



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Web Site: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Interim Director

May 15, 2012

SHELLEY M DAVIS
BARKER ROSHOLT & SIMPSON LLP
PO BOX 2139
BOISE ID 83701-2139

RE: Notice of Change in Ownership of Water Right Nos. 65- 585, 65-586, 65-587,
& 65-7094

Dear Ms. Davis:

The Department of Water Resources acknowledges receipt of your Notice of Change in Water Right Ownership. Our review of your identified the need for some clarification before we can process the change.

Water Right Ownership: The Deed attached to the Ownership Change does not validate ownership for Emerald Forest Products, Inc. and per the Idaho Secretary of State Renewable Energy of Idaho Inc was dissolved in March 2010. Richard Vinson is currently President of Emerald Forest Products, Inc. and was President of Renewable Energy of Idaho Inc. at the time of the purchase. IDWR requests documentation of succession of title from Renewable Energy of Idaho Inc to Emerald Forest Products, Inc. to add "and/or Emerald Forest Produces, Inc" as an owner. IDWR can complete the ownership on water right 65-7094 and a portion of 65-586 as supported in the deed but owner would be Renewable Energy of Idaho Inc. a dissolved business requiring additional fees to change ownership to Emerald Forest Products, Inc. at a future date.

Water right 65-586 has a specified point of diversion, nature of use and place of use. If you plan on changing any of these elements including adding a new point of diversion, then an Application for Transfer on your portion of this right is required. If you do not plan on changing any elements on your water right, then no further action is required at this time.

Plat of Property Map and deed attached to your Change of Ownership does not support the change of ownership on water rights 65-585 or 65-587. Additional documentation will be required for IDWR to proportionally split these rights or confirm total ownership on these rights.

Because the Department cannot process the ownership change without proper documentation, we are returning the original Change of Ownership without any action. If we do not receive a corrected or amended Change of Ownership, or original document with additional information requested by June 18, 2012 IDWR will refund fees paid on receipt #C095186. If you wish to not pursue the Change of Ownership at this time contact IDWR for an earlier refund of fees.

Please note that Section 42-248, Idaho Code, requires you or the owner of this water right to maintain current ownership and address records on file with the department. Forms to file a change of ownership of a water right and/or a change in the address of the water right owner are available from any department office, or at the department's website at: www.idwr.idaho.gov.

Please feel free to contact the Department if you have any questions.

Sincerely,

A handwritten signature in black ink, reading "Danni M. Smith". The signature is fluid and cursive, with the first name "Danni" being more prominent and the last name "Smith" following in a similar style.

Danni M. Smith
Technical Specialist II
(208) 287-4910

cc: Kyle Yearsley, Legal Dept. Boise Cascade LLC
Bruce Smith, Moore Smith Buxton & Turcke Chartered
Wilma Williams, Emerald Forest Products, Inc

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

RECEIVED

APR 26 2012

DEPARTMENT OF
WATER RESOURCES

Notice of Change in Water Right Ownership

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 Right/Claim No.	Split?	Water Right/Claim No.	Split?	Water Right/Claim No.	Split?
65-0585	Yes ☐		Yes ☐		Yes ☐
65-0586	Yes ☐		Yes ☐		Yes ☐
65-0587	Yes ☐		Yes ☐		Yes ☐
65-7094	Yes ☐		Yes ☐		Yes ☐
	Yes ☐		Yes ☐		Yes ☐

2. Previous Owner's Name: Boise Cascade Corrugated Containers
Name of current water right holder/claimant
3. New Owner(s)/Claimant(s): Renewable Energy of Idaho, Inc. and/or Emerald Forest Products, Inc.
Name of each new owner as listed on the conveyance document
- New owner continued Name connector ☐ and ☐ or ☒ and/or
- P.O. Box 1539
- Mailing address
- Thompson Falls MT 59873
- City State ZIP
- (406) 827-3574 dick@blackfoot.net
- 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.

5. Date you acquired the water rights and/or claims listed above: October 25, 2004

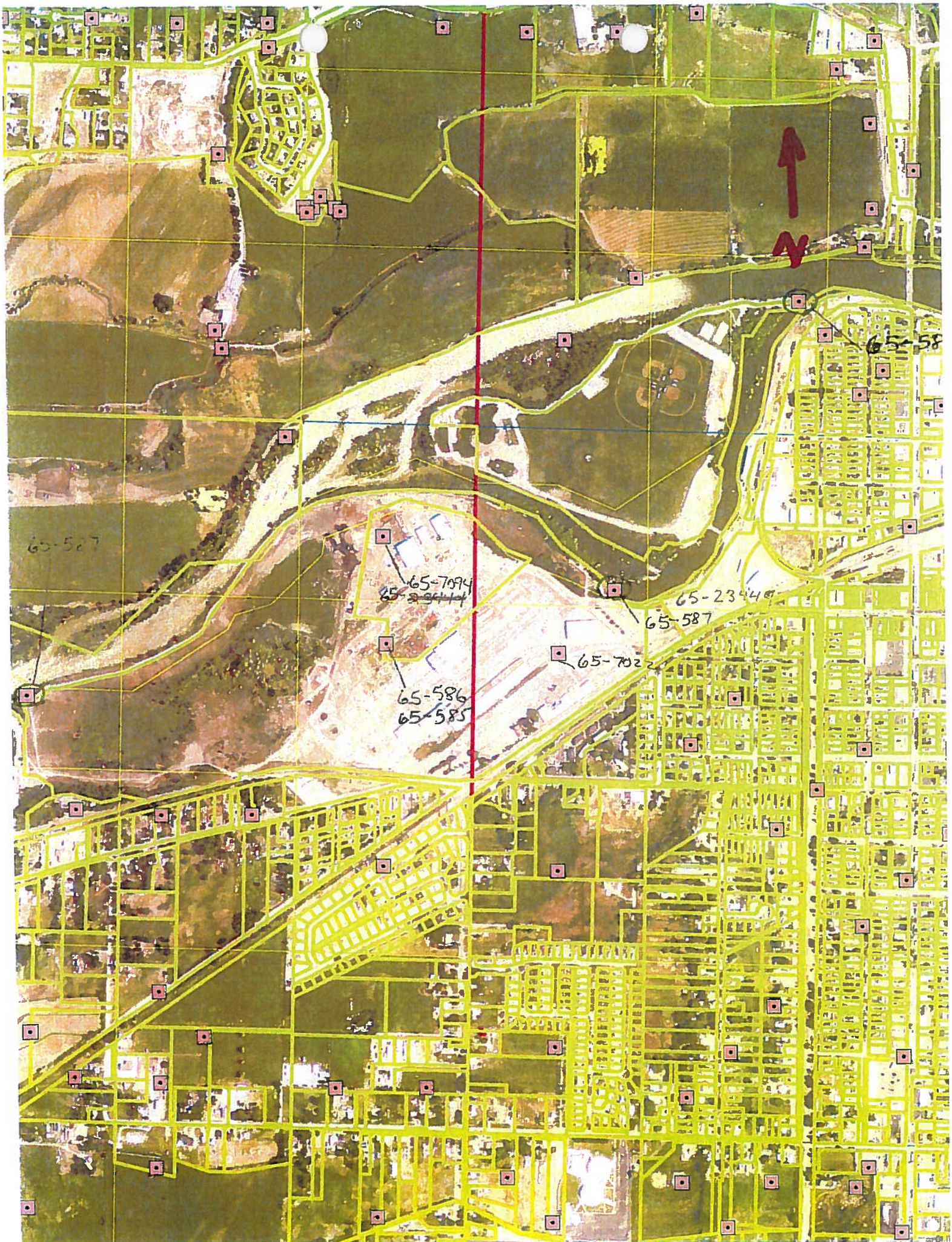
6. This form must be signed and submitted with the following **REQUIRED** items:
- A copy of the conveyance document – warranty deed, quitclaim deed, court decree, contract of sale, etc. The conveyance document must include a legal description of the property or description of the water right(s) if no 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: Richard Vinson Pres. 4/25/12
Signature of new owner/claimant Title, if applicable Date

