

Skinner, Corey

From: Christopher H Meyer [ChrisMeyer@givenspursley.com]
Sent: Monday, May 23, 2011 9:05 AM
To: Skinner, Corey
Cc: Michael P. Lawrence
Subject: RE: Request for delay in processing: Permit application No. 37-22161 and Transfer application No. 74266 [IWOV-GPDMS.FID345507]

Corey,
I thought I'd passed the baton to Mike Lawrence, who is not in this morning.
I will follow up with you, I hope, later today.
Thanks for your patience,
Chris M.

From: Skinner, Corey [mailto:Corey.Skinner@idwr.idaho.gov]
Sent: Monday, May 23, 2011 8:46 AM
To: Christopher H Meyer
Subject: RE: Request for delay in processing: Permit application No. 37-22161 and Transfer application No. 74266 [IWOV-GPDMS.FID345507]

Have you had a chance to talk this over with your client?

From: Christopher H Meyer [mailto:ChrisMeyer@givenspursley.com]
Sent: Tuesday, May 10, 2011 11:10 AM
To: Skinner, Corey
Cc: Merritt, Allen; sdb54@yahoo.com; Michael P. Lawrence
Subject: RE: Request for delay in processing: Permit application No. 37-22161 and Transfer application No. 74266 [IWOV-GPDMS.FID345507]

Thank you, Corey.
Let me discuss this with the client.
I am headed to Cascade for oral argument in another matter tomorrow.
So I may not get back to you until Thursday or Friday.
Is that OK?
-Chris M.

From: Skinner, Corey [mailto:Corey.Skinner@idwr.idaho.gov]
Sent: Tuesday, May 10, 2011 11:07 AM
To: Christopher H Meyer
Cc: Merritt, Allen; sdb54@yahoo.com
Subject: RE: Request for delay in processing: Permit application No. 37-22161 and Transfer application No. 74266 [IWOV-GPDMS.FID345507]

Chris,

We have not yet received a formal assignment of these applications to Redstone Partners (see 4/7/2011 e-mail from Allen below). I assume they are still wanting to have the applications held? However, I am not sure of any advantage they are receiving by having IDWR hold the applications. After reviewing the information you submitted, it is clear that the planned development now in the works has deviated so much from the original planned development that the currently filed applications will have to be completely reworked and replaced (basically starting from scratch). As far as processing applications, brand new applications can be processed just as fast (and probably actually a little faster)

Skinner, Corey

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So I may not get back to you until Thursday or Friday.
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<http://www.idwr.idaho.gov/RulesStatutesForms/WaterRights/WaterRightForms.htm>

If you have any questions, or would like to discuss the possible advantages vs. disadvantages of withdrawing the applications vs. assigning the applications and leaving them pending, feel free to give me a call (736-3033).

Thanks,

Corey

From: Christopher H Meyer [mailto:ChrisMeyer@givenspursley.com]
Sent: Thursday, April 07, 2011 12:57 PM
To: Merritt, Allen; Skinner, Corey
Cc: sdb54@yahoo.com

Skinner, Corey

From: Christopher H Meyer [ChrisMeyer@givenspursley.com]
Sent: Thursday, April 07, 2011 12:57 PM
To: Merritt, Allen; Skinner, Corey
Cc: sdb54@yahoo.com
Subject: RE: Request for delay in processing: Permit application No. 37-22161 and Transfer application No. 74266 [IWOV-GPDMS.FID345507]

Thanks, Allen. I will follow up.
-Chris

From: Merritt, Allen [mailto:Allen.Merritt@idwr.idaho.gov]
Sent: Thursday, April 07, 2011 12:56 PM
To: Christopher H Meyer; Skinner, Corey
Cc: sdb54@yahoo.com
Subject: RE: Request for delay in processing: Permit application No. 37-22161 and Transfer application No. 74266 [IWOV-GPDMS.FID345507]

Chris,

Yes ... I received the missing document. After reviewing it seems appropriate that Cove Springs should formally assign these applications to Redstone so that we are communicating with the proper entity.

Thanks,

Allen

From: Christopher H Meyer [mailto:ChrisMeyer@givenspursley.com]
Sent: Thursday, April 07, 2011 12:52 PM
To: Christopher H Meyer; Merritt, Allen; Skinner, Corey
Cc: 'Steve Beevers (sdb54@yahoo.com)'
Subject: RE: Request for delay in processing: Permit application No. 37-22161 and Transfer application No. 74266 [IWOV-GPDMS.FID345507]

Allen,
I trust you received the missing document, which I sent last evening.

Corey,
I received confirmation from my client, Steve Beevers, this morning that he re-filed the Redstone Partners, LP documentation with the Secretary of State today.
CSDI (Coves Springs Development, Inc.) remains inactive and that filing has not been updated.
As I mentioned, Redstone will be the driver going forward.

Thanks again to both of you!

-Chris M.

From: Christopher H Meyer [mailto:ChrisMeyer@givenspursley.com]
Sent: Wednesday, April 06, 2011 9:24 PM
To: 'Merritt, Allen'; Skinner, Corey
Cc: Steve Beevers (sdb54@yahoo.com)

Subject: RE: Request for delay in processing: Permit application No. 37-22161 and Transfer application No. 74266 [IWOV-GPDMS.FID345507]

Sorry, Allen.

I suspect I hit the button for an internal link rather than the button for a copy of the Word document. Anyway, all it is is Corey's letter to us. I included it (or meant to include it, anyway) as a convenience.
-Chris M.

From: Merritt, Allen [mailto:Allen.Merritt@idwr.idaho.gov]

Sent: Wednesday, April 06, 2011 3:48 PM

To: Christopher H Meyer

Subject: RE: Request for delay in processing: Permit application No. 37-22161 and Transfer application No. 74266 [IWOV-GPDMS.FID345507]

FYI ... could not open the attachment to this second e-mail. Format not supported by our programs.

From: Christopher H Meyer [mailto:ChrisMeyer@givenspursley.com]

Sent: Wednesday, April 06, 2011 3:28 PM

To: Skinner, Corey

Cc: Merritt, Allen; 'Steve Beevers (sdb54@yahoo.com)'

Subject: RE: Request for delay in processing: Permit application No. 37-22161 and Transfer application No. 74266 [IWOV-GPDMS.FID345507]

Corey,

A realized I had not attached the referenced letter from you. Here it is, for your convenience.

-Chris

From: Christopher H Meyer

Sent: Wednesday, April 06, 2011 3:26 PM

To: Skinner, Corey

Cc: Allen.Merritt@idwr.idaho.gov; Steve Beevers (sdb54@yahoo.com)

Subject: Request for delay in processing: Permit application No. 37-22161 and Transfer application No. 74266 [IWOV-GPDMS.FID345507]

From: Chris Meyer

To: Corey Skinner, IDWR

Copies: Allen Merritt, IDWR, and Steve Beevers, Client

Attachments:

- (1) Letter of March 7, 2011
- (2) Development Agreement (pages 1, 7 & 8)
- (3) Final Plat (Phase 1)
- (4) Memorandum of Agreement

Allen,

Thank you for taking my call today while Corey was in the field.

Corey,

I am writing in response to your letter of March 7, 2011, addressed to Cove Springs Development, Inc. I spoke with Allen in your absence this afternoon, and he suggested that I send this email to you with a copy to him.

This firm represents both Cove Springs and Redstone Partners.

I am writing to respond to the issues you raised in your letter and to request a delay in processing of the permit application and transfer application for one additional year.

The development of the Cove Ranch property (which is the subject of these applications) was held up for an extended period of time during litigation between the developers and the County. I am pleased to report that the issue ultimately was resolved to the mutual satisfaction of all parties through a negotiated settlement. This is reflected in attached Development Agreement.

Under this agreement with the County, the project will be developed in two phases. The final plat for Phase 1 was approved by the County on August 26, 2010. The developers are allowed an additional three years to develop Phase 2 (which will be further subdivided).

You are aware of the difficult economic conditions for real estate development over the last three years. Despite this, my clients have survived the turbulence and are now in the process of securing additional financing. In short, this is a going project. Indeed, this will be a premier project and a model of thoughtful development consistent with the County's smart growth mandate.

In response to your further questions, Steve Beevers (the managing member of Redstone Partners) advised me yesterday that the lapsed approval reflected on the Secretary of State's website was due to an administrative oversight (papers incorrectly forwarded) and that this will be corrected today.

As for the lapsed option agreement between Cove Springs and Redstone Partners, that agreement has been terminated. It has been replaced by a new agreement summarized in the attached *Memorandum of Agreement Relating to Termination of Option to Purchase and Assignment of Development Rights*. The result of this is that Redstone Partners (the owner of the land and the existing water rights) will be the developer going forward. Obviously, we need to update both the application for permit and the application for transfer to reflect this. Very likely, the two applications will need to go through some further adjustments, as well, as the project moves forward consistent with the Development Agreement.

Accordingly, on behalf of my clients, I request a delay in processing of these two applications for up to an additional year, until April 5, 2012. This will provide the time needed to make appropriate refinements and address outstanding issues. We believe this will be more efficient for all concerned than allowing these applications to lapse and having to start from scratch.

Would you please let me know if this request can be accommodated and what other information or actions may be required on our part?

By the way, if you would address further communications on this matter to me, rather than to my partner, Jeff Fereday, that will save time and avoid confusion at this end.

Thank you much for your consideration and cooperation. It is always a pleasure to work with you and the other fine staff members at the Southern Office.

