

RECEIVED

JUL 15 2008

WATER RESOURCES
WESTERN REGIONSTATE OF IDAHO
DEPARTMENT OF WATER RESOURCESTransfer No. 74949APPLICATION FOR TRANSFER OF WATER RIGHT
PART 1Name of Applicant Avimor, LLCPhone 208.939.0343Post Office address 485 E. Riverside Dr., Suite 300, Eagle, ID 83616

A. PURPOSE OF TRANSFER

1. ☐ Change point of diversion ☐ Add diversion point(s) ☒ Change place of use
☐ Change nature of use ☐ Change period of use ☐ Other _____
2. Describe the reason for the proposed changes Applicant wishes to change the place of use to a permissible place of use for irrigation and stockwatering flexibility within a planned development.

B. DESCRIPTION OF RIGHT(S) OR PORTION THEREOF, AFTER THE REQUESTED CHANGE

1. Right Number	Priority	Amount (cfs/ac-ft)	Nature of Use	Period of Use
<u>63-5386</u>	<u>3/15/1894</u>	<u>1.86 cfs</u>	<u>Irrigation</u>	<u>3/15</u> to <u>11/15</u>
		<u>0.02 cfs</u>	<u>Stockwater</u>	<u>1/1</u> to <u>12/31</u>
				to _____
				to _____

2. Total amount of water being transferred 1.88 cubic feet per second and/or _____ acre-feet per annum.3. Source of water Spring Valley Creek tributary to Boise River

4. Point(s) of Diversion:

Lot	1/4	1/4	1/4	Sec	Twp	Rge	County	Local name for diversion
	SE	SE	SE	7	5N	2E	Ada	Primary
	NE	NW	NE	18	5N	2E	Ada	Secondary

5. Lands irrigated or place of use:

Twp	Rge	Sec	NE 1/4				NW 1/4				SW 1/4				SE 1/4				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
5N	2E	7		19	31									.5		12	11		73.5
		17							4				.5						4.5
		18	1	24	33	6	4			10	16			9		16	10		129

93 acres irrigation within a 207-acre permissible place of use

Total Acres 207

PART 1**6. General Information:**

- a. Description of diversion system Check structure and pipe to two small ponds with pumps to a pressurized irrigation system. The ponds are less than 3.5 total ac-ft in size and can fill in less than 24 hours based on the decreed flow rate. The irrigation system is supplemented with water from UWID, permit 63-31966 and treated waste water.

- b. Are the lands from which you propose to transfer the water right subject to any liens, deeds of trust, mortgages, or contracts?
See remarks Yes _____ No. If yes, provide a notarized statement from the holder of the lien, deed of trust, mortgage or contract agreeing to the proposed changes.

- c. Describe the affect on the land now irrigated if the place of use is changed pursuant to this transfer:
Land is subject to development. Acres will be irrigated throughout the development within the limits of water right 63-5286.

d. Remarks:

First American Title Insurance Co. Trust No. 8562 For Benefit of SunCor Idaho, LLC is owner of record and holds title to the subject property per contract. SunCor Idaho, LLC was re-named Avimor, LLC in 2006. Authorization from First American Title Insurance Co. for this transfer proposal is attached along with a copy of the Special Warranty Deeds and referenced Contribution Agreement. The Subdivision Trust Agreement, also referenced on the deeds, was not included because it only acts as a mechanism for enacting the Contribution Agreement.

ACTION OF THE DIRECTOR, DEPARTMENT OF WATER RESOURCES

This is to certify that I have examined Application for Transfer of Water Rights No. _____

And the said application is hereby _____, subject to the following conditions:

Witness my hand this _____ day of _____, 20_____.

 For the Director

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

APPLICATION FOR TRANSFER OF WATER RIGHT
PART 2

(Attach one copy for each right)

A. DESCRIPTION OF RIGHT AS RECORDED

1. Right as evidenced by: See attached partial decree 63-5386
- a. Decree No. _____ Decreed to _____
in case of _____ vs. _____
dated _____ in _____ county of _____
- b. License No. _____ issued by the Idaho Department of Water Resources.
- c. Claim No. _____ on file with the Idaho Department of Water Resources.
- d. Transfer No. _____ which produced this right.
2. Attach copy of last year's tax notice for the property to which the water right is appurtenant or other documents which show ownership.
Label document as attachment A. Check appropriate box below:

☐ Tax Notice ☒ Warranty Deed ☒ Other Contribution Agreement

3. Source of water _____ tributary to _____
4. Date or priority _____
5. Water is used for the following purposes:
- amount _____ for _____ purposes from _____ to _____
(cfs/ac-ft)
- amount _____ for _____ purposes from _____ to _____
(cfs/ac-ft)
- amount _____ for _____ purposes from _____ to _____
(cfs/ac-ft)
6. Total amount of water under right _____ cubic feet per second and/or _____ acre-feet per annum.
7. Point(s) of Diversion:

Lot	¼	¼	¼	Sec	Twp	Rge	County	Local name for diversion

8. Lands irrigated or place of use:

Twp	Rge	Sec	NE ¼				NW ¼				SW ¼				SE ¼				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	

Total Acres _____

9. Describe any other water rights used for the same purpose as described above Municipal water supplied under permit 63-31966 and UWID, irrigation water provided in section 7 under partial decree 63-18974.

PART 2

10. To your knowledge, has any portion of this water right undergone a period of five or more consecutive years of non-use?

_____ No _____ If yes, describe _____

B. DESCRIPTION OF PORTION OF RIGHT BEING TRANSFERRED

(If the entire right is to be changed by the applicant, omit part B and C.)

1. amount _____ for _____ purposes from _____ to _____
 (cfs/ac-ft)
 amount _____ for _____ purposes from _____ to _____
 (cfs/ac-ft)
 amount _____ for _____ purposes from _____ to _____
 (cfs/ac-ft)

2. Point(s) of Diversion:

Lot	¼	¼	¼	Sec	Twp	Rge	County	Local name for diversion

3. Lands irrigated or place of use:

Twp	Rge	Sec	NE ¼				NW ¼				SW ¼				SE ¼				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	

Total Acres _____

C. DESCRIPTION OF UNCHANGED PORTION OF RIGHT *(omit if there is no change)*

1. amount _____ for _____ purposes from _____ to _____
 (cfs/ac-ft)
 amount _____ for _____ purposes from _____ to _____
 (cfs/ac-ft)
 amount _____ for _____ purposes from _____ to _____
 (cfs/ac-ft)

2. Point(s) of Diversion:

Lot	¼	¼	¼	Sec	Twp	Rge	County	Local name for diversion

3. Lands irrigated or place of use:

Twp	Rge	Sec	NE ¼				NW ¼				SW ¼				SE ¼				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	

Total Acres _____

**STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES**

**APPLICATION FOR TRANSFER OF WATER RIGHT
PART 3**

See Attached Topo Map

- A. Draw a map or attach a USGS map indicating the new point(s) of diversion and/or the new place of use for the rights described in part 1. Clearly depict the land by section, township and range number.**

Scale: 2 inches equal 1 mile. Draw plan in ink.

PART 3**B. CHANGES IN NATURE OF USE**

1.	<u>New Nature of Use</u>	<u>Amount(cfs/af-ft)</u>	<u>Hours/days/year</u>	<u>Period of Use</u>
	_____	_____	_____	_____ to _____
	_____	_____	_____	_____ to _____

Quantity and quality of return flows and location of discharge: _____

2. Describe effects on other water uses resulting from the proposed change:

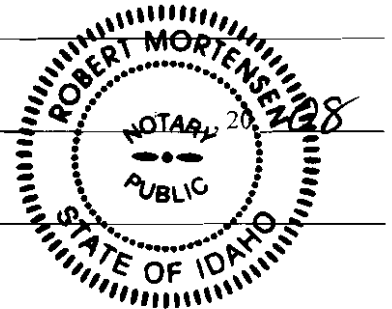
I hereby assert that no one will be injured by such change and that the change does not constitute an enlargement in use of the original right. The information contained in this application is true to the best of my knowledge.

I understand that any willful misrepresentations made in this application may result in voiding its approval.

 (Signature of Applicant)

Subscribed and sworn to before me this 7th day of July

 Robert Mortensen
 (Notary Public)

My commission expires 17 Mar 2014**FOR DEPARTMENT USE ONLY**

Transfer contains 6 pages and 5 attachments

Received by DB Date 7-15-08 Protest filed by _____

Prelim. Check by kw Fee \$290-

Received by DB / W036730 Date 7-15-08

Published in _____ Copies of protest forwarded by _____

Pub. Dates _____ Hearing held by _____ Date _____

Watermaster recommendations requested on _____ Recommended for ☐ approval ☐ denial

_____ received _____ by _____

Copy of transfer sent to lien holder _____

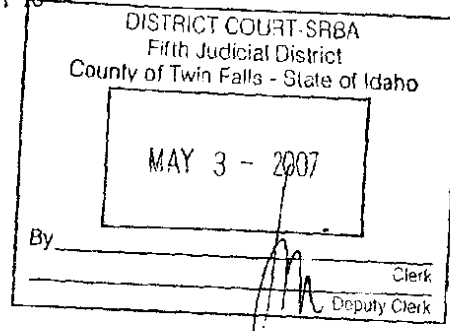
ATTACHMENT A
PARTIAL DECREE 63-5386

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF TWIN FALLS

In Re SRBA)
)
Case No. 39576)
)

PARTIAL DECREE PURSUANT TO
I.R.C.P. 54(d) FOR

Water Right 63-05386



NAME AND ADDRESS: FIRST AMERICAN TITLE INSURANCE
TRUST N08562
FOR BENEFIT OF SUNCOR IDAHO
485 E RIVERSIDE DR
EAGLE, ID 83616

SOURCE: SPRING VALLEY CREEK TRIBUTARY: BOISE RIVER

QUANTITY: 1.88 CFS

The quantity of water under this right for stockwater use shall
not exceed 13,000 gallons per day.

PRIORITY DATE: 03/15/1894

POINT OF DIVERSION: T05N R02E S07 SESESE Within Ada County
S18 NENWNE

PURPOSE AND PERIOD OF USE:	PURPOSE OF USE	PERIOD OF USE	QUANTITY
	Irrigation	03-15 TO 11-15	1.88 CFS
	Stockwater	02-01 TO 12-01	0.02 CFS

Stockwater use is for 400 range cattle.

PLACE OF USE:	Irrigation	Within Ada County
	T05N R02E S18	NENE 3.0 NWNE 13.0 SENE 25.0 SENE 8.0 SENE 5.0 SENE 8.0
		NWNE 1.0 NENE 12.0 NWSE 18.0
	93.0 Acres Total	

Stockwater	Within Ada County
Same as Irrigation	

OTHER PROVISIONS NECESSARY FOR DEFINITION OR ADMINISTRATION OF THIS WATER RIGHT:

The quantity of water decreed for this water right for
stockwater use is not a determination of historical beneficial
use.