Signature: _____ Title, if applicable _____ Date _____
Signature of new owner/claimant

For IDWR Office Use Only:

Received by SR7 Date 4.26.2012 Receipt No. C095186 Receipt Amt. 100 -
Approved by _____ Processed by _____ Date _____



473034

INSTR. NO.	239662
PAGES	1 OF 7

SPECIAL WARRANTY DEED

BOISE CASCADE CORPORATION, a Delaware corporation, authorized to do business in Idaho, Grantor, hereby conveys and specially warrants to RENEWABLE ENERGY OF IDAHO, INC., an Idaho corporation, Grantee, whose address is 320 Montvue, Meridian, ID 83642 for the sum of TEN DOLLARS and other good and valuable consideration, the following described real property, to-wit:

SEE Exhibit A, ATTACHED HERETO AND MADE APART HEREOF.

This conveyance is subject to the following:

- (i) Current year's ad valorem taxes (which will be prorated between Grantee and Grantor as of the date of closing) and rollback taxes, if any;
- (ii) Matters of record, licenses, rights of way, easements, conditions, restrictions, zoning laws, ordinances, regulations, and other matters affecting the Property, whether or not of public record, including, but not limited to, those matters listed on Exhibit B, Permitted Title Exceptions, attached hereto and made a part hereof and acknowledged by Grantee herein;
- (iii) Any state of facts which an accurate survey or an inspection of the Property would reveal, including, but not limited to, the location of boundary lines, improvements and encroachments, if any;
- (iv) Prior reservations or conveyances of oil and gas and other minerals or mineral leases of any kind and character;
- (v) Grantor hereby conveys water right 65-07094 plus a portion of water right 65-00586 sufficient to allow a total combined water right from the well that is the point of diversion for water right 65-07094 of 150 gallons per minute (.33 cubic feet per second). Grantor further agrees to cooperate in the filing of all documentation necessary to accomplish this conveyance.

This conveyance shall include any and all appurtenances, tenements, hereditaments, reversions, remainders, easements, rights-of-way and water rights in anywise appertaining to the Property.

The Grantor covenants to the Grantee that Grantor is the owner in fee simple of said premises; that the premises are free from encumbrances created or suffered by the Grantor, excepting those as may be herein set forth, and excepting those of record, and that Grantor will warrant and defend the same from all lawful claims.

Instrument # 239662

EMMETT, GEN, IDAHO

2004-10-26

04:15:00 No. of Pages: 7

Recorded for : FIRST AMERICAN TITLE CO

SUSAN K. HOWARD

Fee: 21.00

Ex-Officio Recorder Deputy

Index to: WARRANTY DEED

(\\WYDOX\BUILDING\175452\0001\00163020)

Julie Evans

EXHIBIT A

INSTR. NO. 27462
PAGES 3 OF 7

Form No. 100-1
A-7 & B-11 (Revised 10/1/1978)

Contract No. 1-4106-473034

Real property in the County of Gwn, State of Idaho, described as follows:

A portion of Government Lot 6 North of the Oregon Short Line Railroad Company Right-of-Way within Section 12, Township 6 North, Range 2 West, and a portion of Government Lot 3 North of the Oregon Short Line Railroad Company Right-of-Way within Section 7, Township 6 North, Range 1 West, Boise Meridian, Brannett, Gem County, Idaho, more particularly described as follows:

Beginning at a found 1/2 inch rebar with plastic cap stamped "FISCHER PLS 4105" at the 1/4 corner common to said Sections 12 and 7 from which a found brass cap monument at the South Section corner common to said Sections, bears South 08°32'34" West a distance of 2541.33 feet; thence along the section line common to said Sections 12 and 7 North 00°58'12" East a distance of 1933.48 feet to a set 5/8 inch rebar with plastic cap stamped "FLSI PLS 7612" at the TRUE POINT OF BEGINNING at a point on the Government Meander line of the left bank of the Payette River; thence along said Government Meander line of the left bank of the Payette River the following courses and distances:
South 45°37'12" East a distance of 357.35 feet to a set 5/8 inch rebar with plastic cap stamped "FLSI PLS 7612";
South 69°27'56" East a distance of 702.83 feet to a set 5/8 inch rebar with plastic cap stamped "FLSI PLS 7612"; thence leaving said Government Meander line
South 48°31'52" West a distance of 1143.89 feet to a set 5/8 inch rebar with plastic cap stamped "FLSI PLS 7612"; thence
South 90°00'00" West a distance of 253.92 feet to a set 5/8 inch rebar with plastic cap stamped "FLSI PLS 7612"; thence
North 05°41'55" East a distance of 300.00 feet to a set 5/8 inch rebar with plastic cap stamped "FLSI PLS 7612"; thence
North 84°18'05" West a distance of 249.51 feet to a set 5/8 inch rebar with plastic cap stamped "FLSI PLS 7612"; thence
North 09°42'33" East a distance of 788.15 feet to a set 5/8 inch rebar with plastic cap stamped "FLSI PLS 7612" at a point on the said Government Meander line of the left bank of the Payette River; thence along said Government Meander line of the left bank of the Payette River
North 67°44'59" East a distance of 770.00 feet to a set 5/8 inch rebar with plastic cap stamped "FLSI PLS 7612"; thence continuing along said Government Meander line
South 76°03'21" East a distance of 516.00 feet to the TRUE POINT OF BEGINNING.