Best regards,
- Chris Meyer

Contact information:
Christopher H. Meyer
Givens Pursley LLP
Mailing Address:
P.O. Box 2720

Boise, Idaho 82701
Street Address:
601 W. Bannock Street
Boise, Idaho 83702
Direct: 208-388-1236
Fax: 208-388-1300
Cell: 208-407-2792
Assistant: Caralea Hopingardner (208-388-1227)
caraleah@givenspursley.com

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Cc: Merritt, Allen; Steve Beevers (sdb54@yahoo.com)
Subject: Request for delay in processing: Permit application No. 37-22161 and Transfer application No. 74266 [IWOV-GPDMS.FID345507]
Attachments: Cove Springs Subdivision Phase 1 Plat recorded 11-3-10.pdf; Memorandum of Agreement - as recorded (1-19-10).pdf; Cove Springs - DA 7-21-09 [recorded 9-16-09] Pgs 1,7,8 to IDWR.pdf

From: Chris Meyer
To: Corey Skinner, IDWR
Copies: Allen Merritt, IDWR, and Steve Beevers, Client

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Contact information:
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Givens Pursley LLP
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P.O. Box 2720
Boise, Idaho 82701
Street Address:
601 W. Bannock Street
Boise, Idaho 83702
Direct: 208-388-1236
Fax: 208-388-1300
Cell: 208-407-2792
Assistant: Caralea Hopingardner (208-388-1227)
caraleah@givenspursley.com

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DEVELOPMENT AGREEMENT

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

Martin A. Flannes
Flannes Law, pllc
PO Box 1090
Hailey, Idaho 83333

Instrument # 571099

HAILEY, BLAINE, IDAHO

9-16-2009 02:28:00 No. of Pages: 29

Recorded for : REDSTONE PARTNERS, LP

JOLYNN DRAGE Fee: 87.00

Ex-Officio Recorder Deputy

Index to: AGREEMENT/CORRECTION

mpp

Assessor Parcels: Cove Springs Subdivision
(prior parcels RP01N190201053, RP01N190171053, RP01N190221053,
RP01N190271053, and RP01N190281053)

Development Agreement

This **Development Agreement** ("Agreement") is entered into as of June 23, 2009 by and between Cove Springs Development, Inc., a Nevada corporation ("CSDI") and Redstone Partners, L.P. a Nevada limited partnership ("Redstone") (CSDI and Redstone are, collectively, the "Applicant"), on the one hand, and Blaine County, a political subdivision of the State of Idaho (the "County"), on the other hand, (CSDI, Redstone, and the County are, collectively, the "Parties") with reference to the following facts:

A. Pursuant to an option agreement between CSDI (as developer and potential purchaser) and Redstone (as owner and potential seller) relating to a portion of the 4,635-acre property commonly known as Cove Ranch ("Option Agreement"), on December 16, 2004 CSDI filed a combined A-10 PUD and A-20 CD subdivision application, which it subsequently revised on August 1, 2007 seeking approval of a project to develop 307 new lots, related amenities, and certain open space parcels on such portion of the property ("Original Subdivision Application").

B. The Original Subdivision Application was the subject of eleven (11) P&Z Hearings (from October 2006 to May 2007) and six (6) Board of Commissioner hearings (October 2007).

C. The County denied the Original Subdivision Application pursuant to certain written Findings of Fact, Conclusions of Law, and Decision dated December 12, 2007 ("Denial").

8. Plat Notes. The final plats for Phase 1 and Phase 2 shall contain the relevant Plat Notes set forth in the attached Exhibit C.

9. Voluntary Payments. Applicant shall make the following payments, which it voluntarily negotiated with the following entities:

9.1. County Road and Bridge

9.1.1. \$78,528 (\$3,272 per lot) as a condition to the recordation of the final Plat for Phase 1

9.1.2. The County shall impose no other road fees on the Project other than reasonable fees for staff time and County Engineer time for the review of submittals and for the inspection of the work related to the Gannett Road intersections of (a) the relocated Main Ranch entrance road and (b) the Parcel B, C, and D/E access roads.

9.2. Blaine County Recreation District

9.2.1. \$48,000 (\$2,000 per lot) as a condition to the recordation of the final Plat for Phase 2

9.2.2. The County shall impose no other recreation related fees on the Project.

9.3. Blaine County School District

9.3.1. \$95,784 (\$3,991 per lot) as a condition to the recordation of the final Plat for Phase 2

9.3.2. The County shall impose no other school related fees on the Project.

10. Phasing. The Approval allows for the development of the Project in two (2) phases and the recordation of final plats for each Phase without resubmission for preliminary plat approval of the second phase as follows:

10.1. Phase 1 (all as shown on the Preliminary Plat)

10.1.1. creation of Phase 1 Parcels A, B, C, D, E, F, and G and of Phase 2 Parcel O

10.1.2. construction or installation of

10.1.2.1. the entrance road and rights of way on Parcels F and G (including the connection to Gannett Road)

10.1.2.2. the portion of the new entrance roads crossing the Railroad Right of Way on Parcels B, C, and D/E (including the connections to Gannett Road)

10.1.2.3. ranch and subdivision signage (as described in Paragraph 18.1 and as depicted on Sheet 4 of the Preliminary Plat)

10.1.2.4. related electrical service.

10.1.3. Application for Final Plat Approval for Phase 1 shall be within one year from June 23, 2009 unless Applicant has requested and been granted an extension during such year.

10.1.4. The County shall impose no new conditions of approval and/or mitigation fees (for onsite and/or offsite impacts) for the approval and recordation of the Phase 1 Final Plat except as might be reasonably required relating to any revisions to the design and/or elements of the Plat requested by Applicant.

10.1.5. The County shall have the right to require minor revisions to the Plat consistent with the Approval.

10.2. Phase 2 (all as shown on the Preliminary Plat)

10.2.1. creation of Phase 2 Parcels H, I, J, K, L, and M and Lots 1 – 24

10.2.2. construction or installation of

10.2.2.1. Project roads

10.2.2.2. if necessary for passenger vehicle access, rough grading of access driveways to each lot and of a hammerhead on each lot as set forth in Detail B4 on Sheet 4 of the April 23, 2009 Preliminary Plat and related revegetation as required by County Code.

10.2.2.3. intermittent stream relocation, restoration, or enhancement

10.2.2.4. irrigation supply and fire protection systems

10.2.2.5. the amenities on Parcel M (a recreation building, a barn, and an outdoor riding arena).

10.2.2.6. lot advertising signage (as described in Paragraph 18.1)

10.2.2.7. related electrical service

10.2.3. recordation of the Final Plat for Phase 2 shall be within three (3) years from the approval of the Final Plat for Phase 1 unless Applicant has requested and been granted an extension during such three years.

10.2.4. The County shall impose no new conditions of approval and/or mitigation fees (for onsite and/or offsite impacts) for the approval and recordation of the Phase 2 Final Plat except as might be reasonably required relating to any revisions to the design and/or elements of the Plat requested by Applicant.

10.2.5. The County shall have the right to require minor revisions to the Plat consistent with the Approval.

10.3. Applicant can proceed with the Phases separately, simultaneously, or overlapping, at its option.

10.4. Applicant may request an extension of the deadlines in Paragraphs 10.1.3 and 10.2.3 for good cause, which shall include market conditions, weather, and/or other agency delay and which the County shall not unreasonably deny.

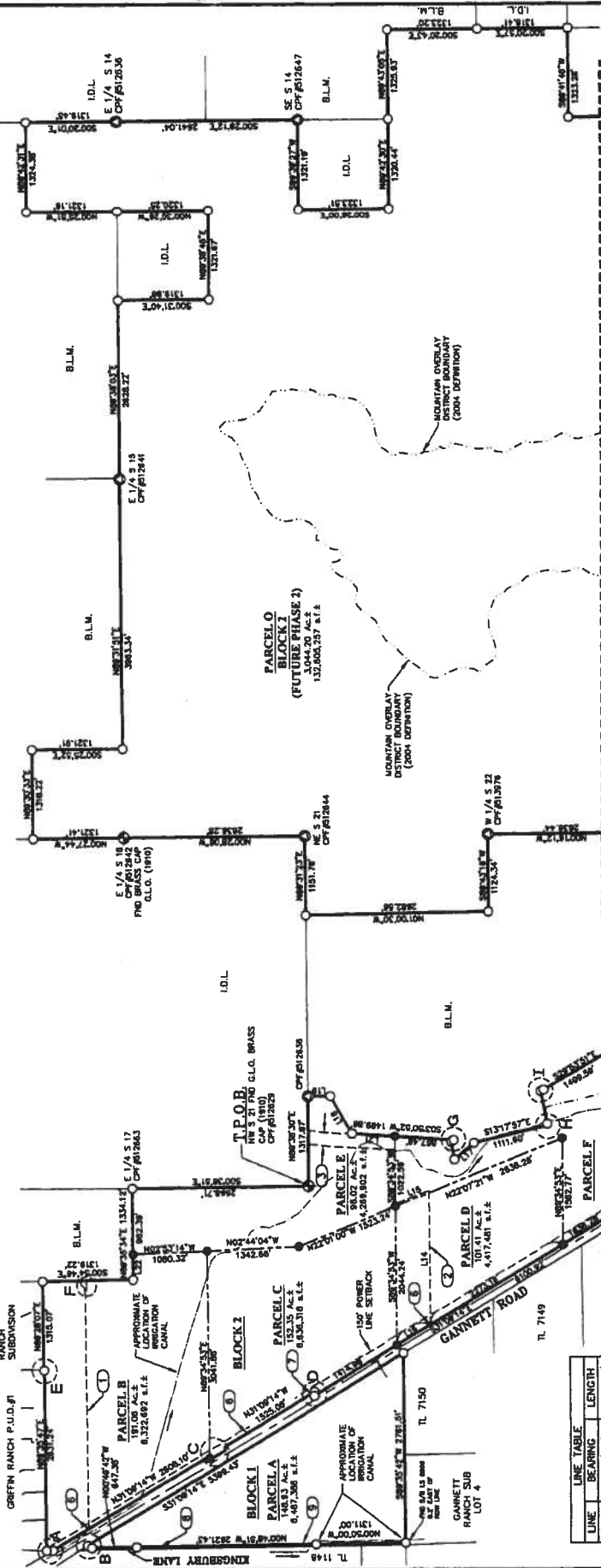
11. Parcel F. Any future development of Parcel F (approximately 792 acres) to use the currently unused 28 residential units (plus ADUs) shall take place north of the relocated main ranch entrance road (as shown on the Preliminary Plat). No new residential units may be developed on Parcel F south of such road. This restriction does not apply to the relocation, repair, and/or replacement of the five (5) existing employee houses. Any replacement employee housing must be of substantially the same size as the relevant current employee housing.