THIS PARTIAL DECREE IS SUBJECT TO SUCH GENERAL PROVISIONS
NECESSARY FOR THE DEFINITION OF THE RIGHTS OR FOR THE EFFICIENT
ADMINISTRATION OF THE WATER RIGHTS AS MAY BE ULTIMATELY
DETERMINED BY THE COURT AT A POINT IN TIME NO LATER THAN THE
ENTRY OF A FINAL UNIFIED DECREE. I.C. SECTION 42-1412(6).

Attachment A1

RULE 54(b) CERTIFICATE

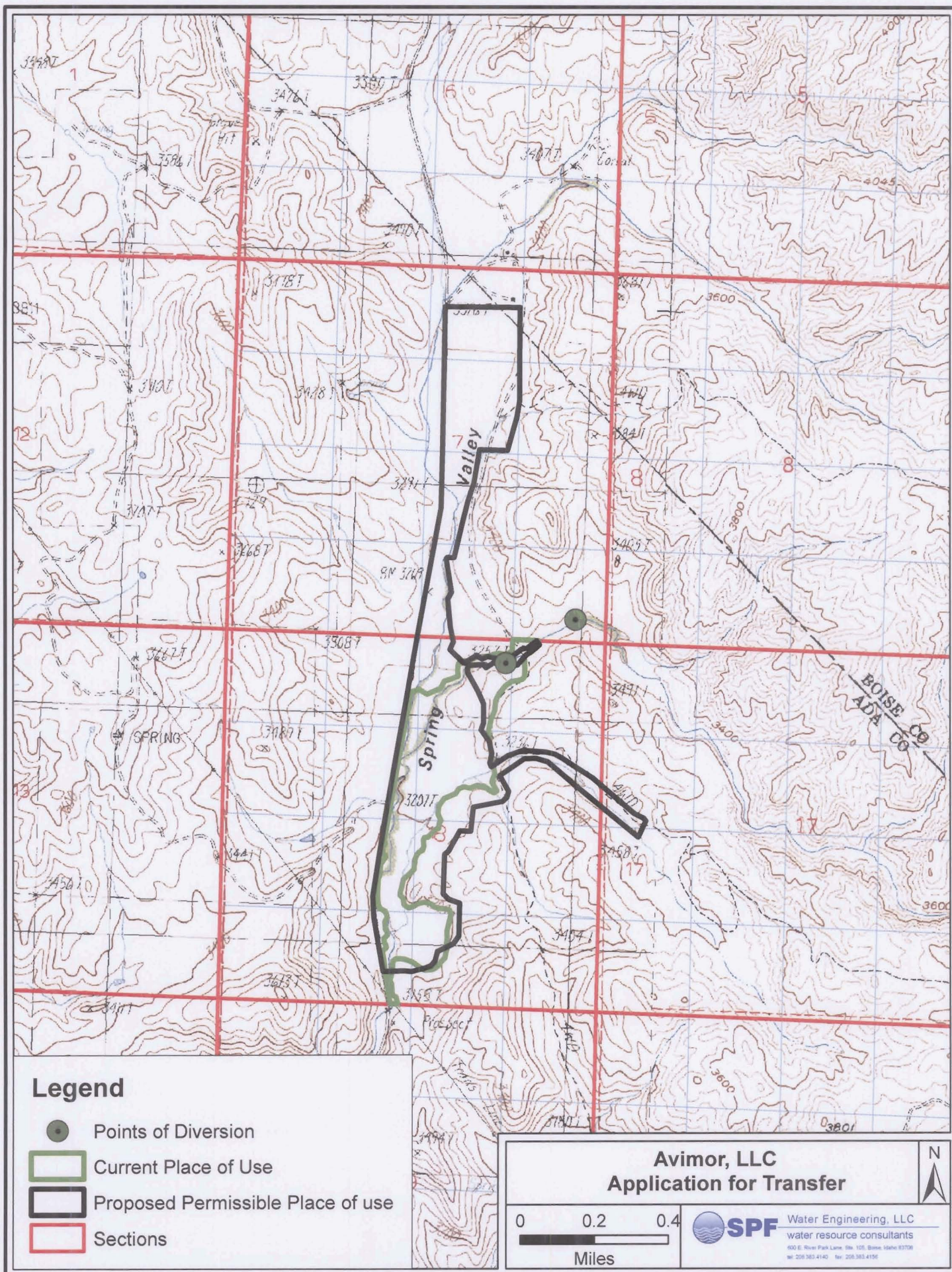
With respect to the issues determined by the above judgment or order, it is hereby CERTIFIED, in accordance with Rule 54(b), I.R.C.P., that the court has determined that there is no just reason for delay of the entry of a final judgment and that the court has and does hereby direct that the above judgment or order shall be a final judgment upon which execution may issue and an appeal may be taken as provided by the Idaho Appellate Rules.


John M. Melanson
Presiding Judge of the
Snake River Basin Adjudication

Attachment A2

ATTACHMENT B

TOPO MAP



Attachment B1

ATTACHMENT C
TRANSFER AUTHORIZATION

Idaho Department of Water Resources
2735 Airport Way
Boise, ID 83705

Re: Application for Transfer of Water Rights for Avimor, LLC

To Whom It May Concern:

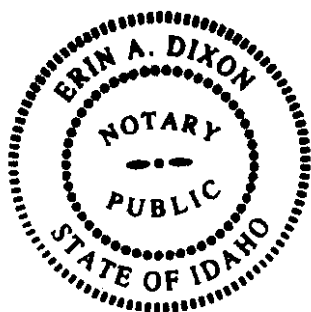
On July 24, 2003, SunCor Development Company acquired interest in the Spring Valley Ranch property. All appurtenant water rights were transferred from Spring Valley Livestock Company (McCloud) to First American Title Insurance in trust for SunCor Idaho, LLC. SunCor, LLC was re-named Avimor, LLC in 2006 and is a subsidiary of SunCor Development Company. First American Title Insurance Company holds title to the proposed permissible place of use as evidenced by the Contribution (Trust) Agreement and ownership documentation attached. First American Title Insurance Company approves of the transfer application proposed by Avimor, LLC.

Sincerely,

Maylin Carlson, Asst. Secretary of Trustee 6-30-08
Name & Title, First American Title Insurance Co.) Date

State of Idaho)
County of Ada) SS.
_____)

Subscribed and sworn (or affirmed) before me this 30th day of June, 2008.
Erin Dixon
Notary Public



Residing at Meridian, ID
My Commission Expires 03/31/2012

Attachment C₁

ATTACHMENT D
OWNERSHIP DOCUMENTATION

229968

Recording Requested By and
When Recorded Return to:

First American Title Insurance Company
4801 East Washington Street
Phoenix, AZ 85034
Phone: (602) 685-7000

ADA COUNTY RECORDER J. DAVID NAVARRO
BOISE IDAHO 07/25/03 03:53 PM
DEPUTY Bonnie Oberbiller
RECORDED - REQUEST OF
Pioneer
AMOUNT 54.00

18



(SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY)

SPECIAL WARRANTY DEED

(SPRING VALLEY-ADA)

THIS SPECIAL WARRANTY DEED made this 24th day of July, 2003, between SPRING VALLEY LIVESTOCK COMPANY, INC., an Idaho corporation ("Grantor"), and FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation, as TRUSTEE OF THE DUAL BENEFICIARY TRUST CREATED PURSUANT TO THE SUBDIVISION TRUST AGREEMENT DATED OCTOBER 8, 2003, as amended ("Grantee"), as said Subdivision Trust Agreement was entered into between Grantor, Grantee and SUNCOR DEVELOPMENT COMPANY, an Arizona corporation ("SunCor"), as Second Beneficiary thereunder, and together with the Contribution Agreement executed contemporaneously therewith by Grantor and SunCor, is evidenced by a Memorandum of Agreements recorded October 22, 2002, as Instrument No. 102121552, Official Records of Ada County (all rights, title and interest of SunCor under said Subdivision Trust Agreement and said Contribution Agreement having been assigned by SunCor to SPRING VALLEY DEVELOPMENT LLC, an Idaho limited liability company ["SV Development"]), witnesseth:

That Grantor, for and in consideration of the sum of Ten Dollars and No Cents (\$10.00), and other good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, does, by these presents, convey unto Grantee and its successors and assigns forever upon and pursuant to the terms of the aforementioned Subdivision Trust Agreement and the Contribution Agreement, all the following described real estate situated in the County of Ada, State of Idaho.

SEE SCHEDULE I ATTACHED HERETO AND
INCORPORATED HEREIN.

Together with all and singular the tenements, hereditaments, and appurtenances thereunto belonging or in anywise appertaining, the rents, issues and profits thereof, including all water rights, permits and licenses appurtenant thereto; and all estate, right, title and interest in and to the property, as well in law as in equity, except as expressly provided otherwise herein To have

SPECIAL WARRANTY DEED - 1

41397 0001 711143 4

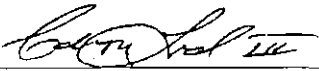
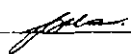
Attachment D1

and to hold, all and singular the above-described premises together with the appurtenances unto Grantee and its successors and assigns forever.

SUBJECT TO the provisions of the aforementioned Subdivision Trust Agreement and the Contribution Agreement which govern the duties and responsibilities of Grantor, Grantee and SV Development and survive the recording of this deed, and those exceptions to title set forth in SCHEDULE II attached hereto and made part hereof, Grantor makes no covenants or warranties with respect to title, express or implied, other than (i) that previous to the date of this instrument, neither Grantor nor Grantor's immediate predecessor in interest (Colin McLeod III and Teresa McLeod, husband and wife) have conveyed the same estate, or any right, title or interest therein, to any person other than Grantee and (ii) that such estate is at the time of the execution of this instrument free from encumbrances done, made or suffered by Grantor or Grantor's immediate predecessor in interest, or any person claiming under Grantor or Grantor's immediate predecessor in interest

GRANTOR:

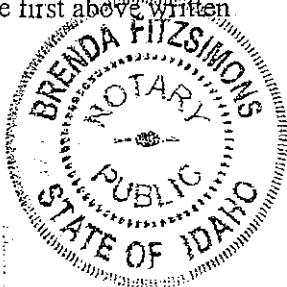
SPRING VALLEY LIVESTOCK COMPANY,
INC, an Idaho corporation

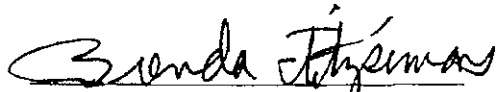
By 
Its 

STATE OF IDAHO)
) ss.
County of Ada)

On this 24 day of July, 2003, before me, Brenda Fitzsimons Notary Public in and for said State, personally appeared Colin McLeod III, known to me to be President of SPRING VALLEY LIVESTOCK COMPANY, INC, the corporation that executed the within instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

WITNESS MY HAND and official seal hereto affixed the day, month and year in this certificate first above written.