Subject to all easements, rights-of-way and restrictions of record and not of record.

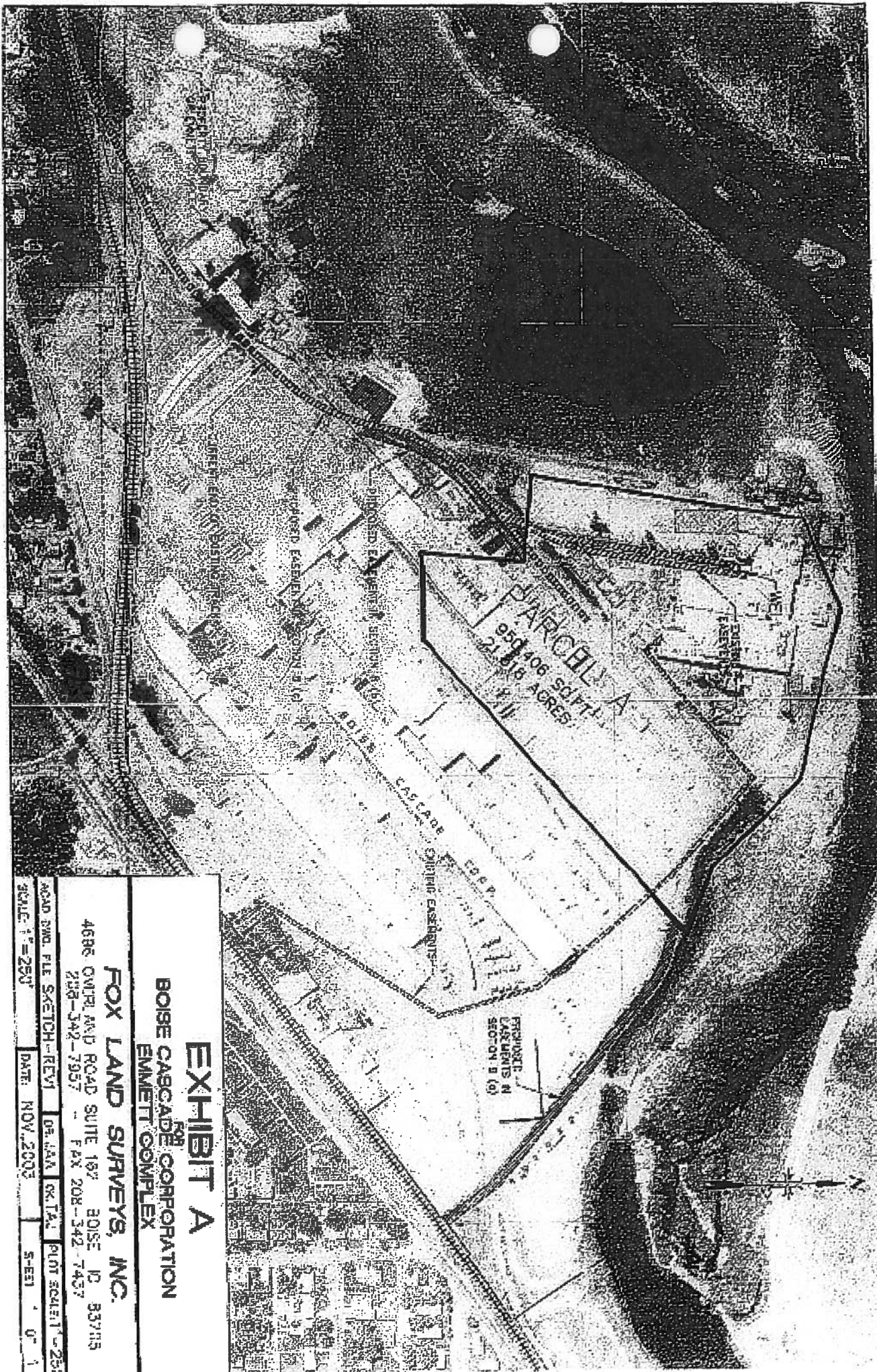


EXHIBIT A

BOISE CASCADE CORPORATION
EMMETT COMPLEX

FOX LAND SURVEYS, INC.

4686 OWRLAND ROAD SUITE 167 BOISE ID 83718
208-342-7957 FAX 208-342-7457

ACAD DWD. FILE SKETCH-REV1 08 JAN 08 TAU PLOT SCALE 1"=250'
SCALE: 1"=250' DATE: NOV. 2003 S-EET 1 0" 1

INSTR. NO. 339663
PAGES 4 OF 7

EXHIBIT B

INSTRU. NO. <u>239662</u>
PAGES <u>5</u> OF <u>7</u>

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction.

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levy taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (A) Unpatented mining claims; (B) Reservations or exceptions in patents or in Acts authorizing the issuance thereof; (C) Water rights, claims or title to water; whether or not the matters excepted under (A), (B) or (C) are shown by the public records.
6. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

NOTE: The foregoing numbered exceptions (1-6) may be eliminated in an ALTA Extended or EAGLE Coverage Policy.