12. Parcel G. There is no special restriction on the future subdivision of Parcel G to use the currently unused 3 residential units (plus ADUs).

13. Parcel M. The Approval includes – as part of Phase 2 – approval of the construction and use on Parcel M of the recreation building, barn, and outdoor riding arena depicted on the Preliminary Plat.

COVE SPRINGS SUBDIVISION PHASE 1

A PLAT SHOWING
LOCATED WITHIN
SECTIONS 14, 15, 17, 20, 21, 22, 23, 24, 26, 27, 28, 33 & 34, T.1N., R.19E., B.M., BLAINE COUNTY, IDAHO
AUGUST 2010



MATCH LINE--SEE SHEET 2

EASEMENT INFORMATION (EASEMENTS GRAPHICALLY SHOWN ON PLAT)

- (1) CENTERLINE OF 20' PUBLIC ACCESS EASEMENT, SUBJECT TO FUTURE RELOCATION UPON DEVELOPMENT OF PARCEL B
- (2) CENTERLINE OF 60' ACCESS AND UTILITY EASEMENT TO BENEFIT PARCEL E, SUBJECT TO FUTURE RELOCATION UPON DEVELOPMENT OF PARCEL D
- (3) 200' STOCK DRIVE EASEMENT TO BENEFIT REDSTONE PARTNERS
- (4) CENTERLINE OF 60' ACCESS AND UTILITY EASEMENT TO BENEFIT PARCEL G AND PARCEL G, BLOCK 2
- (5) CENTERLINE OF 60' ACCESS AND UTILITY EASEMENT TO BENEFIT PARCEL G
- (6) REFER TO BOUNDARY LINE ADJUSTMENT AND EASEMENT AGREEMENT, INSTRUMENT NO. 573180, RECORDS OF BLAINE COUNTY, IDAHO FOR DETAILS ON THE ENTRANCE ACCESS EASEMENT BENEFITTING PARCEL A.
- (7) REFER TO BOUNDARY LINE ADJUSTMENT AND EASEMENT AGREEMENT, INSTRUMENT NO. 573180, RECORDS OF BLAINE COUNTY, IDAHO FOR DETAILS ON THE FIELD ACCESS EASEMENT BENEFITTING PARCEL A.

- OTHER EASEMENTS
1. EASEMENT PARTNERS, L.P. RESERVES AN UNLOCATED ACCESS EASEMENT ACROSS DEVELOPMENT PARCEL D TO ADJUST, MAINTAIN, AND/OR REPAIR THE PERIMETER FENCE AROUND PARCEL D.

- HEALTH CERTIFICATE: Sanitary restrictions as required by Idaho Code Title 50, Ch. 13, have been satisfied. Sanitary restrictions may be reimposed in accordance with Idaho Code Title 50, Ch. 13, Sec. 50-1326, by issuance of a Certificate of Disapproval.
- 10-12-2000
- South Central Public Health District
- Date

SURVEY NOTES

1. BASES OF BEARINGS IS GRIFIN RANCH P.L.S. DATED 1895.
2. INSTRUMENT NO. 379873, RECORDS OF BLAINE COUNTY, IDAHO.
3. REFER TO RECORD OF SURVEY FOR COVE SPRINGS, INSTRUMENT NO. 573065, RECORDS OF BLAINE COUNTY, IDAHO.

LEGEND

- Property Line
- Parcel Boundary
- Adjacent Lot Line
- Center Line
- Proposed Easement Line, Type and Width as Noted
- Existing Easement Line, Type and Width as Noted
- Mountain Overlay District (2004 Definition)
- Found Brass Cap (as noted)
- Found 5/8" Rebar
- Found 1/2" Rebar
- Found Aluminum Cap
- Set 5/8" Rebar PLS 13260
- Idaho Department of Transportation
- Iron Rod
- Corner Perpetualization & Filing Record
- Government Lot
- Witness Corner
- T.P.O.B. True Point of Beginning
- Detailed Callout, Refer to Sheet 3
- Easement Information Call Out, Refer to Sheet 1



BRIAN D. YEAGER, P.L.S. 13260
Job No. 6002.03

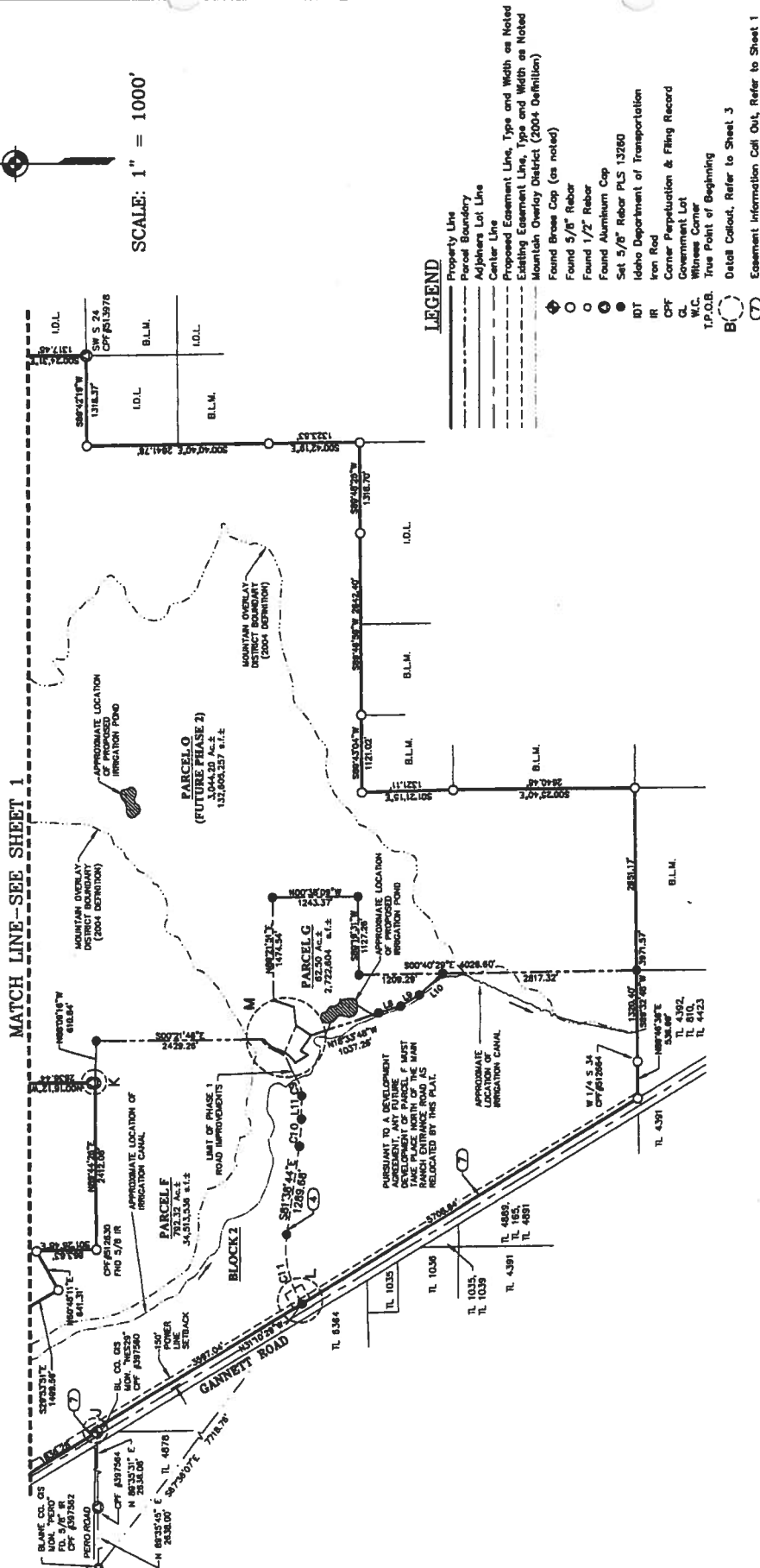
COVE SPRINGS SUBDIVISION
PHASE 1
GALENA ENGINEERING, INC.
KETCHUM, IDAHO 83340
SHEET 1 OF 8

