIBIT J

"Exhibit J"**MAINTENANCE AGREEMENT****1. River Trail System**

Maintenance of the River Trail System, as depicted in Exhibit I, shall be shared by Sage and all current and future homeowner associations within the LBI Property on a pro rata basis according to the number of platted lots within the LBI Property. This pro rata share will be paid by the homeowner associations as long as the River Trail System remains for the exclusive use of the greater Blackhawk Community and their invited guests. All non-developer lot owners shall equally share on a pro-rata basis cost of maintenance and repair.

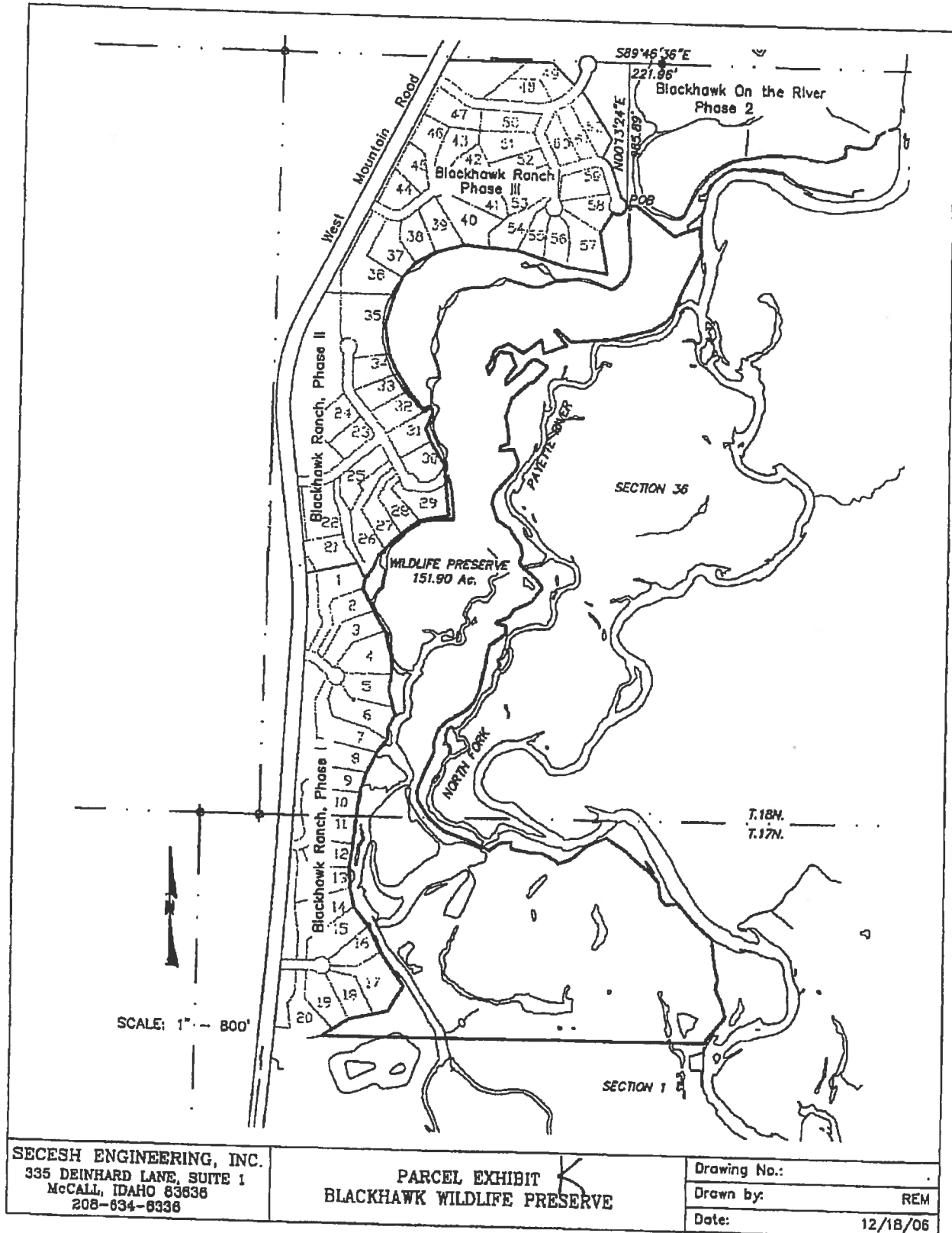
2. Roads

- a. BRMPOA shall be responsible for maintaining all roads and parking areas within Blackhawk Ranch Phases 1, 2, and 3.
- b. Sage shall be responsible for maintaining, or otherwise ensuring the maintenance of, all roads and parking areas, other than those identified above in 2.a., located within the LBI Property to the East of West Mountain Road.
- c. Developers shall pay for 100% of all damage created to the River Trail System by the Developer.



EXHIBIT K

EXHIBIT K



on Feb. 07
2010

September 12, 2006

Blackhawk Lake

Legal Description

A body of water, commonly known as Blackhawk Lake and formerly known as Hait Reservoir, located in Section 2, Township 17 N, Range 2 E and Section 35, Township 18 N, Range 2 E, Boise Meridian, Valley County, Idaho, and more particularly described as follows:

A body of water with a full pool surface elevation of 4968.0 feet above sea level (North American Vertical Datum, 1988) and a surface area of approximately 94.8 acres, impounded by an earthen embankment with a crest elevation of 4974.0 feet above sea level (NAVD 88) and an overflow channel elevation of 4968.0 feet above sea level (NAVD 88), and comprised of the following approximate quarter-quarter sectional areas:

15.7 acres in the NE $\frac{1}{4}$ of the NE $\frac{1}{4}$,
29.9 acres in the NW $\frac{1}{4}$ of the NE $\frac{1}{4}$,