Notary Public for the State of Idaho
Residing at Caldwell
My commission expires 11-16-2008

SPECIAL WARRANTY DEED - 2

SCHEDULE I

Legal Description

July 22, 2003

Project No: 2408

Legal Description

Suncor Development Company

McLeod Properties located in Ada County

A tract of land located in Township 5 North, Range 1 West, Boise Meridian, Ada County, Idaho described as follows:

In Section 13, the Northeast One Quarter, the Southeast One Quarter of the Northwest One Quarter and the South One Half of the Southwest One Quarter, and;

In Section 14, the North One Half of the Northeast One Quarter, the Southeast One Quarter of the Northeast One Quarter, the South One Half of the Northwest One Quarter, the North One Half of the Southeast One Quarter, the Southwest One Quarter of the Southeast One Quarter and the Northeast One Quarter of the Southwest One Quarter, and;

In Section 22, the Southeast One Quarter of the Northeast One Quarter and the Northeast One Quarter of the Southeast One Quarter, and;

In Section 26, the Northwest One Quarter of the Northwest One Quarter, and;

In Section 27, the Northeast One Quarter of the Northeast One Quarter.

AND ALSO

A tract of land located in Township 5 North, Range 1 East, Boise Meridian, Ada County, Idaho described as follows:

In Section 1, those portions of Government Lot 1, the South One Half of the Northeast One Quarter lying in Ada County, the West One Half of the Southeast One Quarter and the Southeast One Quarter of the Southwest One Quarter.

In Section 3, the East One Half of the Southwest One Quarter and the Southeast One Quarter and;

In Section 4, the South One Half and the South One Half of the Northwest One Quarter and;

In Section 5, the Northeast One Quarter of the Southeast One Quarter and;

In Section 7, Government Lot 4 and;

In Section 8, the South One Half of the Northeast One Quarter, the East One Half of the Northwest One Quarter, the North One Half of the Southwest One Quarter and the Southwest One Quarter of the Southwest One Quarter and;

In Section 10, the Southeast One Quarter of the Northeast One Quarter, and;

In Section 11, the South One Half of the Northwest One Quarter, and;

In Section 12, the Northeast One Quarter of the Northwest One Quarter and the Northwest One Quarter of the Northeast One Quarter, and;

In Section 17, the Northwest One Quarter, the North One Half of the Southwest One Quarter, and;

In Section 18, Government Lots 1 and 2, and;

In Section 19, Government Lots 1 and 2;

AND ALSO

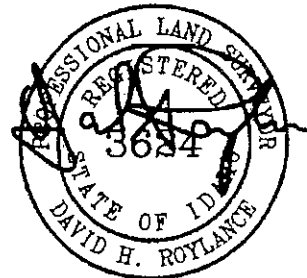
A tract of land located in Township 5 North, Range 2 East, Boise Meridian, Ada County, Idaho described as follows:

In Section 21, all the portions which lie within the Northwest One Quarter of the Northeast One Quarter of Ada County;

Except that portion conveyed to Ada County for Healy Toll Road by deed recorded under Instrument Number 19780 in Book 74 of Deeds, Page 254, records of Ada County, Idaho.

Subject to all existing easements and rights-of-way, recorded or prescriptive.

Prepared By: ROYLANCE & ASSOCIATES P.A.
391 W STATE STREET, SUITE E
EAGLE, IDAHO 83616
208-939-2824
208-939-2855 (FAX)



7-24-03

July 24, 2003

Project No: 2408

Legal Description

Suncor Development Company

Spring Valley Livestock Company properties in Ada County

A tract of land located in Township 5 North, Range 1 West, Boise Meridian, Ada County, Idaho described as follows:

In Section 10, the East One Half of the Southeast One Quarter, and;

In Section 14, the Southwest One Quarter of the Northeast One Quarter, the North One Half of the Northwest One Quarter and the Southeast One Quarter of the Southwest One Quarter, and;

In Section 15, the Northeast One Quarter of the Northeast One Quarter.

AND ALSO

A tract of land located in Township 5 North, Range 1 East, Boise Meridian, Ada County, Idaho described as follows:

In Section 1, the South One Half of the Northwest One Quarter, the North One Half of the Southwest One Quarter, the Southwest One Quarter of the Southwest One Quarter, and the West One Half of the Southeast One Quarter, Government Lots 3 and 4 and the portion of Government Lot 2 lying in Ada County,

Except that portion conveyed to the State of Idaho for public road by deed recorded under Instrument No. 127565 in Book 182 of Deeds, Page 23

In Section 2, the South One Half of the Northwest One Quarter, the South One Half and Government Lots 3 and 4, and;

In Section 3, the South One Half of the Northeast One Quarter, the Southeast One Quarter of the Northwest One Quarter and Government Lots 1, 2, 3 and 4, and;

In Section 4, the Southeast One Quarter of the Northeast One Quarter and Government Lots 1 and 4, and;

In Section 5, the South One Half of the Northeast One Quarter and Government Lots 1 and 2, and;

In Section 7, the Southwest One Quarter of the Southeast One Quarter and the Southeast One Quarter of the Southwest One Quarter, and;

In Section 8, the Southeast One Quarter of the Southeast One Quarter, and;

In Section 9, the Northwest One Quarter, the South One Half, the North One Half of the

Northeast One Half and the Southwest One Quarter of the Northeast One Quarter, and;

In Section 10, the Southwest One Quarter, and;

In Section 11, the North One Half of the Northeast One Quarter, and;

In Section 12, the South One Half, the West One Half of the Northwest One Quarter, the Southeast One Quarter of the Northwest One Quarter, the East One Half of the Northeast One Quarter and the Southwest One Quarter of the Northeast One Quarter,

Except from the Southwest One Quarter of the Southwest One Quarter of said Section 12, a one acre parcel for a school house lot reserved in Sheriff's Deed recorded under Instrument No. 143440 in Book 183 of Deeds, page 171.

In Section 13, the North One Half, the Southeast One Quarter and the North One Half of the Southwest One Quarter, and;

In Section 18, the East One Half of the Northwest One Quarter, the East One Half of the Southwest One Quarter, the West One Half of the Northeast One Quarter, The Southeast One Quarter of the Northeast One Quarter and the Southeast One Quarter, and;

In Section 19, the Northeast One Quarter, the Southeast One Quarter and the East One Half of the Northwest One Quarter, and;

In Section 20, the West One Half of the Southwest One Quarter and the Southwest One Quarter of the Northwest One Quarter, and;

In Section 24, the North One Half of the Northeast One Quarter.

AND ALSO

A tract of land located in Township 5 North, Range 2 East, Boise Meridian, Ada County, Idaho described as follows:

In Section 6, all portions which lie within Ada County,

Except that portion conveyed to the State of Idaho for public road by deed recorded under Instrument No. 127565 in Book 182 of Deeds, Page 23.

And except that portion conveyed to the State of Idaho by deed recorded under Instrument No. 191535 in Book 235 of Deeds, Page 542 **And except** that portion conveyed to the State of Idaho by deed recorded under Instrument No. 8514764.

In Section 7, all portions which lie within Ada County,

Except that portion conveyed to the State of Idaho by deed recorded under Instrument No. 160917 in Book 208 of Deeds, Page 611.

And except that portion conveyed to the State of Idaho by deed recorded under Instrument No. 191535 Book, Page 542.

And except that portion conveyed to the State of Idaho by deed recorded under Instrument No. 8514764.

In Section 8, those portions of the Southwest One Quarter and the Southwest One Quarter of the Southeast One Quarter lying in Ada County, and;

In Section 17, the West One Half of the West One Half, the Southeast One Quarter of the South West One Quarter, the South One Half of the Southeast One Quarter, the Northwest One Quarter of the Southeast One Quarter, the Northeast One Quarter of the Northwest One Quarter and those portions of the North One Half of the Northeast One Quarter lying in Ada County, and;

All of Section 18, **Except** that portion conveyed to the State of Idaho for public road by deed recorded under Instrument No. 127564 in Book 182 of Deeds, Pages 21 and 22.

And except that portion conveyed to the State of Idaho by deed recorded under Instrument No. 160917 in Book 208 of Deeds, Page 611.

And except that portion conveyed to the State of Idaho by deed recorded under Instrument No. 610585.

And except that portion conveyed to the State of Idaho by deed recorded under Instrument No. 8514764.

In Section 19, the North One Half of the Northeast One Quarter, the East One Half of the Southeast One Quarter, the East One Half of the Northwest One Quarter and Government Lot 1,

Except that portion conveyed to the State of Idaho for a right-of-way for a Public Highway by deed recorded under Instrument No. 160903 in Book 208 of Deeds, Page 595.

And except that portion conveyed to the State of Idaho by deed recorded under Instrument No. 160917 in Book 208 of Deeds, Page 611

And except that portion conveyed to Ada County for Healy Toll Road by deed recorded under Instrument No. 19780 in Book 74 of Deeds, Page 254

And except that portion conveyed to the State of Idaho by deed recorded under Instrument No. 610585. **And except** that portion conveyed to the State of Idaho by deed recorded under Instrument No. 645947.

All of Section 20, **Except** that portion conveyed to Ada County for Healy Toll Road by deed recorded under Instrument No. 19780 in Book 74 of Deeds, Page 254.

In Section 21, the South One Half, the Northwest One Quarter, and the Southwest One Quarter of the Northeast One Quarter, and all the portions in the East One Half of the Northeast One Quarter lying in Ada County,

Except that portion conveyed to School District No. 50 by deed recorded under Instrument No. 58453 in Book Of Deeds, Pages 161 and 162.

And except that portion conveyed to Ada County for Healy Toll Road by deed recorded under Instrument No. 19780 in Book 74 of Deeds, Page 254.

In Section 22, all portions which lie within Ada County, and;

In Section 27, the Northwest One Quarter of the Northwest One Quarter, and;

In Section 28, the North One Half of the North One Half, and;

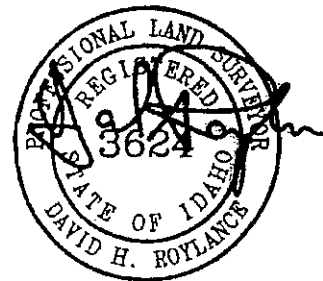
In Section 29, the North One Half of the Northwest One Quarter, and;

In Section 30, the North One Half of the Northeast One Quarter, the Southeast One Quarter of the Northeast One Quarter and the East One Half of the Northwest One Quarter and Government Lot 2,

Except that portion conveyed to Ada County for Healy Toll Road by deed recorded under Instrument No. 19780 in Book 74 of Deeds, Page 254

Subject to all existing easements and rights-of-way, recorded or prescriptive.