COVE SPRINGS SUBDIVISION PHASE 1

A PLAT SHOWING
LOCATED WITHIN
SECTIONS 14, 15, 17, 20, 21, 22, 23, 24, 26, 27, 28, 33 & 34, T.1N., R.19E., B.M., BLAINE COUNTY, IDAHO
AUGUST 2010



MATCH LINE-SEE SHEET 1



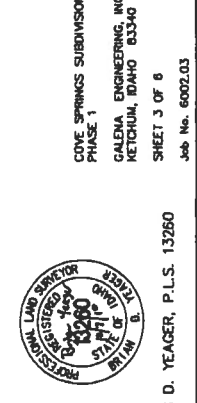
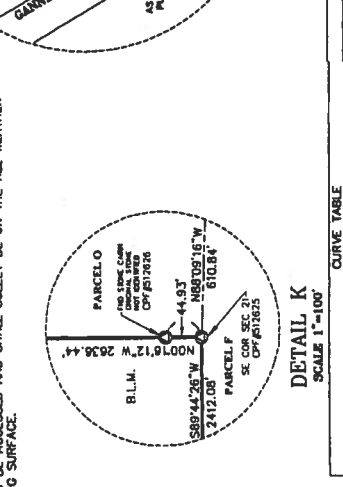
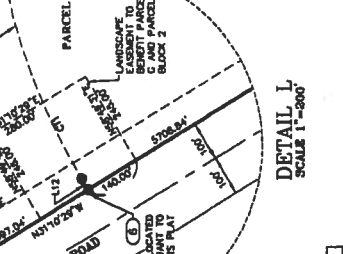
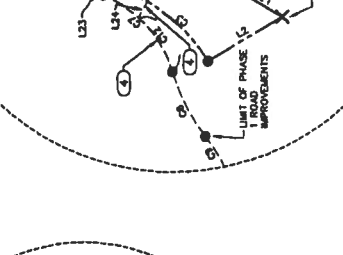
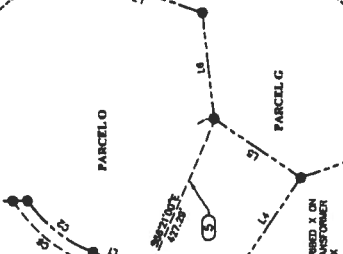
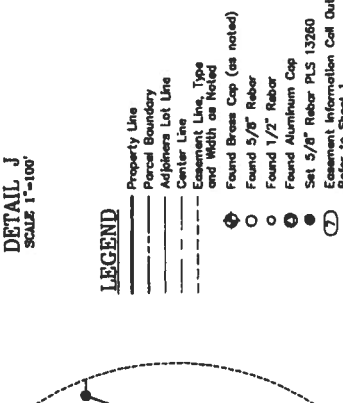
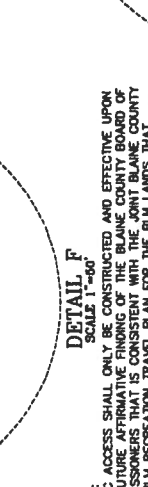
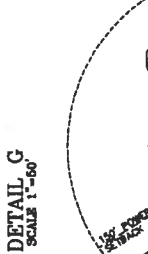
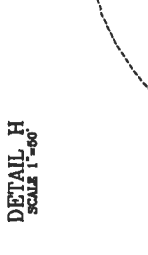
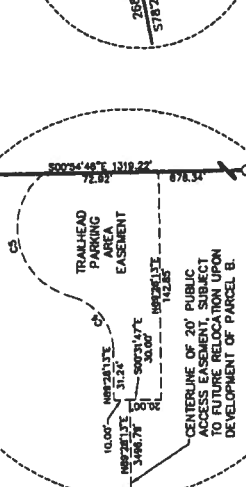
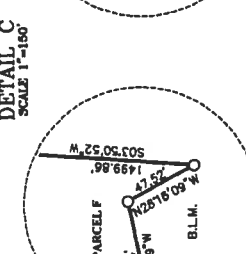
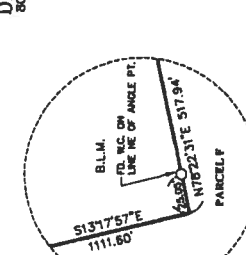
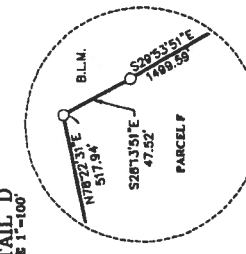
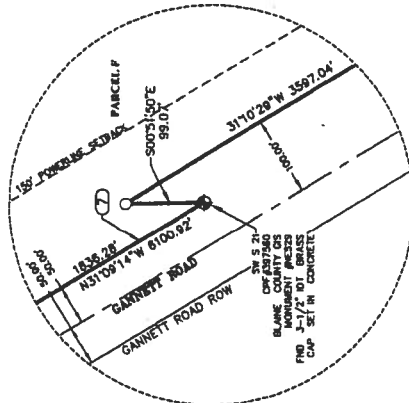
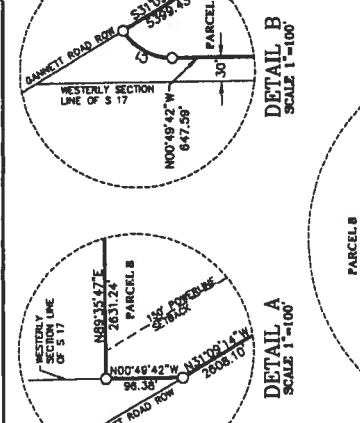
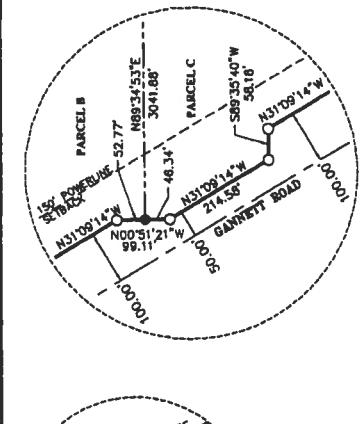
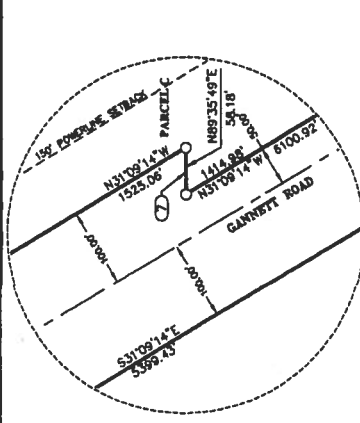
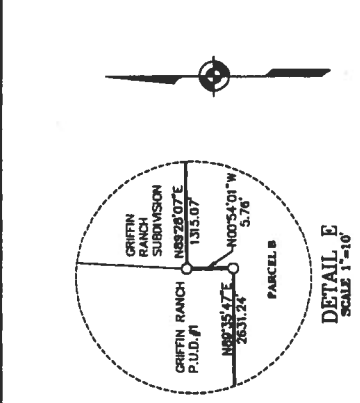
LINE	BEARING	LENGTH
L8	S102°27'57"E	339.05
L9	S30°28'44"E	311.80
L10	S42°18'41"E	452.49
L11	S89°15'13"E	281.16

CURVE	LENGTH	RADIUS	TANGENT	DELTA	CHORD	CHORD DIRECTION
C9	318.48'	475.00'	164.37'	88°10'33"	310.67'	N 71°29'31" E
C10	398.36'	3000.00'	199.47'	7°36'28"	394.07'	S 85°28'58" E
C11	1014.50'	1500.00'	527.51'	38°45'04"	985.26'	S 78°12'03" W



BRIAN D. YEAGER, P.L.S. 13260

COVE SPRINGS SUBDIVISION
PHASE 1
GALLERIA ENGINEERING, INC.
KETCHUM, IDAHO 83340
SHEET 2 OF 6
Job No. 6002.03



LEGEND

- Property Line
- Parcel Boundary
- Adjacent Lot Line
- Center Line
- Easement Line, Type and Width as Noted
- Found Brass Cap (as noted)
- Found 5/8" Rebar
- Found 1/2" Rebar
- Found Aluminum Cap
- Set 5/8" Rebar PLS 13260
- Easement Information Call Out, Refer to Sheet 1



BRIAN D. YEAGER, P.L.S. 13260
SHEET 3 OF 6
Job No. 6002.03

LINE	BEARING	LENGTH
L1	S21°55'40"W	89.26
L2	N30°42'58"W	217.18
L3	S30°19'18"W	123.77
L4	N55°50'04"W	270.00
L5	N34°09'26"E	262.87
L6	N34°44'40"E	309.48
L7	N19°15'20"E	31.68
L8	N58°48'31"E	39.27
L9	S88°21'00"E	45.75

CURVE	LENGTH	RADIUS	TANGENT	CHORD	CHORD DIRECTION
C1	72.91	70.00	109.74	33.02	S 21°55'40" W
C2	213.37	370.00	143.78	30.95	S 30°19'18" W
C3	277.91	430.00	20.89	75.03	N 55°50'04" W
C4	45.65	35.00	26.89	12.21	N 34°09'26" E
C5	97.36	44.50	86.13	12.21	N 34°44'40" E
C6	251.05	400.00	128.82	35.97	N 19°15'20" E
C7	270.16	300.00	145.03	51.36	S 88°21'00" E
C8	183.04	500.00	92.56	20.96	S 58°48'31" E
C9	398.36	3000.00	198.47	7.36	S 21°55'40" W
C10	1014.50	1500.00	527.51	35.45	S 30°19'18" W
C11	160.97	300.00	82.42	30.42	N 55°50'04" W
C12	72.91	70.00	109.74	33.02	S 21°55'40" W

NOTE: ACCESS SHALL ONLY BE CONSTRUCTED AND EFFECTIVE UPON THE FUTURE AFFIRMATIVE FINDING OF THE BLAINE COUNTY BOARD OF COMMISSIONERS THAT IS CONSISTENT WITH THE JOINT BLAINE COUNTY AND BLM RECREATION TRAVEL PLAN FOR THE JOINT LANDS THAT WOULD BE ACCESSED AND SHALL SOLELY BE ON THE ALL WEATHER DRIVING SURFACE.