6.0 acres in the SW $\frac{1}{4}$ of the NE $\frac{1}{4}$,
10.3 acres in the SE $\frac{1}{4}$ of the NE $\frac{1}{4}$, and
3.0 acres in the NE $\frac{1}{4}$ of the NW $\frac{1}{4}$,
0.2 acres in the SE $\frac{1}{4}$ of the NW $\frac{1}{4}$, in Section 2, Township 17 N, Range 2 E, BM and
6.9 acres in the SE $\frac{1}{4}$ of the SW $\frac{1}{4}$, and
22.8 acres in the SW $\frac{1}{4}$ of the SE $\frac{1}{4}$, in Section 35, Township 18 N, Range 2 E, BM.

A true graphical depiction of the aerial extent of Blackhawk Lake can be found within the Digital Orthoimage of the 3.75 minute Quadrangle entitled "No Business Mountain NE, Idaho," said depiction contained in the electronic file entitled "doi1m2005_44116g2ne_usda.tif" compiled with a Horizontal Geodetic Model of the North American Datum of 1983, Universal Transverse Mercator Zone 11N. Said file is available through the National Agricultural Imagery Program (NAIP), published by the US Department of Agriculture Farm Service Agency, Aerial Photography Field Office, Salt Lake City, Utah, and may be electronically downloaded through the Idaho Geospatial Data Clearinghouse at the following World Wide Web address:

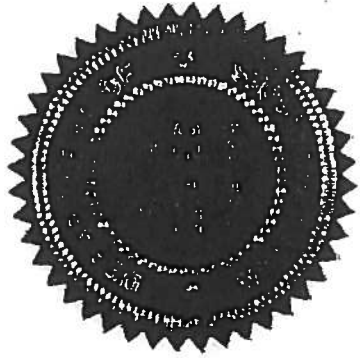
http://data.insideidaho.org/data/USDA/NAIP2004/archive/44/doi1m2004_44116g2ne_usda.tgz
(last visited September 12, 2006).

STATE OF IDAHO

DEPARTMENT OF WATER RESOURCES

DAM AND RESERVOIR CERTIFICATE OF APPROVAL

This is to certify that BLACKHAWK LAKE Dam and Reservoir (D65-7052), located in SE1/4, NE1/4, Section 2, Township 17N, Range 2E, B.M., Valley County, State of Idaho has been determined to be safe to impound water by the Department of Water Resources of the State of Idaho, as provided in Title 42 Chapter 17, Idaho Code, in accordance with and subject to the terms and conditions set forth in the Department's approval letter authorizing storage. This certificate shall remain valid until revoked or modified by the Department of Water Resources.