Prepared By: ROYLANCE & ASSOCIATES P.A.
391 W. STATE STREET, SUITE E
EAGLE, IDAHO 83616
208-939-2824
208-939-2855 (FAX)



7-24-03

SCHEDULE II

Permitted Exceptions to Title

Ada County Permitted Exceptions

1. Easements, claims of easement or encumbrances which are not shown by the public records.
2. 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.
3. Unpatented mining claims: reservations or exceptions in patents or in acts authorizing the issuance thereof.
4. Reservations contained in patent
Dated: March 3, 1909
Recorded: October 5, 1916
Instrument No.: 65939 in 5 of Patents, Page 381
5. Covenants, Conditions, restrictions and easements contained in Deed to the State of Idaho, conveying a portion of the property adjoining.
Recorded: January 9, 1935
Instrument No : 160903 in Book 208 of deeds, Page 595
6. Covenants, Conditions, restrictions and easements contained in Deed to the State of Idaho, conveying a portion of the property adjoining.
Recorded: January 9, 1935
Instrument No.: 160917 in Book 208 of Deeds, Page 611
7. Covenants, Conditions, restrictions and easements contained in Deed to the State of Idaho, conveying a portion of the property adjoining.
Recorded: August 10, 1939
Instrument No.: 191535 in Book 235 of deeds, Page 542
8. Rights of claims in and to any ditch, canal and/or lateral right of ways.
9. Right, title and interest in and to all gas, oil, and minerals of every description and kind underlying the surface as conveyed by deed.
Dated: August 27, 1940
To: Robert M Owensby
Recorded: October 24, 1940
Instrument No.: 200626 in Book 244 of Deeds Page 114
10. Reservations contained in Deed
Dated: September 27, 1940
Between: Robert M. Owensby and Charles Cairns
Recorded: April 2, 1941
Instrument No.: 203680, 248 of Deeds, Page 400
As Follows: Reserving all of the oil, gas and minerals underlying said lands, together with the right to drill, and prospect for said oil, gas and minerals, and to produce the same, and also reserving all reasonable and necessary to the extraction and production of any or all of said products.

11. Reservations contained in Deed
Dated: June 26, 1941
Executed by: Frank L. Vincen and Dolly Vincen
Recorded: July 9, 1941 and March 13, 1942
Instrument No.: 206007 in Book 250, Page 193 and 211002 in Book 254, Page 102
As Follows: The Grantors reserve the oil and gas rights upon the premises aforesaid together with the right to collect and receive the royalties from any out-standing lessee or leases thereon, also the right to prospect for oil and gas, sink wells, and remove oil and gas products from the premises aforesaid according to the usual course and custom of natural gas and oil operation.
12. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: Right of way and easement
In Favor of: American Telephone & Telegraph Company of Wyoming
Recorded: October 11, 1941
Instrument No.: 207985 in Book 17 of Misc., Page 489
13. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: Right of way and easement
In Favor of: American Telephone & Telegraph Company of Wyoming
Recorded: October 27, 1941
Instrument No.: 208341 in Book 17 of Misc., Page 557
14. Reservations contained in patent
Recorded: July 7, 1943
Instrument No.: 220082 Book 6 of Patents, Page 457
As Follows: Subject to any vested and accrued water rights for mining, agricultural, manufacturing, or other purposes, and rights to ditches and reservoirs used in connections with such water rights, as may be recognized and acknowledged by the local customs, laws, and decisions of courts; and there is reserved from the lands hereby granted, a right of way thereon for ditches or canals constructed by the authority of the United States, excepting and reserving, however, to the United States all the coal and other minerals in the lands so entered and patented, together with the right to prospect for, mine, and remove the same pursuant to the provisions and limitations of the act of December 29, 1916 (39 Stat., 862).
15. Reservations contained in patent
Dated: May 24, 1912
Recorded: July 10, 1944
Instrument No.: 228610 in Book 6 of Patents, Page 467
16. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: Power Line Easement
In Favor of: Idaho Power Company
Recorded: March 5, 1946
Instrument No.: 246695 in Book 19 of Misc., Page 375

17. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: Power Line Easement
In Favor of: Idaho Power Company
Recorded: April 30, 1946
Instrument No : 249123 in Book 19 of Misc., Page 440
18. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: Power Line Easement
In Favor of: Idaho Power Company
Recorded: February 1, 1947
Instrument No : 259460, 20 Misc., Page 126
19. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: Power Line Easement
In Favor of: Idaho Power Company
Recorded: February 7, 1947
Instrument No.: 259465, Book 20 of Misc., Page 131
20. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: Power Line Easement
In Favor of: Idaho Power Company
Recorded: October 9, 1947
Instrument No : 268134, 20 Misc., Page 354

21. Any Right of interest in any mineral, mineral rights, or related matters, including but not limited to oil, gas, coal, and other hydrocarbons.
Said rights include but are not necessarily limited to:
Oil and gas lease in favor of Warren Sheare recorded March 31, 1952 under Instrument No. 329752;
Mineral deed in Favor of C.R. Bennett Recorded May 12, 1952 under Instrument No. 331340;
Conveyance in favor of Nemara Royalty Company of Tulsa, Oklahoma recorded under Instrument No. 416879;
Conveyance of oil, gas and other interest in favor of Livingston Oil Company Recorded May 8, 1964 under Instrument No. 583103;
Mineral deed in favor of Electronic Research Development Corporation recorded January 31, 1968 under Instrument No. 631672;
Geothermal lease in favor of the Anschutz Corporation recorded June 18, 1973 under Instrument No. 850707;
Oil and gas lease in favor of Skyline Oil Company recorded June 24, 1983 under Instrument No. 8331021;
Ratification and rental division order recorded under Instrument Numbers 8331022 and 8414114;
Statement of claim and notice of intent to preserve by Ladd Petroleum Corporation recorded September 24, 1984 under Instrument No. 8447515
General Conveyance in favor of Universal Resources Corporation recorded April 27, 1994, under Instrument No. 94038747
22. Right, title and interest of Warren Shear in and to an undivided one half interest in and to all oil, gas and other minerals and conveyed by deed recorded under Instrument No. 329756
23. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: Watershed Protection Easement
In Favor of: Dry Creek Soil Conservation District
Recorded: May 21, 1954
Instrument No.: 360059
24. Right, title and interest of Ada County in and to the mineral rights as conveyed by Tax deeds recorded under instrument Nos. 390508 and 521413
25. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: Power Line Easement
In Favor of: Idaho Power Company
Recorded: May 10, 1957
Instrument No.: 410037
26. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: Power Line Easement
In Favor of: Idaho Power Company
Recorded: May 31, 1960
Instrument No.: 480341

- 27 Right, title and interest of Livingston Oil Company in and to mineral interests, etc., as described in conveyance recorded under Instrument No 583103
- 28 Covenants, Conditions, restrictions and easements contained in Deed to the State of Idaho, conveying a portion of the property adjoining
Recorded: May 4, 1965
Instrument No.: 610585
- 29 Relinquishment of Right of Access to Highway under terms of Deed
In Favor of: State of Idaho
Recorded: May 4, 1965
Instrument No.: 610585
30. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: The purpose of constructing thereon a channel change of Spring Valley Creek
In Favor of: State of Idaho
Recorded: May 4, 1965
Instrument No.: 610586
31. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: Power Line Easement
In Favor of: Idaho Power Company
Recorded: October 7, 1965
Instrument No : 623010
32. Covenants, Conditions, restrictions and easements contained in Deed to the State of Idaho, conveying a portion of the property adjoining.
Recorded: August 11, 1966
Instrument No : 645947
33. Relinquishment of Right of Access to Highway under terms of Deed.
In Favor of: State of Idaho
Recorded: August 11, 1966
Instrument No : 645947
34. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: Easement For Access
In Favor of: Adjoining property
Recorded: August 19, 1974
Instrument No : 896714
35. Covenants, Conditions, restrictions and easements contained in Deed to the State of Idaho, conveying a portion of the property adjoining.
Recorded: March 19, 1985
Instrument No : 8514764

36. Relinquishment of Right of Access to Highway under terms of Deed.
In Favor of: The County of Canyon, Grantor, and the State of Idaho, by and through the Idaho
Transportation Board for the Division of Highways
Recorded: March 19, 1985
Instrument No.: 8514764
37. An easement containing certain terms, conditions and provisions affecting a portion of said premises
and for the purposes stated herein
For: Private Road Easement
In Favor of: Adjoining property
Recorded: April 13, 1993
Instrument No : 9326686
38. An easement containing certain terms, conditions and provisions affecting a portion of said premises
and for the purposes stated herein
For: Private Road Easement
In Favor of: Adjoining property
Recorded: April 13, 1993
Instrument No : 9326687
39. An easement containing certain terms, conditions and provisions affecting a portion of said premises
and for the purposes stated herein
For: Power Line Easement
In Favor of: Idaho Power Company
Recorded: December 17, 1997
Instrument No : 97104659
40. An easement containing certain terms, conditions and provisions affecting a portion of said premises
and for the purposes stated herein
For: Private Road Easement
In Favor of: Adjoining Property
Recorded: November 16, 1998
Instrument No : 98110048
41. Matters disclosed by Record of Survey
Recorded: July 16, 1999
Instrument No.: 99070925
Survey No.: 4688
42. Terms, covenants, conditions, provisions and stipulations contained in that certain order of annexation
into the district herein noted.
District: North Ada County Fire and Rescue District
Recorded: September 9, 1999
Instrument No.: 99090030

43. Terms and provisions of easement agreement
Dated: July 13, 1999
Between: Spring Valley Livestock Company, Inc , Colin McLeod, III and Ida-Vice, LLC
Recorded: December 17, 1999
Instrument No.: 99119886
44. Right, title and interest of the following party by reason of the recording of a deed.
Executed By: W.E. Binko and Alice M. Binko
Party: Highland Livestock and Land, Co , a corporation
Dated: April 1, 1971
Recorded: April 20, 1971
Instrument No : 768268
Said grantor had no record interest in said premises at the time of execution of the deed nor has he/she since acquired a record interest.
45. Any question that may arise or claim that may be made concerning the location of the "one acre school house lot" in the Southwest quarter of the Southwest quarter of Section 12, Township 5 North, Range 1 East of Boise Meridian in Ada County, Idaho.
46. Right, title and interest of the County of Ada in and to that portion lying in the South half of the Southwest quarter of Section 8, Township 5 North, Range 2 East, of Boise Meridian, in Ada County, Idaho.
47. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: Grant of easement and right-of-way for access to mining property
In Favor of: Larry Ridley
Recorded: April 11, 2002
Instrument No : 102042432
48. Terms and provisions of unrecorded Subdivision Trust Agreement disclosed by Memorandum of Agreements.
Dated: October 8, 2002
Between: Suncor Development Company, Spring Valley Livestock Company, Inc., Colin McLeod III and Teresa McLeod, husband and wife
Recorded: October 22, 2002
Instrument No.: 102121552
49. Terms and provisions of unrecorded Contribution Agreement disclosed by Memorandum of Agreements.
Dated: October 8, 2002
Between: Suncor Development Company, Spring Valley Livestock Company, Inc., Colin McLeod III and Teresa McLeod, husband and wife
Recorded: October 22, 2002
Instrument No.: 102121552

D14

50. Covenants, Conditions, Restrictions and Easements

Dated: May 9, 2003

Executed by: Suncor Development Company, an Arizona corporation, Spring Valley Livestock Company, Inc , an Idaho corporation and Colin McLeod III and Teresa McLeod, husband and wife, jointly and severally

Recorded: June 13, 2003

Instrument No.: 103097805

Said Declaration is a re-recording of No 103079787.