NOTES

Agriculture:

1. **MARKETING DISCLOSURE:** This property includes and is adjacent to active agricultural uses, which may involve activities occurring during the day or night. These activities may result in the production of noise, odors, and dust and may involve lights, aerial spraying, machinery and other inconveniences. All deeds conveying title to this property will contain a restriction prohibiting property owners from challenging lawfully conducted agricultural operations occurring within the County.

2. **DEED RESTRICTION:** All deeds conveying title to real property within this subdivision shall include the following deed restriction: "Each Grantee taking this property, or any portion thereof, covenant and agree for the Grantee and Grantee's heirs, executors and assigns, to not challenge any existing or new agricultural uses or operations that are authorized by the Blaine County Zoning Ordinance and conducted within the County and that are or may be lawfully occurring, or authorized by any government agency, as of the date of each deed conveying any right, title or interest in this property or any portion thereof."

3. **GRANTEE'S ACKNOWLEDGMENT AND WAIVER:** Each Grantee shall, contemporaneously with the execution of any deed conveying title to real property within this subdivision, sign and record with the Blaine County Recorder the following acknowledgment and waiver, which signing shall be duly acknowledged by a notary public:

"The undersigned acknowledge and agree that the property described in Exhibit A (legal description of property being conveyed) is either located in, or near, an agricultural zone, and that lawful activities within an agricultural zone may occur during the day or night, and may result in the production of noise, odors and dust, and may involve lights, aerial spraying, machinery and other inconveniences. Each of the undersigned acknowledges that the conveying title will contain a restriction that will prohibit challenging all agricultural uses or operations authorized by the Blaine County Zoning Ordinance and conducted within the County and that are or may be lawfully occurring, or authorized by any governmental agency, as of the date of each deed conveying any right, title or interest in the property described in Exhibit A. Each of the undersigned, for the benefit of any owner of real property within the County, hereby waives any right or cause of action the undersigned may have under law to challenge any such lawfully occurring or authorized agricultural uses or operations."

Dark Sky:

1. All exterior lighting installed shall comply with the Dark Sky Lighting practices, being downcast and not emit light beyond lot boundaries.

Disclosures:

1. Any encroachment onto State Endowment Lands is subject to the Idaho Department of Lands permitting process. Endowment Lands are not "open space" or public lands, but are working lands producing revenue for the beneficiary institutions per Idaho Constitution. The Endowment Lands abutting the Cove Springs Subdivision may be sold or exchanged, or the use of the land may change.

2. Open range grazing occurs in the vicinity of Cove Springs Subdivision and livestock may enter the subdivision where fencing does not restrict livestock movement.

3. There shall be no unauthorized development of trails by Cove Springs landowners on lands adjoining the Cove Springs Subdivision.

Easements:

1. Irrigation canals, ditches and laterals flow through this property as depicted on this plat. Idaho law (including Idaho Code Sections 42-1102 and 42-1204) authorizes a right of way across private property to deliver irrigation water. These rights of way include additional areas beyond the width of the conveyance for the purpose of maintaining, cleaning, and repairing structures that deliver irrigation water, as well as a right to enter upon private property for these purposes. Changes to irrigation delivery structures must be made in accordance with Idaho Code Section 42-1207 or as approved by the Idaho Department of Water Resources.

Fire:

1. All fire protection requirements of Wood River Fire and Rescue, the International Fire Code and Blaine County Code Title 7, Chapter 7, including but not limited to, water supply, access and clear zones shall be complied with prior to any combustible construction in this subdivision. Approved Fire District Inspections of all emergency access roads, turnarounds and flow testing of fire protection systems shall take place prior to issuance of a building permit.

Mountain Overlay District:

1. All lands within the Mountain Overlay District in effect December 2004, as shown on the recorded plat, are subject to and regulated by Chapter 21 of Title 9 of the Blaine County Code.

2. No building envelopes, access driveways or new roads are permitted within the Mountain Overlay District in effect December 2004 as recorded on the Cove Springs Subdivision plat.

Ponds:

1. Ponds on Parcels O and G, as shown on the recorded plat, are for the purpose of irrigation and fire protection.

Roads:

1. The purchaser and/or owner of any Parcel or Lot in this subdivision understands and agrees (a) that private road construction, maintenance, and snow removal shall be the obligation of the owner, his successors in interest, or the homeowners' association, (b) that all roads in Phase I of the subdivision may be unpaved, gravel roads unless the developer, owner, and/or homeowners' association, as the case may be, at its option elects to pave such roads at its expense, (c) that Blaine County is in no way obligated to accept, maintain or improve these roads until the roads are brought up to county standards, dedicated, and accepted by the county if it chooses to, and (d) that each owner shall notify in writing any successor in interest of these facts.

2. No new roads shall be constructed except as depicted on this plat.

Roads and Utilities to Parcels E and G:

1. There are no improved roads or utility extensions to Parcels E and G in Phase 1 of this Subdivision. No building permit shall be issued for construction on either Parcel E or Parcel G unless access roads and utilities have been extended to such Parcel(s) or will be included in the building permit scope of work.

2. Each owner of Parcel E and G shall notify in writing any successor in interest of these facts.

Septics:

1. Septic systems and drainfield locations shall be approved by SCDH prior to issuance of a building permit.

2. Septic systems shall be built with risers, out-flow filters and drainfield inspection ports on each system.

Services:

1. This subdivision is located away from primary Blaine County service areas and, as such, there may be limited access, infrastructure, and public services in the area. Some services may not be provided. Emergency response time may be longer than in the more accessible areas and access by emergency vehicles may be impossible at times due to snow and road conditions. It is not the intent of Blaine County to increase the variety, scale, or frequency of public services and infrastructure in these areas. By this note, the lot owner(s) assumes the risks of occupancy as outlined above and is hereby put on notice that there are no anticipated changes in the level of services or infrastructure in this area by either Blaine County or other taxing districts.

Weeds:

1. Pursuant to State regulations, maintenance and weed control for all lots are the responsibility of the developer until the lot is sold and thereafter the responsibility of the owners of the individual lots. The control program to be implemented by the responsible party will target those species designated on the Idaho Noxious Weed List. Mowing and manual removal are recommended, although biological control has been shown to be effective in eradicating knapweed.

Wetlands:

1. Wetlands exist on this property. Wetland areas are jurisdictional and subject to U.S. Army Corps of Engineers and Blaine County regulations and permit procedures prior to disturbance.
2. Wetland vegetation shall be maintained in its natural state. No building or non-wetland landscaping shall occur within the wetlands area.



BRIAN D. YEAGER, P.L.S. 13260

CERTIFICATE OF OWNERSHIP, CONTINUED

The easements indicated hereon are not dedicated to the public, but the right to use said easements is hereby reserved for the public utilities and for any other uses indicated hereon and no permanent structures are to be erected within the lines of said easements. We do hereby certify that the individual lots described in this plat will be served by individual wells and not by any water system common to one (1) or more of the lots.

It is the intent of the owners to hereby include said land in this plat.

Redstone Partners, L.P.
a Nevada limited partnership
BY SDB Ventures, LLC
a Nevada Limited Liability Company
Its: General Partner
By Steve Beavers

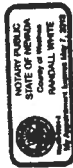
Steve Beavers
Title: Managing Member

8/18/2010
Date

ACKNOWLEDGMENT

STATE OF Nevada } as
COUNTY OF Washoe }
On this 18th day of August, 2010, before me, a Notary Public in and for said State, personally appeared Steve Beavers, known or identified to me to be a member of the limited liability company that executed the foregoing instrument, and acknowledged to me that such limited liability company executed the same as the General Partner of Redstone Partners, L.P., a Nevada limited partnership.

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



Randy
Notary Public in and for said State
Residing in Washoe County
My Commission Expires May 7, 2013

BLAINE COUNTY RECREATION DISTRICT CONSENT TO EASEMENTS

The Blaine County Recreation District acknowledges and consents to the four (4) entrance access easements (labeled ED) and the three (3) field access easements (labeled CD) across its recreation easement in the former railroad right of way as depicted on this Plat.

Blaine County Recreation District
on Idaho Recreation District
By James Keating
Its: Executive Director

10/7/2010
Date

SURVEYOR'S CERTIFICATION

I, Brian D. Yeager, a duly licensed Land Surveyor in the State of Idaho, do hereby certify that the foregoing plat is a true and accurate map of the land surveyed under my direct supervision and that it is in accordance with the Idaho State Code relating to plats and surveys.



BLAINE COUNTY SURVEYOR'S APPROVAL

I, Jim W. Koonce, County Surveyor for Blaine County, Idaho, have checked the foregoing plat and computations for making the same and have determined that they comply with the laws of the State of Idaho relating thereto.