EXHIBIT B

INSTR. NO. 239662
PAGES 6 OF 7

EXCEPTIONS

7. General and special taxes for the year 2004, in the original amount of \$1,160.64, Code Area , A.P. No. RP-00224900, a lien now due and payable

Affects this and other property

8. General and special taxes for the year 2004, in the original amount of \$1,133.00, Code Area , A.P. No. RP-00330300, a lien now due and payable

Affects this and other property

9. Reservations in recorded United States Patent, recorded in Book 1 of Patents at Page 12, Official Records.
10. The rights, powers and easements of Drainage District No. 1, which are collected with the general taxes. .
11. An easement in favor of the Oregon Short Line Railroad Company as set forth in Deed recorded July 29, 1919 in Book 12 at Page 591, Official Records.
12. An Agreement between Oregon Short Line Railroad Company and Boise Payette Lumber Company, recorded March 27, 1922 in Book 2 of Bonds and Agreements at Page 120, Official Records.
13. A Contract between Oregon Short Line Railroad Company and Union Pacific Railroad Company and Boise Payette Lumber Company recorded November 2, 1951 in Book 4 of Bonds and Agreements at Page 210, Official Records.
14. An Easement in favor of Oregon Short Line Railroad Company recorded January 16, 1959 in Book 38 at Page 610, Official Records.
15. Right of Entry for Construction (Emergency Flood Control Works) recorded March 8, 1965 as Instrument No. 89539, Official Records.
16. Easement, including terms and provisions contained therein:
Recording Information: November 10, 1971 as Instrument No. 163127
In Favor of: Idaho Power Company
For: Power lines and incidental purposes
17. All matters, covenants, conditions, restrictions, easements and any rights, interest or claims which may exist by reason thereof, disclosed by Record of Survey recorded December 15, 1987 as Instrument No. 159353, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).

EXHIBIT B

Form No. 100-2

All Matter to be Deleted

Instrument No. 4106-473334

Page 5 of 15

18. All matters, covenants, conditions, restrictions, easements and any rights, interest or claims which may exist by reason thereof, disclosed by Record of Survey, recorded June 19, 2002 as Instrument No. 723060, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).
19. All matters, covenants, conditions, restrictions, easements and any rights, interests or claims which may exist by reason thereof, disclosed by the recorded plat of said subdivision, recorded October 12, 2004 as Instrument No. 239356, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).

INSTR. NO. 239356
PAGES 7 OF 7

REAL ESTATE SALES AGREEMENT

BY THIS AGREEMENT made and entered into this 3rd day of December, 2003, BOISE CASCADE CORPORATION, a Delaware corporation ("Boise"), and RENEWABLE ENERGY OF IDAHO, INC., a IDAHO corporation ("Purchaser"), do hereby agree as follows:

1. Premises. Boise shall sell to Purchaser and Purchaser shall purchase from Boise, at the price and on the terms and conditions set forth herein, the real property and all appurtenances and improvements thereto which are located in Gem County, Idaho, and are more particularly described in Exhibit A, attached hereto and by this reference made a part hereof ("Premises").

2. Purchase Price. Purchaser shall pay Boise the Purchase Price for the Premises. The Purchase Price shall be product of multiplying the rate of \$35,000 per acre by the number of acres as determined, with an accuracy of a hundredth of an acre, by a survey of the Premises pursuant to Section 5 below. The Purchase Price may be increased at the election of Purchaser pursuant to the provisions of Section 7. The Purchase Price shall be paid as follows: The sum of \$50,000 shall be paid by Purchaser upon the execution of this Agreement by both parties to be held by Boise or its agent as earnest money (the "Earnest Money"). Such sum shall not be refunded to Purchaser except as may be otherwise provided herein. At Closing, Purchaser shall pay Boise the balance of the Purchase Price.

3. Purchaser's Conditions Precedent to Closing.

Purchaser's obligations hereunder are subject to the satisfaction of the following conditions:

(a) Purchaser shall have completed an examination of the Premises and conducted such engineering and feasibility studies as are necessary to determine the physical and economical suitability of the Premises for Purchaser's proposed use, and Purchaser shall have determined, in its sole discretion, that the Premises are suitable for Purchaser's proposed use and that its proposed use is economically feasible. Such studies shall be conducted by Purchaser at its sole cost and expense. Purchaser shall have no right to conduct any environmental site assessment of the

Premises or any borings or excavations without Boise's prior written approval. Boise agrees to allow Purchaser reasonable access to the Premises to conduct such studies. Purchaser shall save, defend, indemnify, and hold Boise harmless from and against all claims, lawsuits, judgments, losses, liabilities, or expenses of any kind or nature which may be incurred by Boise as the result of Purchaser's negligence with respect to any examination, test, or study on the Premises, excluding the discovery of any preexisting condition on the Premises. The obligations of Purchaser imposed by the preceding sentence shall survive any termination of this Agreement and shall survive the closing;

(b) Purchaser shall have determined to its satisfaction that utilities, including water, sanitary sewer, storm sewer, natural gas, and electricity are available to the Premises in a location and capacity adequate to accommodate Purchaser's intended use of the Premises, and the parties have agreed to the locations of, and the forms of the instruments for, the easements and options to be granted to Purchaser at Closing, as described in Section 8;

(c) Purchaser shall have determined to its satisfaction that the zoning of the Premises will permit Purchaser's proposed use of the Premises;

(d) The conditions of the title to the Premises and survey matters shall have been approved by Purchaser in accordance with the procedure set forth in Sections 5 and 6;

(e) Purchaser shall be satisfied that Boise has completed a legal subdivision of the Premises from additional, adjacent property owned by Boise which is not a part of the Premises;

(f) Boise shall have successfully implemented the Work Plan (hereinafter defined) created pursuant to Section 7; and,

(g) Purchaser shall have obtained such permits or agreements with third parties as Purchaser may deem necessary for its proposed use of the Premises.

Purchaser shall have 12 months from date hereof in which to determine whether the conditions set forth in this Section 3 are satisfied and, in the case of the condition of title and survey matters, the periods set forth in Sections 5 and 6. If any of such conditions are not satisfied, in the sole judgment of Purchaser, Purchaser may either: (i) waive all such unsatisfied conditions and proceed to close this transaction, or

(ii) terminate this Agreement upon written notice to Boise. If Purchaser terminates this Agreement pursuant to the foregoing option, Boise shall retain the Earnest Money together with any Additional Earnest Money, hereinafter defined, and neither party shall have any further rights or obligations under this Agreement except that Purchaser's indemnification set forth in Section 3(a) shall survive any such termination.

4. Boise's Conditions Precedent to Closing.

Boise's obligations hereunder are subject to the satisfaction of the following conditions:

(a) Boise shall have completed to its satisfaction the Work Plan created pursuant to Section 7; and

(b) The parties have agreed to the locations of, and the forms of the instruments for, the easements and options to be granted to Purchaser at Closing, as described in Section 8.