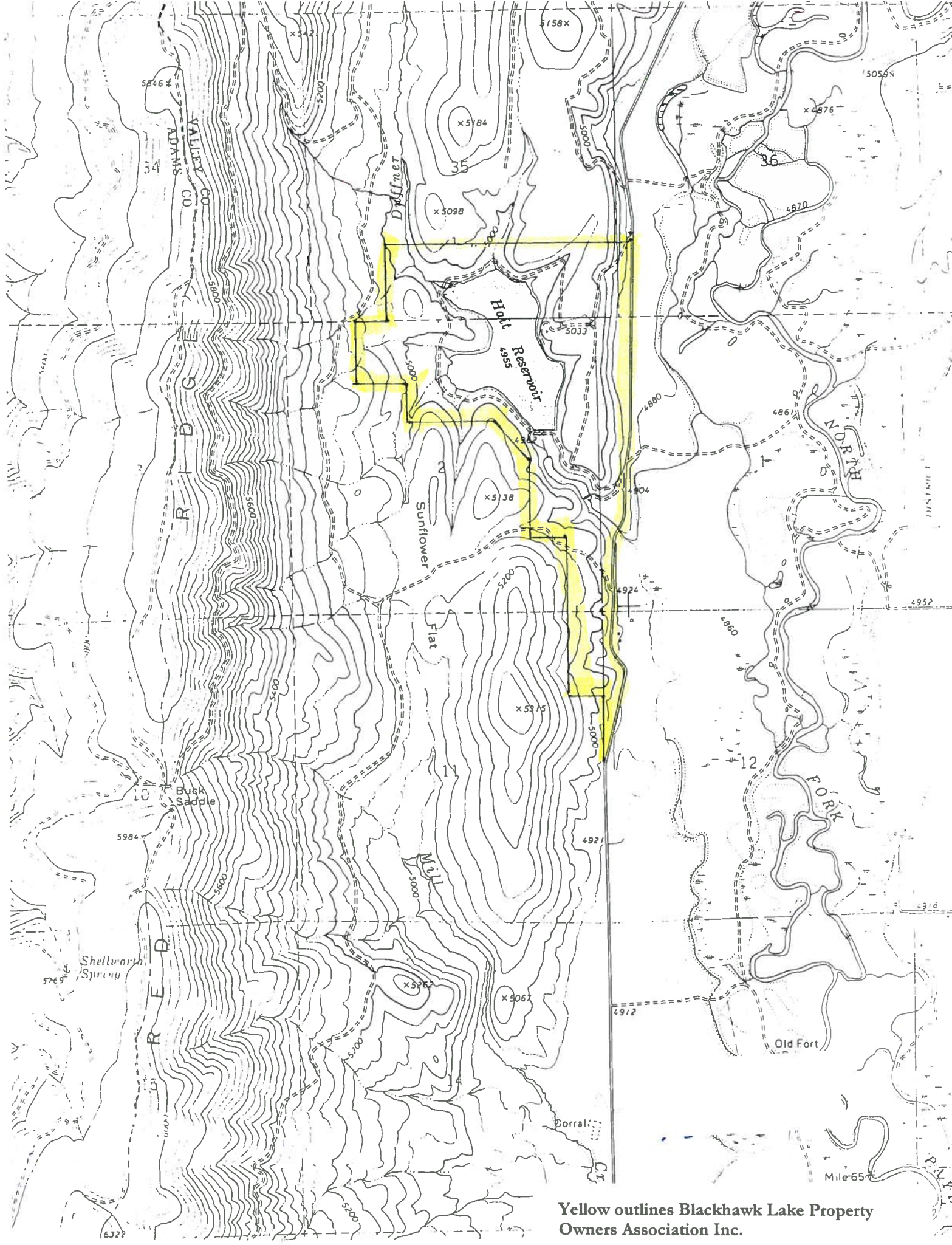


This certificate has been issued and the seal of the

Director affixed at Boise, Idaho this

3rd day of December 2004.

Allen Gaylor
Administrator, Water Management Division



Yellow outlines Blackhawk Lake Property Owners Association Inc.