Jim W. Koonce 8/25/10
Blaine County Surveyor

BLAINE COUNTY PLANNING AND ZONING APPROVAL

The foregoing plat was approved by Blaine County Planning and Zoning on this 26th day of AUGUST, 2010.

Don T. Egan
Administrator

BLAINE COUNTY COMMISSIONERS APPROVAL

The foregoing plat was approved by the Blaine County Board of Commissioners on this 26th day of AUGUST, 2010.

Don T. Egan
Chairman

BLAINE COUNTY TREASURER'S APPROVAL

The taxes on the foregoing parcel of land have been paid to this date and this plat is hereby approved this 10 day of October, 2010.

Don T. Egan
Blaine County Treasurer

BLAINE COUNTY RECORDER'S CERTIFICATE

STATE OF IDAHO }
COUNTY OF BLAINE }

Instrument # 828023
FILED FOR RECORD
RECORDED IN: RECREATION PARTNERS, L.P.
JULY 28, 2010
Blaine County Recorder

**MEMORANDUM OF AGREEMENT RELATING TO
TERMINATION OF OPTION TO PURCHASE
AND
ASSIGNMENT OF DEVELOPMENT RIGHTS**

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

Martin A. Flannes
Flannes Law, PLLC
PO Box 1090
Hailey, Idaho 83333

Instrument # 574299
HAILEY, BLAINE, IDAHO
1-19-2010 01:43:25 No. of Pages: 11
Recorded for : JOHN B MILEY
JOLYNN DRAGE Fee: 33.00
Ex-Officio Recorder Deputy
Index to AGREEMENT/CORRECTION

Assessor Parcels: Cove Springs Subdivision
(RP01N190201053, RP01N190171053, RP01N190221053, RP01N190271053, and
RP01N190281053)

This **Memorandum of Agreement Relating to Termination of Option to Purchase and Assignment of Development Rights** ("Memorandum") is entered into as of June 1, 2009 by and between Cove Springs Development, Inc., a Nevada corporation (as option holder and assignor) ("CSDI") and Redstone Partners, L.P. a Nevada limited partnership (as land owner and assignee) ("Redstone") to confirm and to place of record the following facts:

1. For good and adequate consideration, CSDI and Redstone have terminated the option of CSDI to purchase from Redstone a portion of the approximate 4,635-acre property commonly known as Cove Ranch, located in the unincorporated area of Blaine County south of Bellevue along Gannett Road, consisting of Assessor Parcel Nos. RP01N190201053, RP01N190171053, RP01N190221053, RP01N190271053, and RP01N190281053, and certain government lots and more particularly described in the legal description attached hereto as Exhibit A ("Cove Ranch") ("Termination of Option").
2. CSDI is the applicant on a revised subdivision application to Blaine County relating to Cove Ranch (originally filed December 16, 2004) ("Revised Subdivision Application").
3. CSDI and Redstone are co-applicants on a rezone application to Blaine County relating to Cove Ranch (originally filed November 26, 2008) ("Rezone Application").

4. The Blaine County Board of Commissioners approved the Revised Subdivision Application and the Rezone Application subject to certain conditions of approval and pursuant to a development agreement among Blaine County, CSDI, and Redstone executed August 3, 2009 and recorded September 16, 2009 after the dismissal of certain related litigation ("Development Agreement") (collectively, the "Approval").

5. For good and adequate consideration, CSDI has assigned to Redstone all of the current and future CSDI rights, title, and interest in and to the Revised Subdivision Application, the Rezone Application, the Approval, and the Development Agreement ("CSDI Assignment").

6. For good and adequate consideration, Redstone has assumed all of the current and future CSDI obligations and duties with respect to the Revised Subdivision Application, the Rezone Application, the Approval, and the Development Agreement ("Redstone Assumption").

7. The Parties each consent to the recordation of this Memorandum.

8. This Memorandum is not a complete summary of and/or does not modify the terms and conditions of the Termination of Option, the CSDI Assignment, the Redstone Assumption, the Revised Subdivision Application, the Rezone Application, the Approval, and/or the Development Agreement.

"CSDI"

Cove Springs Development, Inc.

By



Steve Beevers

Title: President

"CSDI"

Cove Springs Development, Inc.

By



John Miley

Title: Secretary



"Redstone"

Redstone Partners, L.P.

By

SDB Ventures, LLC

By



Steve Beevers

Title: Managing Member

Exhibit A

Legal Description

(of existing parcels prior to subdivision)

DESCRIPTION OF Cove Ranch East Parcel

A parcel of land situate in Sections 14, 15, 17, 20, 21, 22, 23, 24, 26, 27, 28, 33, and 34 Township 1 North, Range 19 East, B.M., Blaine County, Idaho being the following portions of said sections:

Section 14: the southeast one-quarter (SE1/4) of the northeast one-quarter (NE1/4); the east one-half (E1/2) of the southeast one-quarter (SE1/4); the southwest one-quarter (SW1/4) of the southeast one-quarter (SE1/4); and the southwest one-quarter (SW1/4).

Section 15: the southeast one-quarter (SE1/4); the southwest one-quarter (SW1/4); and the southwest one-quarter (SW1/4) of the northwest one-quarter (NW1/4).

Section 17: the south one-half (S1/2) excepting therefrom that portion lying westerly of the easterly right-of-way line of Gannett Road being 100 feet easterly from the centerline of the Gannett Road right-of-way; the south one-half (S1/2) of the northwest one-quarter (NW1/4) excepting therefrom that portion lying westerly of the easterly right-of-way line of Gannett Road being 100 feet easterly from the centerline of the Gannett Road right-of-way; and the southwest one-quarter (SW1/4) of the northeast one-quarter (NE1/4).

Section 20: those portions of the northeast one-quarter (NE1/4), southeast one-quarter (SE1/4), and the northwest one-quarter (NW1/4) lying easterly of the easterly right-of-way line of Gannett Road which lies 50 feet easterly of the Gannett Road right-of-way centerline.

Section 21: Government Lots 1, 5, 8, 9, 11, and 12; and the southwest one-quarter (SW1/4) of the southwest one-quarter (SW1/4).

Section 22: all

Section 23: all excepting the northeast one-quarter (NE1/4) of the northeast one-quarter (NE1/4);

Section 24: the southwest one-quarter (SW1/4) of the northwest one-quarter (NW1/4); and the northwest one-quarter (NW1/4) of the southwest one-quarter (SW1/4).

Section 26: the west one-half (W1/2) of the northeast one-quarter (NE1/4); northwest one-quarter (NW1/4) of the southeast one-quarter (SE1/4); the north one-half (N1/2) of the southwest one-quarter (SW1/4); and the northwest one-quarter (NW1/4).

Section 27: all excepting Government Lot 8;

Section 28: all excepting therefrom that portion lying westerly of the easterly right-of-way line of Gannett Road which lies 100 feet easterly of the Gannett Road right-of-way centerline.

Section 33: the northeast one-quarter (NE1/4) excepting therefrom that portion lying westerly of the easterly right-of-way line of Gannett Road which lies 100 feet easterly of the Gannett Road right-of-way centerline.

Section 34: the west one-half (W1/2) of the northeast one-quarter (NE1/4); and the northwest one-quarter (NW1/4).

and being more particularly described as follows:

BEGINNING at a brass cap marking the northwest corner of said Section 21 and proceeding North 89°38'30" East, 1317.87 feet along the north line of Government Lot 8 of said Section 21 to a 5/8" rebar, PLS 9561 marking the northeast corner of Government Lot 8 of said Section 21; Thence South 00°46'26" East, 327.99 feet along the east line of Government Lot 8 to a 5/8" rebar, PLS 9561 on the northerly line of the Hidden Treasure No. 2 Extension Lode; Thence South 60°44'44" West, 639.20 feet along the northerly lines of the Hidden Treasure No. 2 Extension and the Hidden Treasure No. 1 Extension Lode to a 5/8" rebar, PLS 9561 marking corner No. 4 of the Hidden Treasure No. 1 Extension Lode; Thence South 03°50'52" West, 1499.86 feet along the westerly line of the Hidden Treasure No. 1 Extension Lode to a 5/8" rebar, PLS 9561 marking corner No. 1 of the Hidden Treasure No. 1 Extension Lode also being a point on the easterly line of the lone Lode; Thence North 28°16'09" West, 47.52 feet along the easterly line of the lone Lode a 5/8" rebar, PLS 9561 marking corner No. 2 of the lone Lode; Thence South 78°21'29" West, 268.04 feet along the northerly line of the lone Lode to a 5/8" rebar, PLS 9561 marking corner No. 1 of the lone Lode; Thence South 40°21'50" East, 372.23 feet along the westerly line of the lone Lode to a 5/8" rebar, PLS 9561 marking corner No. 5 of the lone Lode; Thence South 13°17'57" East, 1111.60 feet along the westerly line of the lone Lode to corner No. 4 of the lone Lode being referenced by a 5/8" rebar, PLS 9561 set at North 78°22'31" East, 25.05 feet from the corner; Thence North 78°22'31" East, 517.94 feet along the southerly line of the lone Lode to a 5/8" rebar, PLS 9561 marking corner No. 3 of the lone Lode, also being a point on the westerly line of the Hidden Treasure No. 1 Lode; Thence South 28°13'51" East, 47.52 feet along the westerly line of the Hidden Treasure No. 1 Lode to a 5/8" rebar, PLS 9561 marking corner No. 4 of the Hidden Treasure No. 1 Lode also being corner No. 1 of the Idaho Central No. 1 Lode; Thence South 29°53'51" East, 1499.59 feet along the westerly line of the Idaho Central No. 1 Lode to a 5/8" rebar, PLS 9561 marking corner No. 4 of the Idaho Central No. 1 Lode; Thence North 60°45'11" East, 641.31 feet along the southerly lines of the Idaho Central No. 1 Lode and the Idaho Central No. 2 Lode to a 5/8" rebar, PLS 9561 marking the northeast corner of Government Lot 12 of said Section 21; Thence South 01°26'48" East, 863.63 feet along the easterly line of Government Lot 12 to a 5/8" rebar, PLS 9561 marking the southeast corner of Government Lot 12 of said Section 21; Thence North 89°44'26" East, 2412.08 feet along the southerly lines of the west one-half (W1/2) of the southeast one-quarter (SE1/4) and Government Lot 7 of said Section 21 to an aluminum cap, LS 792 and PLS 9561 marking the southeast corner of said Section 21 also being a corner on the westerly line of said Section 27; Thence North 00°16'12" West, 2636.44 feet along the easterly line of Government Lots 6 and 7 of said Section 21, also being the westerly line of said Section 22 to an aluminum cap, LS 792 and PLS 9561 marking the northeast corner of Government Lot 6 also being the southeast corner of Government Lot 5 of said Section 21; Thence South 89°43'18" West, 1124.35 feet along the line common to said Government Lots 5 and 6 to a 5/8" rebar, PLS 9561 marking the northwest corner of Government Lot 6, also being the southwest corner of Government Lot 5 of said Section 21; Thence North 01°00'30" West, 2682.56 feet along westerly line of Government Lots 1 and 5 of said Section 21 to a 5/8" rebar, PLS 9561 marking the northwest corner of Government Lot 1 also being a point on the southerly line of Section 16, Township 1 North, Range 19 East; Thence North 89°31'23" East, 1151.76 feet along the line common to said Government Lot 1