Boise shall have 12 months from date hereof in which to determine whether the conditions set forth in this Section 4 are satisfied. If any of such conditions are not satisfied, in the sole judgment of Boise, Boise may either (i) waive all such unsatisfied conditions and proceed to close this transaction or (ii) terminate this Agreement upon written notice to Purchaser. If Boise terminates this Agreement pursuant to the foregoing option, Boise shall retain the Earnest Money together with any Additional Earnest Money, and neither party shall have any further rights or obligations under this Agreement.

5. Property Survey. Within 120 days from date hereof, Boise, at Boise's sole cost and expense, shall cause to be delivered to Purchaser a current plat or survey of the Premises prepared by a surveyor acceptable to the parties and the title company closing this transaction. The survey shall certify to the Purchaser and the title company that: (i) the survey was made and staked on the ground; (ii) the plat shows the location of all improvements, highways, streets, roads, railroads, rivers, creeks or other waterways, fences, easements and rights-of-way on or adjacent to the Premises, if any; (iii) there are no visible discrepancies, conflicts or encroachments except as shown on the survey plat; (iv) the survey plat is a true, correct and accurate representation of the Premises; and (v) the survey sets forth the number of total acres/square feet comprising

the Premises, together with a metes and bounds description thereof. All easements and rights-of-way shall be referenced to the recording information applicable to the documents creating such easements or rights-of-way which have been recorded with the county clerk of the county in which the Premises are located. The survey shall locate and mark all corners and angles of the Premises' perimeter on the ground with permanent, buried iron surveyor's stakes.

If the plat or survey discloses survey matters that render the title unmarketable ("Survey Defects"), Boise shall have 30 days from the date of delivery thereof to correct the Survey Defects or to have the title insurer commit to insure against loss or damage that may be occasioned by the Survey Defects, and, in such event, Closing shall be delayed for a period of time to be mutually agreed by the parties. If Boise fails to correct the Survey Defects within the specified time, Purchaser may (i) terminate this Agreement and Boise shall retain the Earnest Money together with any Additional Earnest Money, and neither party shall have any further rights or obligations under this Agreement or (ii) waive the Survey Defects and close the transaction in accordance with this Agreement.

6. Title Approval. Boise shall deliver to Purchaser, within 180 days from the date hereof, a commitment for title insurance (the "Commitment") and, at Purchaser's request, legible copies of all recorded instruments affecting the Premises and recited as exceptions in the Commitment. If Purchaser has an objection to items disclosed in such Commitment, Purchaser shall have 30 days after receipt of such instrument to make written objections to Boise. If Purchaser makes such objections, Boise shall have 30 days from the date such objections are disclosed to cure the same, and the Closing date shall be extended if necessary. If the objections are not satisfied within such time period, Purchaser may (i) terminate this Agreement and Boise shall retain the Earnest Money together with any Additional Earnest Money, and neither party shall have any further rights or obligations under this Agreement or (ii) waive the unsatisfied objections and close the transaction in accordance with this Agreement. If Purchaser does not notify Boise in writing of objections to the condition of title within the time period provided for above, Purchaser shall be deemed to have agreed to accept title to the Premises in the condition shown in the Commitment.

7. Environmental Assessment

(a) Boise shall have 60 days from the date hereof to (i) perform an assessment of the environmental conditions on the Premises, ("Assessment") (ii) decide whether a work plan is necessary to remediate the Premises to meet or exceed the remediation standards established by the State of Idaho for an industrial site (the "Work Plan"), (iii) develop the Work Plan if necessary, and (iv) obtain cost estimates to implement the Work Plan. Boise shall provide a copy of the Assessment and Work Plan to Purchaser. Boise shall have the right to terminate this Agreement in the event Boise determines that the time that is likely required to successfully implement the Work Plan exceeds 180 days from the date the final copy of the Assessment is delivered to the Purchaser, or the cost that is likely required to successfully implement the Work Plan exceeds \$350,000. In the event Boise elects to terminate this Agreement for either or both of these reasons, Boise shall notify Purchaser on or before 75 days from the date hereof of its decision to terminate this Agreement. In the event such cost estimate exceeds \$350,000, Boise shall have no right to terminate for the reason of that cost estimate exceeding \$350,000, if within 10 days of receiving the Work Plan, Purchaser elects by written notice to Boise to increase the Purchase Price by the amount by which the actual cost to successfully implement the Work Plan exceeds \$350,000.

(b) In the event Boise determines to implement the Work Plan, Purchaser shall immediately pay Boise additional earnest money in the amount of the cost estimate to implement the Work Plan (the "Additional Earnest Money"). Upon receipt of the Additional Earnest Money, Boise shall proceed to implement the Work Plan at Boise's discretion but with the goal of completing the Work Plan no later than 240 days after execution of this Agreement.

(c) Boise shall have the right to revise the Work Plan to ensure that remediation of the Premises will meet or exceed the remediation standards established by the State of Idaho for an industrial site. Boise shall provide a copy of any such revision to Purchaser. At any time that the cost estimate to implement the Work Plan, as may be revised from time to time, is itself revised and determined to be likely to exceed \$350,000, Boise shall have the right to terminate this Agreement unless (i)

Purchaser promptly increases the amount of the Additional Earnest Money paid to Boise to cover the increased cost estimate, and (ii) Purchaser elects by written notice to Boise to increase the Purchase Price by the amount by which the actual cost to successfully implement the Work Plan exceeds \$350,000.

(d) In the event of termination under this Section 7, Boise shall retain the Earnest Money together with any Additional Earnest Money, and neither party shall have any further rights or obligations under this Agreement.

(e) Upon completion of all material elements of the Work Plan, and upon notice to the Purchaser, Purchaser shall be deemed to have accepted the environmental condition of the Premises and agrees to release without reservation, indemnify and hold Boise harmless from and against any and all claims, losses, damages, liabilities, fines and penalties, expenses (including attorney's fees), cleanup costs, or other costs resulting from or arising out of the Premises under any applicable Environmental Law. Such indemnification shall survive Closing. "Environmental Law" shall include, but not be limited to, the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. § 9601 *et. seq.*; the Solid Waste Disposal Act/Resource Conservation and Recovery Act, 42 U.S.C. §6901, *et. seq.*; Clean Air Act, 42 U.S.C. § 7401, *et. seq.*; Clean Water Act, 33 U.S.C. §1251, *et. seq.*; Emergency Planning and Community Right to Know Act, 42 U.S.C. §11001, *et. seq.*; Safe Drinking Water Act, 42 U.S.C. §300f, *et. seq.*; Toxic Substances Control Act, 15 U.S.C. § 2601, *et. seq.*; as they may be amended; any regulations promulgated thereunder; and any other federal, state, county, or local regulation, ordinance, order, statute, or directive relating to the management and protection of human health or the environment.