14
ADA COUNTY RECORDER J. DAVID NAVARRO
BOISE IDAHO 06/04/04 02:41 PM
DEPUTY Bonnie Oberbillig
RECORDED - REQUEST OF
Pioneer
AMOUNT 42.00



Recording Requested By and
When Recorded Return to:

First American Title Insurance Company
4801 East Washington Street
Phoenix, AZ 85034
Phone: (602) 685-7000

(SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY)

SPECIAL WARRANTY DEED

(SPRING VALLEY-ADA)

(OMITTED PARCEL IN SECTION 1, T5N R1E)

THIS SPECIAL WARRANTY DEED made this 26th day of February, 2004, between SPRING VALLEY LIVESTOCK COMPANY, INC., an Idaho corporation ("Grantor"), and FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation, as TRUSTEE OF THE DUAL BENEFICIARY TRUST CREATED PURSUANT TO THE SUBDIVISION TRUST AGREEMENT DATED OCTOBER 8, 2003, as amended ("Grantee"), as said Subdivision Trust Agreement was entered into between Grantor, Grantee and SUNCOR DEVELOPMENT COMPANY, an Arizona corporation ("SunCor"), as Second Beneficiary thereunder, and together with the Contribution Agreement executed contemporaneously therewith by Grantor and SunCor, is evidenced by a Memorandum of Agreements recorded October 22, 2002, as Instrument No. 102121552, Official Records of Ada County (all rights, title and interest of SunCor under said Subdivision Trust Agreement and said Contribution Agreement having been assigned by SunCor to SUNCOR IDAHO, LLC, an Idaho limited liability company ["SunCor Idaho"]), witnesseth:

That Grantor, for and in consideration of the sum of Ten Dollars and No Cents (\$10.00), and other good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, does, by these presents, convey unto Grantee and its successors and assigns forever upon and pursuant to the terms of the aforementioned Subdivision Trust Agreement and the Contribution Agreement, all the following described real estate situated in the County of Ada, State of Idaho.

SEE SCHEDULE I ATTACHED HERETO AND
INCORPORATED HEREIN.

Together with all and singular the tenements, hereditaments, and appurtenances thereunto belonging or in anywise appertaining, the rents, issues and profits thereof, including all water rights, permits and licenses appurtenant thereto; and all estate, right, title and interest in and to the property, as well in law as in equity, except as expressly provided otherwise herein To have and to hold, all and singular the above-described premises together with the appurtenances unto Grantee and its successors and assigns forever

SUBJECT TO the provisions of the aforementioned Subdivision Trust Agreement and the Contribution Agreement which govern the duties and responsibilities of Grantor, Grantee and SunCor Idaho and survive the recording of this deed, and those exceptions to title set forth in SCHEDULE II attached hereto and made part hereof, Grantor makes no covenants or warranties with respect to title, express or implied, other than that previous to the date of this instrument, Grantor has not conveyed the same estate, or any right, title or interest therein, to any person other than Grantee and that such estate is at the time of the execution of this instrument free from encumbrances done, made or suffered by the Grantor, or any person claiming under Grantor.

GRANTOR:

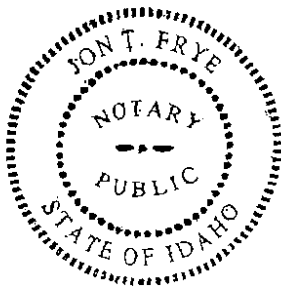
SPRING VALLEY LIVESTOCK COMPANY,
INC, an Idaho corporation

By 
Its President

STATE OF IDAHO)
) ss.
County of Canyon)

On this 26th day of February, 2004, before me, Jon T. Frye,
a Notary Public in and for said State, personally appeared Chris McLeod III,
known to me to be the president of SPRING VALLEY LIVESTOCK
COMPANY, INC., the corporation that executed the within instrument or the person who
executed the instrument on behalf of said corporation, and acknowledged to me that such
corporation executed the same.

WITNESS MY HAND and official seal hereto affixed the day, month and year in this
certificate first above written



Jon T. Frye
Notary Public for the State of Idaho
Residing at Adamsell Idaho
My commission expires 10-30-2007

SCHEDULE I

Legal Description

Roylance & Associates P.A.

391 W State Street, Suite E, Eagle, Idaho 83616

Engineers • Surveyors • Landplanners

Telephone (208) 939-2824 Fax (208) 939-2855

August 21, 2003

Project No: 2408

Legal Description

Suncor Development Company

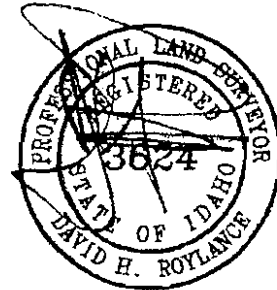
Spring Valley Livestock Company property in Ada County

A tract of land located in Township 5 North, Range 1 East, Boise Meridian, Ada County, Idaho described as follows:

In Section 1, the East One Half of the Southeast One Quarter.

Subject to all existing easements and rights-of-way, recorded or prescriptive.

Prepared By: ROYLANCE & ASSOCIATES P.A.
391 W. STATE STREET, SUITE E
EAGLE, IDAHO 83616
208-939-2824
208-939-2855 (FAX)



E-21-03

SCHEDULE II

Permitted Exceptions to Title

Ada County Permitted Exceptions

- 1 Easements, claims of easement or encumbrances which are not shown by the public records
- 2 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.
- 3 Unpatented mining claims: reservations or exceptions in patents or in acts authorizing the issuance thereof
- 4 Reservations contained in patent
Dated: March 3, 1909
Recorded: October 5, 1916
Instrument No.: 65939 in 5 of Patents, Page 381
- 5 Covenants, Conditions, restrictions and easements contained in Deed to the State of Idaho, conveying a portion of the property adjoining.
Recorded: January 9, 1935
Instrument No.: 160903 in Book 208 of deeds, Page 595
- 6 Covenants, Conditions, restrictions and easements contained in Deed to the State of Idaho, conveying a portion of the property adjoining.
Recorded: January 9, 1935
Instrument No.: 160917 in Book 208 of Deeds, Page 611
- 7 Covenants, Conditions, restrictions and easements contained in Deed to the State of Idaho, conveying a portion of the property adjoining
Recorded: August 10, 1939
Instrument No.: 191535 in Book 235 of deeds, Page 542
- 8 Rights of claims in and to any ditch, canal and/or lateral right of ways
- 9 Right, title and interest in and to all gas, oil, and minerals of every description and kind underlying the surface as conveyed by deed
Dated: August 27, 1940
To: Robert M. Owensby
Recorded: October 24, 1940
Instrument No.: 200626 in Book 244 of Deeds Page 114
- 10 Reservations contained in Deed
Dated: September 27, 1940
Between: Robert M. Owensby and Charles Cairns
Recorded: April 2, 1941
Instrument No.: 203680, 248 of Deeds, Page 400
As Follows: Reserving all of the oil, gas and minerals underlying said lands, together with the right to drill, and prospect for said oil, gas and minerals, and to produce the same, and also reserving all reasonable and necessary to the extraction and production of any or all of said products

- 11 Reservations contained in Deed
Dated: June 26, 1941
Executed by: Frank L. Vincen and Dolly Vincen
Recorded: July 9, 1941 and March 13, 1942
Instrument No.: 206007 in Book 250, Page 193 and 211002 in Book 254, Page 102
As Follows: The Grantors reserve the oil and gas rights upon the premises aforesaid together with the right to collect and receive the royalties from any out-standing lessee or leases thereon, also the right to prospect for oil and gas, sink wells, and remove oil and gas products from the premises aforesaid according to the usual course and custom of natural gas and oil operation
- 12 An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: Right of way and easement
In Favor of: American Telephone & Telegraph Company of Wyoming
Recorded: October 11, 1941
Instrument No.: 207985 in Book 17 of Misc., Page 489
13. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: Right of way and easement
In Favor of: American Telephone & Telegraph Company of Wyoming
Recorded: October 27, 1941
Instrument No.: 208341 in Book 17 of Misc., Page 557
- 14 Reservations contained in patent
Recorded: July 7, 1943
Instrument No.: 220082 Book 6 of Patents, Page 457
As Follows: Subject to any vested and accrued water rights for mining, agricultural, manufacturing, or other purposes, and rights to ditches and reservoirs used in connections with such water rights, as may be recognized and acknowledged by the local customs, laws, and decisions of courts; and there is reserved from the lands hereby granted, a right of way thereon for ditches or canals constructed by the authority of the United States, excepting and reserving, however, to the United States all the coal and other minerals in the lands so entered and patented, together with the right to prospect for, mine, and remove the same pursuant to the provisions and limitations of the act of December 29, 1916 (39 Stat., 862).
- 15 Reservations contained in patent
Dated: May 24, 1912
Recorded: July 10, 1944
Instrument No.: 228610 in Book 6 of Patents, Page 467
16. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: Power Line Easement
In Favor of: Idaho Power Company
Recorded: March 5, 1946
Instrument No.: 246695 in Book 19 of Misc., Page 375

17. An easement containing certain terms, conditions and provisions affecting a portion of said premises
and for the purposes stated herein
For: Power Line Easement
In Favor of: Idaho Power Company
Recorded: April 30, 1946
Instrument No.: 249123 in Book 19 of Misc., Page 440
18. An easement containing certain terms, conditions and provisions affecting a portion of said premises
and for the purposes stated herein
For: Power Line Easement
In Favor of: Idaho Power Company
Recorded: February 1, 1947
Instrument No.: 259460, 20 Misc., Page 126
19. An easement containing certain terms, conditions and provisions affecting a portion of said premises
and for the purposes stated herein
For: Power Line Easement
In Favor of: Idaho Power Company
Recorded: February 7, 1947
Instrument No : 259465, Book 20 of Misc., Page 131
20. An easement containing certain terms, conditions and provisions affecting a portion of said premises
and for the purposes stated herein
For: Power Line Easement
In Favor of: Idaho Power Company
Recorded: October 9, 1947
Instrument No.: 263134, 20 Misc , Page 354