and said Section 16 to an aluminum cap, LS 792 and PLS 9561 marking the corner common to said Sections 15, 16, 21 and 22;

Thence North 00°28'06" West, 2636.28 feet along the line common to said Sections 15 and 16 to a brass cap marking the one-quarter corner (1/4C) common to said Sections 15 and 16;

Thence continuing along the line common to said Sections 15 and 16, North 00°27'44" West, 1321.41 feet to a 5/8" rebar, PLS 9561 marking the north one-sixteenth (N1/16) corner common to said Sections 15 and 16;

Thence North 89°30'33" East, 1318.22 feet along the north one-sixteenth (N1/16) line of said Section 15 to a 5/8" rebar, PLS 9561 marking the northwest one-sixteenth (NW1/16) corner of said Section 15;

Thence South 00°25'52" East, 1321.91 feet along the west one-sixteenth (W1/16) line of said Section 15 to a 5/8" rebar, PLS 9561 marking the center-west one-sixteenth (CW1/16) corner of said Section 15;

Thence North 89°31'51" East, 3963.34 feet along the east-west one-quarter (E-W1/4) line of said Section 15 to an aluminum cap, LS 792 and PLS 9561 marking the one-quarter corner (1/4C) common to said Sections 14 and 15;

Thence North 89°38'03" East, 2628.22 feet along the east-west one-quarter (E-W1/4) line of said Section 14 to a 5/8" rebar, PLS 9561 marking the center one-quarter (C1/4) corner of said Section 14;

Thence South 00°31'40" East, 1319.98 feet along the north-south one-quarter (N-S1/4) line of said Section 14 to a 5/8" rebar, PLS 9561 marking the center-south one-sixteenth (CS1/16) corner of said Section 14;

Thence North 89°38'45" East, 1321.67 feet along the south one-sixteenth (S1/16) line of said Section 14 to a 5/8" rebar, PLS 9561 marking the southeast one-sixteenth (SE1/16) corner of said Section 14;

Thence North 00°30'26" West, 1320.25 feet along the east one-sixteenth (E1/16) line of said Section 14 to a 5/8" rebar, PLS 9561 marking the center-east one-sixteenth (CE1/16) corner of said Section 14;

Thence continuing along east one-sixteenth (E1/16) line of said Section 14 North 00°25'51" West, 1321.16 feet to a 5/8" rebar, PLS 9561 marking the northeast one-sixteenth (NE1/16) corner of said Section 14;

Thence North 89°42'31" East, 1324.38 feet along the north one-sixteenth (N1/16) line of said Section 14 to a 5/8" rebar, PLS 9561 marking the north one-sixteenth (N1/16) corner common to Section 13, Township 1 North, Range 19 East and said Section 14;

Thence South 00°20'01" East, 1319.45 feet along the line common to said Sections 13 and 14 to an aluminum cap, LS 792 and PLS 9561 marking the one-quarter corner (1/4C) common to said Sections 13 and 14;

Thence continuing along the line common to said Sections 13 and 14, South 00°29'12" East, 2641.04 feet to an aluminum cap, LS 792 and PLS 9561 marking the section corner common to said Sections 13, 14, 23, and 24;

Thence South 89°39'27" West, 1321.19 feet along the line common to said Sections 14 and 23 to a 5/8" rebar, PLS 9561 marking the east one-sixteenth (E1/16) corner common to said Sections 14 and 23;

Thence South 00°26'00" East, 1323.51 feet along the east one-sixteenth (E1/16) line of said Section 23 to a 5/8" rebar, PLS 9561 marking the northeast one-sixteenth (NE1/16) corner of said Section 23;

Thence North 89°42'30" East, 1320.44 feet along the north one-sixteenth (N1/16) line of said Section 23 to a 5/8" rebar, PLS 9561 marking the north one-sixteenth (N1/16) corner common to said Sections 23 and 24;

Thence North 89°43'05" East, 1325.93 feet along the north one-sixteenth (N1/16) line of said Section 24 to a 5/8" rebar, PLS 9561 marking the northwest one-sixteenth (NW1/16) corner of said Section 24;

Thence South 00°20'43" East, 1323.20 feet along the west one-sixteenth (W1/16) line of Section 24 to a 5/8" rebar, PLS 9561 marking the center-west one-sixteenth (CW1/16) corner of said Section 24;

Thence continuing along the west one-sixteenth (W1/16) line of Section 24, South 00°20'57" East, 1318.41 feet to a 5/8" rebar, PLS 9561 marking the southwest one-sixteenth (SW1/16) corner of said Section 24;

Thence South 89°41'46" West, 1323.28 feet along the south one-sixteenth (S1/16) line of said Section 24 to a 5/8" rebar, PLS 9561 marking the south one-sixteenth (S1/16) corner common to said Sections 23 and 24;

Thence South 00°24'31" East, 1317.45 feet along the line common to said Sections 23 and 24 to an aluminum cap, LS 792 and PLS 9561 marking the section corner common to said Sections 23, 24, 25, and 26;

Thence South 89°42'19" West, 1318.37 feet along the line common to said Sections 23 and 26 to a 5/8" rebar, PLS 9561 marking the east one-sixteenth (E1/16) corner common to said Sections 23 and 26;

Thence South 00°40'40" East, 2641.78 feet along the east one-sixteenth (E1/16) line of said Section 26 to a 5/8" rebar, PLS 9561 marking the center-east one-sixteenth (CE1/16) corner of said Section 26;

Thence continuing along said east one-sixteenth (E1/16) line, South 00°42'19" East, 1323.53 feet to a 5/8" rebar, PLS 9561 marking the southeast one-sixteenth (SE1/16) corner of said Section 26;

Thence South 89°48'25" West, 1318.70 feet along the south one-sixteenth (S1/16) line of said Section 26 to a 5/8" rebar, PLS 9561 marking the center-south one-sixteenth (CS1/16) corner of said Section 26;

Thence continuing along said south one-sixteenth (S1/16) line, South 89°46'59" West, 2642.40 feet to a 5/8" rebar, PLS 9561 marking the south one-sixteenth (S1/16) corner common to said Sections 26 and 27, also being the southeast corner of Government Lot 6 and the northeast corner of Government Lot 8 of said Section 27;

Thence South 89°43'04" West, 1121.02 feet along the line common to said Government Lots 6 and 8 to a 5/8" rebar, PLS 9561 marking the southwest corner of said Government Lot 6 and the northwest corner of said Government Lot 8;

Thence South 01°21'15" East, 1321.11 feet along the westerly line of said Government Lot 8 also being the easterly line of the southwest one-quarter (SW1/4) of the southeast one-quarter (SE1/4) of said Section 26 to a 5/8" rebar, PLS 9561 marking the southwest corner of said Government Lot 8 also being the southeast corner of southwest one-quarter (SW1/4) of the southeast one-quarter (SE1/4) of said Section 26, the northwest corner of Government Lot 1 of said Section 34 and the northeast corner of the west one-half (W1/2) of the northeast one-quarter (NE1/4) of said Section 34;

Thence South 00°25'40" East, 2640.48 feet along the line common to the west one-half (W1/2) of the northeast one-quarter (NE1/4) and Government Lots 1 and 2 of said Section 34 to

a 5/8" rebar, PLS 9561 marking the southeast corner of said west one-half (W1/2) of the northeast one-quarter (NE1/4) and the southwest corner of said Government Lot 2;

Thence South 89°32'47" West, 3971.57 feet along the east-west one-quarter (E-W1/4) line of said Section 34 to a 5/8" rebar, PLS 9561 marking the one-quarter corner (1/4C) common to said Sections 33 and 34;