(f) In the event Purchaser has elected pursuant to Section 7(a) or 7(c) to increase the Purchase Price, upon completion of the Work Plan, Boise shall provide Purchaser with a written accounting evidencing the amount by which the actual cost to complete the Work Plan exceeded \$350,000. The Purchase Price provided herein shall be increased by such amount and deemed amended without further action by the parties.

8. Easements.

(a) At Closing, Boise shall grant to Purchaser an access easement, in form mutually agreed upon by the parties, for ingress and egress to the Premises over the Boise owned road, which Boise refers to as "Plywood Road," that begins at its intersection with Main Street of the City of Emmett and ends at the Premises. The location of this easement is shown on Exhibit A. The width of this easement shall be the minimum width necessary to obtain approval from Gem County for the lot line adjustment necessary to create the lot that shall be the Premises, but in no event shall the width of this easement be less than 25 feet. Boise shall allow Purchaser, at Purchaser's risk and expense, to use the existing truck scales located on Boise's retained property lying northeast of the easement until such time as Boise may in its sole and arbitrary discretion decide to dismantle or sell the scales. Purchaser's use of the scales shall be non-exclusive and shall be contingent on Purchaser providing all labor and materials to operate and maintain the scales, the approaches and the general vicinity of the scales in such condition as Purchaser may require to use them.

(b) At Closing, Boise shall grant to Purchaser an easement for ingress and egress and related purposes between the Premises and the pre-existing Idaho Power substation on Boise's retained property. The location of this easement is shown on Exhibit A. The form of this easement will be as mutually agreed upon by the parties.

(c) At Closing, Boise shall grant to Purchaser an option to acquire an easement for installation, maintenance, and use of a railroad spur across Boise's retained property covering a route that runs generally in a southwesterly direction from the Premises to the boundary of Boise's retained property and the mainline rail track operated by Idaho Northern and Pacific Railroad Company. The location of this easement is shown on Exhibit A. The option shall not be exercisable by Purchaser until such time, if ever, as Purchaser has completed construction of the power plant Purchaser desires to construct on the Premises, Purchaser has started electrical power production, Purchaser is selling electrical power in commercial quantities, and Purchaser can demonstrate a need for rail access to the Premises for delivering supplies (such as hog fuel) to Purchaser's operations on the Premises. The form of the option and easement for this easement shall be as mutually agreed upon by the parties.

9. Greenbelt. Purchaser acknowledges that Boise is considering granting an easement to the City of Emmett or another government or non-profit entity for an approximately 25 foot wide strip of land along the Payette River for greenbelt purposes. In the event Purchaser requests that the northern boundary of the Premises be placed closer to the Payette River such that any such easement would cross over the Premises, and Boise agrees to such change in boundary, then Purchaser acknowledges and agrees that Boise shall convey the Premises to Purchaser subject to that easement. In such event, Boise shall provide Purchaser with a draft form of easement for review and comments by Purchaser, and Boise shall consider such comments before putting the easement in final form and granting the easement.

10. Water Rights. At Closing, Boise shall transfer to Purchaser Water Right No. 65-07094 (Domestic Right, 1 House) associated with the water well (8" steel casing) located on the Premises. At Closing, Boise shall transfer to Purchaser a portion of the Water Right No. 65-00586, which will require changing point of diversion and use for that portion of water right transferred to Purchaser, so that Purchaser has the right to withdraw 150 gallons of water per minute from the well on the Premises for commercial and/or industrial uses on the Premises. Boise shall undertake to file and prosecute applications for change in point of diversion and use before Closing; provided, in the absence of future consent of Boise, no change shall become final other than simultaneously with or after the Closing. Purchaser agrees to cooperate with Boise in the securing of such applications, including the filing of the same in Purchaser's name, if required. At Closing, if the application for such changes has not been granted, Boise shall transfer all rights to such application to Purchaser for Purchaser to prosecute at its sole cost and risk.

11. Risk of Loss. All risk of loss, injury, damage, or condemnation of the Premises shall be transferred from Boise to Purchaser at the time of Closing. If the Premises are partially destroyed or partially condemned at any time prior to Closing and that portion of the Premises destroyed or condemned constitutes a material part of this transaction, or if the Premises are totally destroyed or condemned, either party may terminate this Agreement without liability or obligation to the other party by reason of such termination, and Boise shall retain the Earnest Money together with any Additional

Earnest Money. All insurance proceeds and condemnation awards for such, received by or accruing to Boise by reason of such loss, injury, damage, or taking, shall be for the account of Boise, and the Purchase Price shall not be reduced thereby unless otherwise agreed between the parties prior to Closing. If the Premises are partially destroyed or condemned and the loss or condemnation is immaterial, the transaction shall be closed without reduction or adjustment in the Purchase Price, and the proceeds of all insurance and all condemnation proceeds shall accrue to Purchaser.

12. Taxes and Assessments; Closing Costs. Real estate and personal property taxes and all utilities shall be prorated between the parties as of the date of Closing. Boise shall pay for one-half of any Closing fees, including escrow fees. Recording fees, transfer taxes and assessments, deed stamps and one-half of any Closing fees, including escrow fees, shall be paid by Purchaser. Each party shall pay its own attorneys' fees and other expenses incurred by it.

13. Deed. Boise agrees to execute and deliver to Purchaser at Closing a special warranty deed conveying title to the Premises, subject to easements, restrictions, reservations, mineral interests and all other encumbrances of record, and any greenbelt easement.

14. Possession. Purchaser shall be entitled to possession of the Premises as of Closing.

15. Warranty of Title. Boise warrants that it has good and marketable title to the Premises, free and clear of all liens, claims, and encumbrances except for restrictions, reservations, easements, and mineral interests of record.

16. Condition of the Premises. PURCHASER UNDERSTANDS AND AGREES THE PREMISES ARE SOLD "AS IS - WHERE IS" AND THAT BOISE MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, THAT THE PREMISES ARE FIT FOR ANY PARTICULAR USE OR PURPOSE.