- 21 Any Right of interest in any mineral, mineral rights, or related matters, including but not limited to oil, gas, coal, and other hydrocarbons
Said rights include but are not necessarily limited to:
Oil and gas lease in favor of Warren Sheare recorded March 31, 1952 under Instrument No 329752;
Mineral deed in Favor of C.R. Bennett Recorded May 12, 1952 under Instrument No. 331340;
Conveyance in favor of Nemara Royalty Company of Tulsa, Oklahoma recorded under Instrument No. 416879;
Conveyance of oil, gas and other interest in favor of Livingston Oil Company Recorded May 8, 1964 under Instrument No 583103;
Mineral deed in favor of Electronic Research Development Corporation recorded January 31, 1968 under Instrument No 631672;
Geothermal lease in favor of the Anschutz Corporation recorded June 18, 1973 under Instrument No 850707;
Oil and gas lease in favor of Skyline Oil Company recorded June 24, 1983 under Instrument No 8331021;
Ratification and rental division order recorded under Instrument Numbers 8331022 and 8414114;
Statement of claim and notice of intent to preserve by Ladd Petroleum Corporation recorded September 24, 1984 under Instrument No. 8447515
General Conveyance in favor of Universal Resources Corporation recorded April 27, 1994, under Instrument No. 94038747.
22. Right, title and interest of Warren Shear in and to an undivided one half interest in and to all oil, gas and other minerals and conveyed by deed recorded under Instrument No. 329756
- 23 An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: Watershed Protection Easement
In Favor of: Dry Creek Soil Conservation District
Recorded: May 21, 1954
Instrument No : 360059
- 24 Right, title and interest of Ada County in and to the mineral rights as conveyed by Tax deeds recorded under instrument Nos 390508 and 521413
25. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: Power Line Easement
In Favor of: Idaho Power Company
Recorded: May 10, 1957
Instrument No : 410037
- 26 An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: Power Line Easement
In Favor of: Idaho Power Company
Recorded: May 31, 1960
Instrument No.: 480341

27. Right, title and interest of Livingston Oil Company in and to mineral interests, etc , as described in conveyance recorded under Instrument No 583103
28. Covenants, Conditions, restrictions and easements contained in Deed to the State of Idaho, conveying a portion of the property adjoining
Recorded: May 4, 1965
Instrument No.: 610585
29. Relinquishment of Right of Access to Highway under terms of Deed.
In Favor of: State of Idaho
Recorded: May 4, 1965
Instrument No.: 610585
30. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: The purpose of constructing thereon a channel change of Spring Valley Creek
In Favor of: State of Idaho
Recorded: May 4, 1965
Instrument No.: 610586
31. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: Power Line Easement
In Favor of: Idaho Power Company
Recorded: October 7, 1965
Instrument No : 623010
32. Covenants, Conditions, restrictions and easements contained in Deed to the State of Idaho, conveying a portion of the property adjoining
Recorded: August 11, 1966
Instrument No.: 645947
33. Relinquishment of Right of Access to Highway under terms of Deed
In Favor of: State of Idaho
Recorded: August 11, 1966
Instrument No.: 645947
34. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: Easement For Access
In Favor of: Adjoining property
Recorded: August 19, 1974
Instrument No.: 896714
35. Covenants, Conditions, restrictions and easements contained in Deed to the State of Idaho, conveying a portion of the property adjoining.
Recorded: March 19, 1985
Instrument No.: 8514764

36. Relinquishment of Right of Access to Highway under terms of Deed.
In Favor of: The County of Canyon, Grantor, and the State of Idaho, by and through the Idaho
Transportation Board for the Division of Highways
Recorded: March 19, 1985
Instrument No.: 8514764
37. An easement containing certain terms, conditions and provisions affecting a portion of said premises
and for the purposes stated herein
For: Private Road Easement
In Favor of: Adjoining property
Recorded: April 13, 1993
Instrument No.: 9326686
38. An easement containing certain terms, conditions and provisions affecting a portion of said premises
and for the purposes stated herein
For: Private Road Easement
In Favor of: Adjoining property
Recorded: April 13, 1993
Instrument No.: 9326687
39. An easement containing certain terms, conditions and provisions affecting a portion of said premises
and for the purposes stated herein
For: Power Line Easement
In Favor of: Idaho Power Company
Recorded: December 17, 1997
Instrument No.: 97104659
40. An easement containing certain terms, conditions and provisions affecting a portion of said premises
and for the purposes stated herein
For: Private Road Easement
In Favor of: Adjoining Property
Recorded: November 16, 1998
Instrument No.: 98110048
41. Matters disclosed by Record of Survey
Recorded: July 16, 1999
Instrument No.: 99070925
Survey No.: 4688
42. Terms, covenants, conditions, provisions and stipulations contained in that certain order of annexation
into the district herein noted.
District: North Ada County Fire and Rescue District
Recorded: September 9, 1999
Instrument No.: 99090030

43. Terms and provisions of easement agreement
Dated: July 13, 1999
Between: Spring Valley Livestock Company, Inc., Colin McLeod, III and Ida-Vice, LLC
Recorded: December 17, 1999
Instrument No : 99119886
44. Right, title and interest of the following party by reason of the recording of a deed.
Executed By: W.E. Binko and Alice M. Binko
Party: Highland Livestock and Land, Co., a corporation
Dated: April 1, 1971
Recorded: April 20, 1971
Instrument No : 768268
Said grantor had no record interest in said premises at the time of execution of the deed nor has he/she since acquired a record interest
45. Any question that may arise or claim that may be made concerning the location of the "one acre school house lot" in the Southwest quarter of the Southwest quarter of Section 12, Township 5 North, Range 1 East of Boise Meridian in Ada County, Idaho.
46. Right, title and interest of the County of Ada in and to that portion lying in the South half of the Southwest quarter of Section 8, Township 5 North, Range 2 East, of Boise Meridian, in Ada County, Idaho
47. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: Grant of easement and right-of-way for access to mining property
In Favor of: Larry Ridley
Recorded: April 11, 2002
Instrument No.: 102042432
48. Terms and provisions of unrecorded Subdivision Trust Agreement disclosed by Memorandum of Agreements.
Dated: October 8, 2002
Between: Suncor Development Company, Spring Valley Livestock Company, Inc., Colin McLeod III and Teresa McLeod, husband and wife
Recorded: October 22, 2002
Instrument No.: 102121552
49. Terms and provisions of unrecorded Contribution Agreement disclosed by Memorandum of Agreements.
Dated: October 8, 2002
Between: Suncor Development Company, Spring Valley Livestock Company, Inc., Colin McLeod III and Teresa McLeod, husband and wife
Recorded: October 22, 2002
Instrument No : 102121552

50 Covenants, Conditions, Restrictions and Easements

Dated: May 9, 2003

Executed by: Suncor Development Company, an Arizona corporation, Spring Valley Livestock Company, Inc., an Idaho corporation and Colin McLeod III and Teresa McLeod, husband and wife, jointly and severally

Recorded: June 13, 2003

Instrument No.: 103097805

Said Declaration is a re-recording of No 103079787



Recording Requested By and
When Recorded Return to:

Geoffrey M. Wardle
HAWLEY TROXELL ENNIS & HAWLEY LLP
Post Office Box 1617
Boise, ID 83701-1617

(SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY)

SPECIAL WARRANTY DEED
(SPRING VALLEY-TRUST)
(575 ACRE LITTLE PROPERTY)

THIS SPECIAL WARRANTY DEED made this 3/ ^{October} day of ~~September~~, 2006, between COLIN McLEOD and TERESA McLEOD, husband and wife, and SPRING VALLEY LIVESTOCK COMPANY, INC., an Idaho corporation (collectively "Grantor"), and FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation, as TRUSTEE OF THE DUAL BENEFICIARY TRUST CREATED PURSUANT TO THE SUBDIVISION TRUST AGREEMENT DATED OCTOBER 8, 2003, as amended ("Grantee"), as said Subdivision Trust Agreement was entered into between Grantor, Grantee and SUNCOR DEVELOPMENT COMPANY, an Arizona corporation ("SunCor"), as Second Beneficiary thereunder, and together with the Contribution Agreement executed contemporaneously therewith by Grantor and SunCor, both as evidenced by a Memorandum of Agreements recorded October 22, 2002, as Instrument No. 102121552, Official Records of Ada County; and

Said Subdivision Trust Agreement was amended by means of a First Amendment of Subdivision Trust Agreement, and said Contribution Agreement was amended by means of a First Amendment of Contribution Agreement, as evidenced by a Memorandum of Amendments (Ada County) recorded July 25, 2003, as Instrument No. 103123649, Official Records of Ada County, Idaho; and

Said Subdivision Trust Agreement and Contribution Agreement were further amended by means of a Second Amendment to Contribution Agreement and Subdivision Trust Agreement, Partial Waiver of Contribution Agreement and Withdrawal Agreement, as evidenced by a Memorandum of Second Amendment (Ada County), recorded January 24, 2006, as Instrument No. 106012218, Official Records of Ada County, Idaho; and

Said Second Amendment to Contribution Agreement and Subdivision Trust Agreement, Partial Waiver of Contribution Agreement and Withdrawal Agreement was further amended by Amended Second Amendment to Contribution Agreement and Subdivision Trust Agreement, Partial Waiver of Contribution Agreement and Withdrawal Agreement dated September 22, 2006; and

SPECIAL WARRANTY DEED - 1

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All right, title and interest of SunCor under said Subdivision Trust Agreement and said Contribution Agreement, as amended, having been assigned to SunCor Idaho, LLC, an Idaho limited liability company, and by SunCor Idaho, LLC, an Idaho limited liability company, to Avimor, LLC, an Idaho limited liability company ("Avimor");

WITNESSETH:

That Grantor, for and in consideration of the sum of Ten Dollars and No Cents (\$10.00), and other good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, does, by these presents, convey unto Grantee and its successors and assigns forever upon and pursuant to the terms of the aforementioned Subdivision Trust Agreement and the Contribution Agreement, all the following described real estate situated in the County of Ada, State of Idaho.

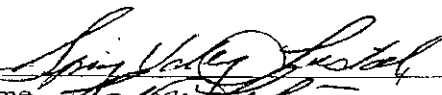
SEE SCHEDULE I ATTACHED HERETO AND
INCORPORATED HEREIN

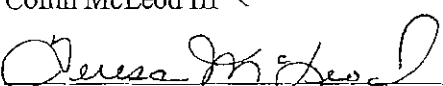
Together with all and singular the tenements, hereditaments, and appurtenances thereunto belonging or in anywise appertaining, the rents, issues and profits thereof, including all water rights, permits and licenses appurtenant thereto; and all estate, right, title and interest in and to the property, as well in law as in equity, except as expressly provided otherwise herein. To have and to hold, all and singular the above-described premises together with the appurtenances unto Grantee and its successors and assigns forever.