Thence South 89°46'38" West, 536.69 feet along the east-west one-quarter (E-W1/4) line of said Section 33 to a 5/8" rebar, PLS 9561 marking the intersection of the east-west one-quarter (E-W1/4) line of said Section 33 with the easterly right-of-way line of Gannett Road being 100 feet easterly from the centerline of the Gannett Road right-of-way;

Thence North 31°10'29" West, 9305.88 feet along the easterly right-of-way line of Gannett Road, being 100 feet easterly from the centerline of the Gannett Road right-of-way to a 5/8" rebar, PLS 9561 on the line common to said Sections 20 and 21;

Thence South 00°51'50" East, 99.07 feet along said right-of-way line and common section line to an I.T.D. brass cap marking the corner common to Sections 20, 21, 28, and 29, Township 1 North, Range 19 East;

Thence North 31°09'14" West, 6100.92 feet along the easterly right-of-way line of Gannett Road, being 50 feet easterly from the centerline of the Gannett Road right-of-way to a 5/8" rebar, PLS 9561 on the line common to said Sections 17 and 20;

Thence North 89°35'49" East, 58.18 feet along said common section line and said right-of-way line to a 5/8" rebar, PLS 9561;

Thence North 31°09'14" West, 1525.06 feet along the easterly right-of-way line of Gannett Road, being 100 feet easterly from the centerline of the Gannett Road right-of-way to the intersection of said easterly right-of-way line with the southerly line of the northeast one-quarter (NE1/4) of the southwest one-quarter (SW1/4) of said Section 17;

Thence South 89°35'40" West, 58.18 feet along said southerly line to the intersection of said southerly line with the easterly right-of-way line of Gannett Road, being 50 feet easterly from the centerline of the Gannett Road right-of-way;

Thence North 31°09'14" West, 214.58 feet along said easterly right-of-way line to the intersection of said easterly right-of-way line with the westerly line of the northeast one-quarter (NE1/4) of the southwest one-quarter (SW1/4) of said Section 17;

Thence North 00°51'21" West, 99.11 feet along said westerly line to the intersection of said westerly line with the easterly right-of-way line of Gannett Road, being 100 feet easterly from the centerline of the Gannett Road right-of-way;

Thence North 31°09'14" West, 2608.10 feet along said easterly right-of-way line to a 5/8" rebar, PLS 9561 marking the intersection of said easterly line with the westerly line of said Section 17;

Thence North 00°49'42" West, 96.38 feet along said westerly section line to a 5/8" rebar, L.S. 792 marking the north one-sixteenth (N1/16) corner on the westerly line of said Section 17;

Thence North 89°35'47" East, 2631.24 feet along the southerly boundary of Griffin Ranch Subdivision and along the north one-sixteenth (N1/16) line of said Section 17 to a 5/8" rebar, L.S. 792 marking the southerly center-north one-sixteenth (CN1/16) corner of said Section 17;

Thence North 00°54'01" West, 5.76 feet along said Griffin Ranch Subdivision and along the north-south one-quarter (N-S1/4) line of said Section 17 to a 5/8" rebar, L.S. 792 marking the northerly center-north one-sixteenth (CN1/16) corner of said Section 17;

Thence North 89°28'07" East, 1315.07 feet along said Griffin Ranch Subdivision and along the north one-sixteenth (N1/16) line of said Section 17 to a 5/8" rebar with an illegible cap marking the northeast one-sixteenth (NE1/16) corner of said Section 17;

Thence South $00^{\circ}54'46''$ East, 1319.22 feet along the east one-sixteenth (E1/16) line of said Section 17 to a 5/8" rebar, PLS 9561 marking the center-east one-sixteenth (CE1/16) corner of said Section 17;

Thence North $89^{\circ}35'34''$ East, 1334.12 feet along the east-west one-quarter (E-W1/4) line of said Section 17 to a 5/8" rebar, PLS 9561 marking the one-quarter corner (1/4) common to said Sections 16 and 17;

Thence South $00^{\circ}36'51''$ East, 2568.71 feet along the line common to said Sections 16 and 17 to the POINT OF BEGINNING.

**DESCRIPTION OF
Cove Ranch West Parcel**

A parcel of land situate in Sections 17 and 20, Township 1 North, Range 19 East, B.M., Blaine County, Idaho being that portion of the west one-half (W1/2) of said Section 17 lying east of a line thirty feet (30') east of the west line of said Section 17 and lying west of the westerly Gannett Road right-of-way being 100 feet westerly from the centerline of the Gannett Road right-of-way and that portion of the north one-half (N1/2) of the northwest one-quarter (NW1/4) of Section 20 lying east of a line thirty feet (30') east of the west line of said Section 20 and lying west of the westerly Gannett Road right-of-way being 100 feet westerly from the centerline of the Gannett Road right-of-way and being more particularly described as follows:

Commencing at the northwest corner of said Section 20, also being the southwest corner of said Section 17, being a 7/8" rebar and proceeding North 89°35'49" East, along the south line of said Section 17, 30.00 feet to the **POINT OF BEGINNING;**

Thence North 00°48'51" West, 2621.22 feet;

Thence North 00°49'42" West, 647.59 feet to the beginning of a curve to the right and having a radius of 70.00 feet;

Thence northeasterly along said curve, through a central angle of 59°40'28", an arc length of 72.91 feet and a long chord of North 29°00'32" East, 69.66 feet to a point on the westerly right-of-way line of Gannett Road, being 100 feet westerly from the centerline of the Gannett Road right-of-way;

Thence South 31°09'14" East, 5399.43 feet along said westerly right-of-way line to a 5/8" rebar, PLS 9561 marking the intersection of said right-of-way line with the north one-sixteenth (N1/16) line of said Section 20;

Thence South 89°35'42" West, 2761.51 feet along said north one-sixteenth (N1/16) line;

Thence North 00°50'00" West, 1311.00 feet to the **POINT OF BEGINNING.**

**DESCRIPTION OF
Cove Ranch Government Lot 10**

A parcel of land situate in Section 21, Township 1 North, Range 19 East, B.M., Blaine County, Idaho, being more particularly described as follows:

Government Lot 10 (Unsurveyed), Section 21, Township 1 North, Range 19 East, B.M., Blaine County, Idaho.

**DESCRIPTION OF
Cove Ranch Government Lot 1**

A parcel of land situate in Section 19, Township 1 North, Range 20 East, B.M., Blaine County, Idaho, being more particularly described as follows:

Government Lot 1 (Unsurveyed), Section 19, Township 1 North, Range 20 East, B.M., Blaine County, Idaho.

ACKNOWLEDGMENT

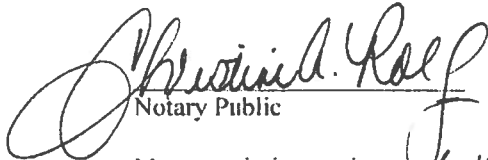
STATE OF IDAHO

}
} ss

COUNTY OF BLAINE

On 1-18-2010, before me, Christine A. Rolf,
personally appeared **John Miley**
as Secretary of Cove Springs Development, Inc.,
personally known to me (or proved to me on the basis of satisfactory evidence)
to be the person(s) whose name(s) is/are subscribed to the within instrument and
acknowledged to me that he/she/they executed the same in his/her/their authorized
capacities, and that by his/her/their signature(s) on the instrument the person(s),
or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.


Notary Public

My commission expires: 6-15-2011

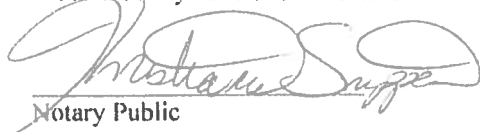


ACKNOWLEDGMENT

STATE OF ^{Nevada} IDAHO }
COUNTY OF ^{Washoe} ~~BLAINE~~ } ss
}

On Jan 15 2010 before me, Kristiana Snippen,
personally appeared **Steve Beevers**
as President of Cove Springs Development, Inc.,
personally known to me (or proved to me on the basis of satisfactory evidence)
to be the person(s) whose name(s) is/are subscribed to the within instrument and
acknowledged to me that he/she/they executed the same in his/her/their authorized
capacities, and that by his/her/their signature(s) on the instrument the person(s),
or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.


Notary Public

[SEAL]

My commission expires: Nov 27 2011

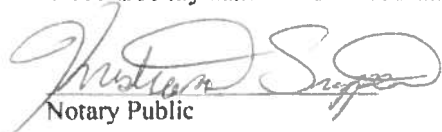
KRISTIANA SNIPPEN
PUBLIC - STATE OF NEVADA
COUNTY OF WASHOE
NOT. No. 08-7185-2
EXPIRES NOVEMBER 27, 2011

ACKNOWLEDGMENT

STATE OF ^{Nevada} IDAHO }
COUNTY OF ^{Washoe} ~~BLAINE~~ } ss
}

On Jan 10 2010 before me, Kristiana Snippen,
personally appeared **Steve Beevers**
as the Managing Member of SDB Ventures, LLC
(the General Partner of Redstone Partners, L.P.)
personally known to me (or proved to me on the basis of satisfactory evidence)
to be the person(s) whose name(s) is/are subscribed to the within instrument and
acknowledged to me that he/she/they executed the same in his/her/their authorized
capacities, and that by his/her/their signature(s) on the instrument the person(s),
or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.


Notary Public

[SEAL]

My commission expires: Nov 27 2011

KRISTIANA SNIPPEN
PUBLIC - STATE OF NEVADA
COUNTY OF WASHOE
NOT. No. 08-7185-2
EXPIRES NOVEMBER 27, 2011