17. Closing. The term "Closing" as used in this Agreement means the payment by Purchaser to Boise of that portion of the Purchase Price due at Closing and the delivery by Boise to Purchaser of the warranty deed, access easement, water right transfer documentation, and title insurance policy. Unless otherwise agreed by the

parties. Closing shall take place on or before the latest of the day 30 days after (i) Boise has successfully implemented the Work Plan created pursuant to Section 7, (ii) the conditions precedent in Section 3 are satisfied or waived, and (iii) the conditions precedent in Section 4 are satisfied or waived. This transaction shall be closed through an escrow that is to be held by First American. Each party shall execute and deliver on a timely basis all escrow instructions, deeds, and other documents reasonably necessary to close this transaction.

18. Brokers. Purchaser warrants to Boise that no person or other entity of any sort is entitled to any commission, broker's fee, finder's fee, or other payment by reason of the action of Purchaser in connection with this transaction. Boise warrants to Purchaser that no person or other entity of any sort is entitled to any commission, broker's fee, finder's fee, or any other payment by reason of the action of Boise in connection with this transaction.

19. Default. In the event that Purchaser fails to close this transaction when and as required hereby, Boise may terminate this Agreement, in which case Purchaser shall have no further rights or interest in the Premises. Boise may retain any monies paid to Boise or its agent before such default as liquidated damages and not as penalty. This remedy shall be in addition to any other remedy Boise may have at law or in equity. In the event that Boise fails to close this transaction in accordance with its terms, Purchaser may terminate this Agreement and obtain a refund of all monies paid to Boise or its agent before such default. This remedy shall be in addition to any other remedy Purchaser may have at law or in equity.

20. Assignment. Neither this Agreement nor any rights arising under it may be assigned or mortgaged by either party without the prior written consent of the other party, and any attempt to transfer this Agreement or any rights or interests arising hereunder, by operation of law or otherwise, without such consent shall be void and of no force and effect.

21. Modification. No part of this Agreement may be modified without the express written consent of both parties.

B. Except as expressly provided herein, the Agreement shall remain in full force and effect as written.

IN WITNESS WHEREOF, the parties to this hereto have caused this Amendment to be executed the day and year first above written.



RENEWABLE ENERGY OF IDAHO, INC.

BOISE CASCADE CORPORATION

By _____

By Thomas A. Lovlien
Thomas A. Lovlien

Title _____

Title VP, Wood Products Operations
Boise Bldg. Solutions - Mfg.

AFTER
SIGNING -
RETURN TO
BOISE

AMENDMENT TO REAL ESTATE SALES AGREEMENT

THIS AGREEMENT is made and entered into as of the ____ day of March, 2004, by and between BOISE CASCADE CORPORATION, a Delaware corporation ("Boise"), RENEWABLE ENERGY OF IDAHO, INC., an Idaho corporation ("Purchaser").

WHEREAS, the parties entered into that certain Real Estate Sales Agreement dated the 3rd day of December, 2003 ("Agreement"); and

WHEREAS, the parties to that Agreement desire to amend certain obligations of the parties thereto;

NOW, THEREFORE, for the mutual undertakings of the parties set forth below and other valuable consideration, the sufficiency of which is hereby acknowledged, the parties to this Amendment agree as follows:

A. The following specific sections of the Agreement are hereby amended as described below:

3.(f) Deleted.

4.(a) Boise shall have received satisfactory written approval or acceptance from IDEQ of the Work Plan created pursuant to Section 7 and shall have received IDEQ's satisfactory written approval or acceptance of the excavation and removal of petroleum-impacted soils from the Premises as required by the Work Plan.

7. Environmental Assessment

(a) Boise shall have 60 days from the date of the Agreement to (i) perform an assessment of the environmental conditions on the Premises ("Assessment"); (ii) decide whether a work plan is necessary to remediate the Premises to meet or exceed the remediation standards established by the State of Idaho for an industrial site ("Work Plan"); (iii) develop the Work Plan if necessary; and (iv) obtain cost estimates to implement the Work Plan. Boise shall provide a copy of the Assessment and any Work Plan to Purchaser.

(b) Upon execution of this Amendment, Purchaser shall pay

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immediately to Boise \$350,000 in additional earnest money ("Additional Earnest Money").

(c) If, at any time, the cost estimate or actual costs to implement the Work Plan, as it may be revised from time to time, exceed \$400,000, Boise shall have the right to terminate the Agreement upon written notice to Purchaser. Provided, however, Boise shall have no right to terminate because the cost estimate exceeds \$400,000, if within 10 days of receiving notice from Boise that the cost of implementing the Work Plan will likely exceed \$400,000, Purchaser elects by written notice to Boise to increase the Purchase Price by the amount by which the actual cost to successfully implement the Work Plan exceeds \$400,000. Boise also shall have the right to terminate the Agreement in the event Boise determines that the time necessary to implement the soil excavation and treatment portion of the Work Plan will exceed 240 days from the date of this Amendment.

(d) In the event of termination under this Section 7, Boise shall retain the Earnest Money together with any Additional Earnest Money, and neither party shall have any further rights or obligations under the Agreement.

(e) Upon Boise's receipt of written approval or acceptance by the Idaho Department of Environmental Quality (IDEQ) of the excavation and removal of petroleum-impacted soils from the Premises as required by the Work Plan, the parties may proceed to Closing as contemplated in Section 17 of the Agreement. Purchaser shall be deemed to have accepted the environmental condition of the Premises and agrees to release without reservation, indemnify and hold Boise harmless from and against any and all claims, losses, damages, liabilities, fines and penalties, expenses (including attorney's fees), cleanup costs, or other costs resulting from or arising out of the Premises under any applicable Environmental Law. Such indemnification shall survive Closing. "Environmental Law" shall include, but not be limited to, the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. § 9601 *et. seq.*; the Solid Waste Disposal Act/Resource Conservation and Recovery Act, 42 U.S.C. §6901, *et. seq.*; Clean Air Act, 42 U.S.C. § 7401, *et. seq.*; Clean Water Act, 33 U.S.C. §1251, *et. seq.*; Emergency Planning and Community Right to Know Act, 42 U.S.C. §11001, *et. seq.*; Safe Drinking Water Act, 42 U.S.C. §300f. *et. seq.*; Toxic

Substances Control Act, 15 U.S.C. § 2601, *et. seq.*; as they may be amended; any regulations promulgated thereunder; and any other federal, state, county, or local regulation, ordinance, order, statute, or directive relating to the management or protection of human health or the environment.