SUBJECT TO (i) the provisions of the aforementioned Subdivision Trust Agreement and the Contribution Agreement which govern the duties and responsibilities of Grantor, Grantee and Avimor and survive the recording of this deed, (ii) reservations or restrictions in federal patents or in state deeds or in laws providing for such patents or deeds, and (iii) all easements or other matters of record or that would appear from a survey or careful examination of the property conveyed hereby, Grantor makes no covenants or warranties with respect to title, express or implied, other than that previous to the date of this instrument, Grantor has not conveyed the same estate, or any right, title or interest therein, to any person other than Grantee and that such estate is at the time of the execution of this instrument free from encumbrances done, made or suffered by the Grantor, or any person claiming under Grantor.

GRANTOR:

SPRING VALLEY LIVESTOCK COMPANY,
INC, an Idaho corporation

By 
Name Collin McLeod III
Its pres.

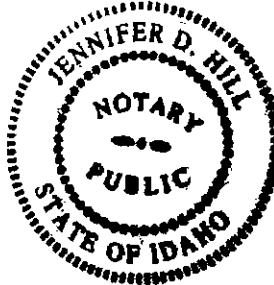

Collin McLeod III

Teresa McLeod

SPECIAL WARRANTY DEED - 2

STATE OF IDAHO)
) ss.
County of Ada)

On this 9 day of October, 2006, before me, Jennifer D. Hill,
a Notary Public in and for said State, personally appeared Collin McLeod III,
known to me to be President of SPRING VALLEY LIVESTOCK
COMPANY, INC., the corporation that executed the within instrument or the person who
executed the instrument on behalf of said corporation, and acknowledged to me that such
corporation executed the same

WITNESS MY HAND and official seal hereto affixed the day, month and year in this
certificate first above written.

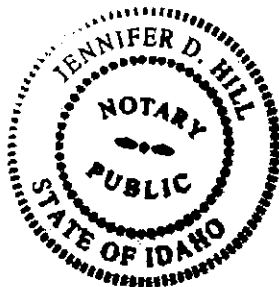


Jennifer D. Hill
Notary Public for the State of Idaho
Residing at Mendham ID
My commission expires 8/25/2012

STATE OF IDAHO)
) ss.
County of Ada)

On this 31 day of October, 2006, before me,
Jennifer D. Hill, a Notary Public in and for said state, personally
appeared COLIN McLEOD and TERESA McLEOD, husband and wife, known or identified to
me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged
to me that they 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.



Jennifer D. Hill
Notary Public for Idaho
Residing at Mendham ID
My commission expires 8/25/2012

SPECIAL WARRANTY DEED - 3

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SCHEDULE I

Legal Description

PARCEL 1

The SE $\frac{1}{4}$ of the SW $\frac{1}{4}$, the W $\frac{1}{2}$ of the SE $\frac{1}{4}$, and the NE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 8, Township 5 North, Range 1 East, Boise Meridian, in Ada County, Idaho

PARCEL 2

The SE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Section 9, Township 5 North, Range 1 East, Boise Meridian, in Ada County, Idaho.

PARCEL 3

The NE $\frac{1}{4}$ and the N $\frac{1}{2}$ of the SE $\frac{1}{4}$ of Section 17, Township 5 North, Range 1 East, Boise Meridian, in Ada County, Idaho.

ADDITIONAL PROPERTY (135 Ac)

The S $\frac{1}{2}$ of the SE $\frac{1}{4}$;

The SE $\frac{1}{4}$ of the SW $\frac{1}{4}$;

That portion of the SW $\frac{1}{4}$ of the SW $\frac{1}{4}$ lying Easterly of the centerline of Willow Creek Road, more particularly described as follows:

COMMENCING at the Southwest corner of said SW $\frac{1}{4}$ SW $\frac{1}{4}$;

Thence along the West line of said SW $\frac{1}{4}$ SW $\frac{1}{4}$, North $00^{\circ}16'27''$ East, 1314.67 feet to the Northwest corner of said SW $\frac{1}{4}$ SW $\frac{1}{4}$;

Thence along the North line of said SW $\frac{1}{4}$ SW $\frac{1}{4}$, North $89^{\circ}57'12''$ East, 204.11 feet to said centerline of Willow Creek Road and the POINT OF BEGINNING;

Thence continuing along said North line, North $89^{\circ}57'12''$ East, 1125.05 feet to the Northeast corner of said SW $\frac{1}{4}$ SW $\frac{1}{4}$;

Thence along the East line of said SW $\frac{1}{4}$ SW $\frac{1}{4}$, South $00^{\circ}11'40''$ West, 1315.16 feet to the Southeast corner of said SW $\frac{1}{4}$ SW $\frac{1}{4}$;

Thence along the South line of said SW $\frac{1}{4}$ SW $\frac{1}{4}$, South $89^{\circ}58'31''$ West, 457.01 feet to said centerline;

Thence along said centerline, North $00^{\circ}09'34''$ West, 210.77 feet to a curve;

Thence along the arc of said curve to the left, having a radius 720.00 feet, a central angle of $37^{\circ}27'17''$, and being subtended by a chord, which bears North $18^{\circ}53'13''$ West, 462.33 feet;

Thence North $37^{\circ}36'51''$ West, 841.06 feet to the POINT OF BEGINNING;

All in Section 17, Township 5 North, Range 1 East, Boise Meridian, in Ada County, Idaho.

Said property being previously described as:

That portion of the S $\frac{1}{2}$ of the SE $\frac{1}{4}$ and of the S $\frac{1}{2}$ of the SW $\frac{1}{4}$ in Section 17, Township 5 North, Range 1 East, Boise Meridian, in Ada County, Idaho, lying Easterly of the Easterly line of Willow Creek Road.

SCHEDULE I

By: Maylin Carlson
Its: Asst. Secretary

CHRIS GREEN
NOTARY
PUBLIC
STATE OF IDAHO

D_{35}

Original Option Property

The Northeast quarter;
The East half of the Northwest quarter;
Government Lots 1 and 2;
The Southeast quarter;
All in Section 19, Township 5 North, Range 1 East of Boise Meridian, in Ada County, Idaho.

The Southwest quarter of the Northwest quarter;
The West half of the Southwest quarter;
All in Section 20, Township 5 North, Range 1 East of Boise Meridian, in Ada County, Idaho.

Government Lot 4;
That portion of the Southeast quarter of the Southwest quarter (SE $\frac{1}{4}$ SW $\frac{1}{4}$) of Section 7, lying Southwesterly of the centerline of Willow Creek Road, more particularly described as follows:

COMMENCING at the Southwest corner of said Section 7; thence N89°26'13"E, 976.19 feet to the Southwest corner of said SE $\frac{1}{4}$ SW $\frac{1}{4}$ and the POINT OF BEGINNING;
Thence, along the West line of said SE $\frac{1}{4}$ SW $\frac{1}{4}$, N01°37'53"E, 1315.55 feet to the Northwest corner of said SE $\frac{1}{4}$ SW $\frac{1}{4}$;
Thence, along the North line of said SE $\frac{1}{4}$ SW $\frac{1}{4}$, N89°27'42"E, 322.23 feet to point on said centerline;
Thence, along said centerline, S17°08'49"E, 211.69 feet;
Thence, S21°38'20"E, 468.10 feet to a curve;
Thence, along the arc of said curve to the right, having a radius of 365.00 feet, a central angle of 26°42'14", and being subtended by a chord, which bears S08°17'13"E, 168.58 feet;
Thence, S05°03'53"W, 109.20 feet to a curve;
Thence, along the arc of said curve to the left, having a radius of 310.00 feet, a central angle of 35°10'52", and being subtended by a chord, which bears S12°31'32"E, 187.37 feet;
Thence, S30°06'58"E, 168.08 feet;
Thence, S34°03'01"E, 83.37 feet to the South line of said SE $\frac{1}{4}$ SW $\frac{1}{4}$;
Thence, S89°26'13"W, 781.04 feet to the POINT OF BEGINNING;
All in Section 7, Township 5 North, Range 1 East of Boise Meridian, in Ada County, Idaho.

That portion of the Northwest quarter of the Southwest quarter (NW $\frac{1}{4}$ SW $\frac{1}{4}$) of Section 17 lying Southwesterly of the centerline of Willow Creek Road, more particularly described as follows:

COMMENCING at the Southwest corner of said Section 17; thence, along the West line of said Section 17, N00°16'27"E, 1314.67 feet to the POINT OF BEGINNING;
Thence, along the South line of said (NW $\frac{1}{4}$ SW $\frac{1}{4}$), N89°57'12"E, 204.11 feet to a point on said centerline;
Thence, along said centerline, N37°36'51"W, 332.36 feet to the said West line;
Thence, S00°16'27"W, 263.44 feet to the POINT OF BEGINNING;
All in Section 17, Township 5 North, Range 1 East of Boise Meridian, in Ada County, Idaho.