(f) In the event Purchaser has elected pursuant to this Section 7 to increase the Purchase Price, upon completion of the Work Plan, Boise shall provide Purchaser with a written accounting evidencing the amount by which the actual Cost to complete the Work Plan exceeded \$400,000. The Purchase Price provided herein shall be increased by such amount and deemed amended without further action by the parties.

17. Closing. The term "Closing" as used in this Agreement means the payment by Purchaser to Boise of that portion of the Purchase Price due at Closing and the delivery by Boise to Purchaser of the warranty deed, access easement, water right transfer documentation, and title insurance policy. Unless otherwise agreed by the parties, Closing shall take place on or before the latest of the day 30 days after (i) Boise's receipt of written approval or acceptance by IDEQ of the excavation and removal of petroleum-impacted soils from the Premises required by Section 7; (ii) the conditions precedent in Section 3 are satisfied or waived; and (iii) the conditions precedent in Section 4 are satisfied or waived. This transaction shall be closed through an escrow that is to be held by First American. Each party shall execute and deliver on a timely basis all escrow instructions, deeds, and other documents reasonably necessary to close this transaction.

27. Communications. Neither party shall make or cause any public communications, either directly or indirectly, regarding the Premises, the work, the plans or any matter involving this Agreement or any work at or near the Premises, unless such communication has been submitted to and approved in writing by the other party.

When Recorded Return To:

Margaret Kralovec
Boise Cascade Corporation
P.O. Box 50
Boise, Idaho 83728-0001

MEMORANDUM OF OPTION TO ACQUIRE EASEMENT

BOISE CASCADE CORPORATION, a Delaware corporation, as Grantor, whose address is P.O. Box 50, Boise, Idaho 83728, has granted an Option To Acquire Easement to RENEWABLE ENERGY OF IDAHO, INC., an Idaho corporation, as Grantee, whose address is 320 Montvue, Meridian, Idaho 83642, pursuant to Section 8(c) of the Real Estate Sales Agreement dated December 3, 2003 ("Option"), by which Grantor has granted to Grantee, for Ten and no/100s (\$10.00) and other good and valuable consideration an option to acquire an Easement for installation, maintenance, and use of a railroad spur subject to the terms, conditions, and provisions of said Option, with respect to that certain Grantor's Property situated in Gem County, Idaho ("Grantor's Property"), which is described on Exhibit A. The location of the Easement is depicted on Exhibit B attached hereto.

SUBJECT to the other provisions therein contained, this Option shall not be exercisable by Grantee until such time, if ever, as Grantee has completed construction of the power plant Grantee desires as of the date hereof to construct on the Grantee's Property as described on Exhibit C ("Grantee's Property"), Grantee has started electrical power production, Grantee is selling electrical power in commercial quantities, and Grantee can demonstrate a need for rail access to Grantee's Property for delivering supplies (such as hog fuel) to Grantee's operation on Grantee's Property

THIS Memorandum of Option to Acquire Easement is to be placed of record in the Gem County Recorder's Office, to serve as notice of the existence of said Option and shall not be interpreted as a change, alteration, or amendment thereof

This Memorandum may be executed in counterparts, each part being considered an original document, all parts being but one document.

IN WITNESS WHEREOF, the undersigned have caused this Memorandum of Option to Acquire Easement to be executed the day and year first written above.

GRANTOR:
BOISE CASCADE CORPORATION

 By Stanley Bell
Its SENIOR VICE PRESIDENT

GRANTEE:
RENEWABLE ENERGY OF IDAHO, INC.

By _____
Its _____

THIS Memorandum of Option to Acquire Easement is to be placed of record in the Gem County Recorder's Office, to serve as notice of the existence of said Option and shall not be interpreted as a change, alteration, or amendment thereof

This Memorandum may be executed in counterparts, each part being considered an original document, all parts being but one document.

IN WITNESS WHEREOF, the undersigned have caused this Memorandum of Option to Acquire Easement to be executed the day and year first written above.

GRANTOR:
BOISE CASCADE CORPORATION

By _____
Its _____

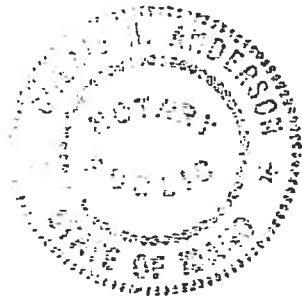
GRANTEE:
RENEWABLE ENERGY OF IDAHO, INC.

By Richard Vanison
Its President

STATE OF IDAHO)
) ss.
COUNTY OF ADA)

On this 25th day of October 2004, before me, the undersigned, a notary public in and for said state, personally appeared STANLEY BELL, known to me to be the SENIOR VICE PRESIDENT of Boise Cascade Corporation, a Delaware corporation, that executed the above instrument on behalf of said corporation and acknowledged to me that said corporation executed the same.

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



Sherie H. Anderson
Notary Public for IDAHO
Residing at MERIDIAN, ID
My Commission expires 8/5/09

STATE OF IDAHO)
) ss.
COUNTY OF _____)

On this _____ day of _____ 2004, before me, the undersigned, a notary public in and for said state, personally appeared _____, known to me to be the _____ of RENEWABLE ENERGY OF IDAHO, INC., an Idaho corporation, that executed the above instrument on behalf of said corporation and acknowledged to me that said corporation executed the same.

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

Notary Public for _____
Residing at _____
My Commis _____

STATE OF IDAHO)
) ss.
COUNTY OF ADA)

On this ____ day of October 2004, before me, the undersigned, a notary public in and for said state, personally appeared _____, known to me to be the _____ of Boise Cascade Corporation, a Delaware corporation, that executed the above instrument on behalf of said corporation and acknowledged to me that said corporation executed the same.

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

Notary Public for _____
Residing at _____
My Commission expires _____

STATE OF MONTANA)
) ss.
COUNTY OF MISSOULA)

On this 25th day of October 2004, before me, the undersigned, a notary public in and for said state, personally appeared Richard Vinson, known to me to be the President of RENEWABLE ENERGY OF IDAHO, INC., an Idaho corporation, that executed the above instrument on behalf of said corporation and acknowledged to me that said corporation executed the same.

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



Denise A. Cooper
Notary Public for State of Montana
Residing at Missoula, Montana
My Commis 10/20/2008