Government Lots 1 and 2;
 The East half of the Southwest quarter;
 The Southeast quarter of the Northwest quarter;
 The West half of the Southeast quarter;
 The Southeast quarter of the Southeast quarter;
 That portion of the Northwest quarter of the Northeast quarter (NW $\frac{1}{4}$ NE $\frac{1}{4}$) and that portion of the South half of the Northeast quarter (S $\frac{1}{2}$ NE $\frac{1}{4}$) and that portion of the Northeast quarter of the Northwest quarter (NE $\frac{1}{4}$ NW $\frac{1}{4}$) and that portion of the Northeast quarter of the Southeast quarter (NE $\frac{1}{4}$ SE $\frac{1}{4}$), all lying Southwesterly of the centerline of Willow Creek Road, more particularly described as follows:
 COMMENCING at the Northwest corner of said Section 18; thence, along the North line of said Section 18, N89°26'13"E, 976.19 feet to the Northwest corner of said (NE $\frac{1}{4}$ NW $\frac{1}{4}$) and the POINT OF BEGINNING;
 Thence, continuing along said North line, N89°26'13"E, 781.04 feet to said centerline of Willow Creek Road;
 Thence, along said centerline S34°03'01"E, 215.25 feet;
 Thence, S10°42'30"E, 414.87 feet to a curve;
 Thence, along the arc of said curve to the left, having a radius of 225.00 feet, a central angle of 56°12'00", and being subtended by a chord, which bears S38°48'30"E, 211.96 feet;
 Thence, S66°54'30"E, 1186.00 feet to a curve;
 Thence, along the arc of said curve to the right, having a radius of 1000.00 feet, a central angle of 13°57'43", and being subtended by a chord, which bears S59°55'39"E, 243.08 feet;
 Thence, S52°56'47"E, 351.88 feet to a curve;
 Thence, along the arc of said curve to the right, having a radius of 635.00 feet, a central angle of 19°19'45", and being subtended by a chord, which bears S44°01'28"E, 213.21 feet;
 Thence, S34°21'35"E, 166.76 feet to a curve;
 Thence, along the arc of said curve to the right, having a radius of 480.00 feet, a central angle of 24°30'13", and being subtended by a chord, which bears S24°11'03"E, 203.72 feet;
 Thence, S11°55'56"E, 513.68 feet to a curve;
 Thence, along the arc of said curve to the left, having a radius of 395.00 feet, a central angle of 25°40'56", and being subtended by a chord, which bears S24°46'24"E, 175.58 feet;
 Thence, S37°36'51"E, 1212.36 feet to the East line of said Section 18;
 Thence, along said East line, S00°16'27"W, 263.44 feet to the Southeast corner of said (NE $\frac{1}{4}$ SE $\frac{1}{4}$);
 Thence, along South line of said (NE $\frac{1}{4}$ SE $\frac{1}{4}$), S89°31'40"W, 1320.20 feet to the Southwest corner of said (NE $\frac{1}{4}$ SE $\frac{1}{4}$);
 Thence, along the West line of said (NE $\frac{1}{4}$ SE $\frac{1}{4}$), N00°17'28"E, 1313.97 feet to the Northwest corner of said (NE $\frac{1}{4}$ SE $\frac{1}{4}$);
 Thence, along the South line of said (S $\frac{1}{2}$ NE $\frac{1}{4}$), S89°29'51"W, 1319.82 feet to the Southwest corner of said (S $\frac{1}{2}$ NE $\frac{1}{4}$);
 Thence, along the West line of said (S $\frac{1}{2}$ NE $\frac{1}{4}$), N00°18'28"E, 1313.28 feet to the Northwest corner of said (S $\frac{1}{2}$ NE $\frac{1}{4}$);
 Thence, along the South line of said (NE $\frac{1}{4}$ NW $\frac{1}{4}$), S89°28'02"W, 1319.20 feet to the Southwest corner of said (NE $\frac{1}{4}$ NW $\frac{1}{4}$);
 Thence, along the West line of said (NE $\frac{1}{4}$ NW $\frac{1}{4}$), N00°19'41"E, 1312.59 feet to the POINT OF BEGINNING;
 All in Section 18, Township 5 North, Range 1 East of Boise Meridian, in Ada County,

Doc

That portion of said Original Option Property lying within Sections 7, 17 and 18 being previously described as:

Government Lot 4;

That portion of the Southeast quarter of the Southwest quarter lying Southwesterly of the centerline of Willow Creek Road;

All in Section 7, Township 5 North, Range 1 East of Boise Meridian, in Ada County, Idaho

That portion of the NW $\frac{1}{4}$ of the SW $\frac{1}{4}$ lying Southwesterly of the centerline of Willow Creek Road;

All in Section 17, Township 5 North, Range 1 East of Boise Meridian, in Ada County, Idaho

That portion of the Northwest quarter of the Northeast quarter lying Southwesterly of the centerline of Willow Creek Road;

That portion of the South half of the Northeast quarter lying Southwesterly of the centerline of Willow Creek Road;

That portion of the East half of the Northwest quarter lying Southwesterly of the centerline of Willow Creek Road;

Government Lots 1 and 2;

The East half of the Southwest quarter;

That portion of the Southeast quarter lying Southwesterly of the centerline of Willow Creek Road;

All in Section 18, Township 5 North, Range 1 East of Boise Meridian, in Ada County, Idaho.

The East half of the Southeast quarter of Section 10, Township 5 North, Range 1 West of Boise Meridian, in Ada County, Idaho

The Southwest quarter of the Northeast quarter;
The South half of the Northwest quarter;
The South half;
All in Section 11, Township 5 North, Range 1 West of Boise Meridian, in Ada County, Idaho.

The South half of the Northeast quarter;
The Southeast quarter of the Northwest quarter;
The North half of the Southwest quarter;
The Southeast quarter;
All in Section 12, Township 5 North, Range 1 West of the Boise Meridian, in Ada County, Idaho.

The Northeast quarter;
The Southeast quarter of the Northwest quarter;
The South half of the Southwest quarter;
All in Section 13, Township 5 North, Range 1 West of Boise Meridian, in Ada County, Idaho.

The North one half;
The East one half of the Southwest quarter;
The North one half of the Southeast quarter;
The Southwest quarter of the Southeast quarter;
All in Section 14, Township 5 North, Range 1 West of Boise Meridian, in Ada County, Idaho.

The Northeast quarter of the Northeast quarter of Section 15, Township 5 North, Range 1 West of Boise Meridian, in Ada County, Idaho

The Southeast quarter of the Northeast quarter;
The Northeast quarter of the Southeast quarter;
All in Section 22, Township 5 North, Range 1 West of Boise Meridian, in Ada County, Idaho

The Northeast quarter;
The South half of the Northwest quarter;
The Southwest quarter;
The North half of the Southeast quarter;
The Southwest quarter of the Southeast quarter;
All in Section 23, Township 5 North, Range 1 West of Boise Meridian, in Ada County, Idaho.

The South half of the Northeast quarter;
The West half of the Northwest quarter;
The Southeast quarter of the Northwest quarter;
The Northeast quarter of the Southwest quarter;
The North half of the Southeast quarter;
All in Section 24, Township 5 North, Range 1 West of Boise Meridian, in Ada County, Idaho.

The Northwest quarter of the Northwest quarter of Section 26, Township 5 North, Range 1 West of Boise Meridian, in Ada County, Idaho

The Northeast quarter of the Northeast quarter of Section 27, Township 5 North, Range 1 West of Boise Meridian, in Ada County, Idaho.

ADA COUNTY RECORDER J. DAVID NAVARRO
BOISE IDAHO 02/28/07 10:47 AM
DEPUTY Neava Haney
RECORDED - REQUEST OF
Hawley Troxell

AMOUNT 12.00

4

107028453

ADA COUNTY RECORDER J. DAVID NAVARRO
BOISE IDAHO 04/18/07 02:29 PM
DEPUTY Patti Thompson
RECORDED - REQUEST OF
Hawley Troxell

AMOUNT 15.00

5

107054958

Recording Requested By and
When Recorded Return to:

Spring Valley Livestock Company, Inc.
Attn: Colin McLeod III
10393 West Floating Feather Road
Star, Idaho 83669
Phone: (208) 286-7975

(SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY)

SPECIAL WARRANTY DEED

(RECONVEYANCE BY TRUSTEE TO SPRING VALLEY)

(WILLOW CREEK PROPERTY)

THIS SPECIAL WARRANTY DEED is made this 25th day of September, 2006, between FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation, as TRUSTEE OF THE DUAL BENEFICIARY TRUST CREATED PURSUANT TO THE SUBDIVISION TRUST AGREEMENT DATED OCTOBER 8, 2002, as amended ("Grantor") and SPRING VALLEY LIVESTOCK, INC, an Idaho corporation ("Grantee"), as said Subdivision Trust Agreement was entered into between Grantor, Grantee, COLIN McLEOD III and THERESA McLEOD, husband and wife (collectively "McLeod"), and SUNCOR DEVELOPMENT COMPANY, an Arizona corporation ("SunCor"), as Second Beneficiary thereunder, and together with the Contribution Agreement executed contemporaneously therewith by Grantee, McLeod and SunCor, both as evidenced by a Memorandum of Agreements (Ada County), recorded October 22, 2002 as Instrument No 102121552, Official Records of Ada County, Idaho; and

Said Subdivision Trust Agreement was amended by means of a First Amendment of Subdivision Trust Agreement, and said Contribution Agreement was amended by means of a First Amendment of Contribution Agreement, as evidenced by a Memorandum of Amendments (Ada County) recorded July 25, 2003, as Instrument No 103123649, Official Records of Ada County, Idaho; and

Said Subdivision Trust Agreement and Contribution Agreement were further amended by means of a Second Amendment to Contribution Agreement and Subdivision Trust Agreement, Partial Waiver of Contribution Agreement and Withdrawal Agreement, as evidenced by a Memorandum of Second Amendment (Ada County), recorded January 24, 2006, as Instrument No 106012218, Official Records of Ada County, Idaho; and

Said Second Amendment to Contribution Agreement and Subdivision Trust Agreement, Partial Waiver of Contribution Agreement and Withdrawal Agreement was further amended by

SPECIAL WARRANTY DEED - 1

**This document is re-recorded to correct
the legal description

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Amended Second Amendment to Contribution Agreement and Subdivision Trust Agreement, Partial Waiver of Contribution Agreement and Withdrawal Agreement dated September 22, 2006; and

All right, title and interest of SunCor under said Subdivision Trust Agreement and said Contribution Agreement, as amended, having been assigned to SunCor Idaho, LLC, an Idaho limited liability company, and by SunCor Idaho, LLC, an Idaho limited liability company, to Avimor, LLC, an Idaho limited liability company; and

The property conveyed hereby was released from the Subdivision Trust Agreement and Contribution Agreement, as amended, and the Memorandums related thereto, pursuant to the terms of that certain Release of Withdrawn Property recorded May 12, 2006, as Instrument No. 106074722, Official Records of Ada County, Idaho;

W I T N E S S E T H:

That Grantor, for and in consideration of the sum of Ten Dollars and No Cents (\$10.00), and other good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, does, by these presents, transfer, grant, and convey unto Grantee and their heirs, successors and assigns forever, all right, title and interest now actually owned or hereafter acquired, if any, in that certain parcel of land situate, lying, and being located in the County of Ada, State of Idaho:

**SEE SCHEDULE I ATTACHED HERETO AND INCORPORATED
HEREIN.**

Together with all and singular the tenements, hereditaments, and appurtenances thereunto belonging or in anywise appertaining, the rents, issues and profits thereof, including all water rights, permits and licenses appurtenant thereto; and all estate, right, title and interest in and to the property, as well in law as in equity, except as expressly provided otherwise herein. To have and to hold, all and singular the above-described premises together with the appurtenances unto Grantee and their heirs, successors and assigns forever.

THIS CONVEYANCE IS MADE SUBJECT TO (i) reservations or restrictions in federal patents or in state deeds or in laws providing for such patents or deeds, (ii) all easements or other matters of record or that would appear from a survey or careful examination of the property conveyed hereby; and (iii) that certain Declaration of Restrictions and Easements recorded January 24, 2006, as Instrument No. 106012219, and re-recorded May 4, 2006, as Instrument No. 106069988, and re-recorded September 21, 2006, as Instrument No. 106151313, Official Records of Ada County, Idaho. Subject to the foregoing, Grantor makes no covenants or warranties with respect to title, express or implied, other than (i) that previous to the date of this instrument, Grantor has not conveyed the same estate, or any right, title or interest therein, to any person other than Grantee and (ii) that, subject to those exceptions and encumbrances referenced

herein, such estate is at the time of the execution of this instrument free from encumbrances done, made or suffered by the Grantor, or any person claiming under Grantor.

GRANTOR:

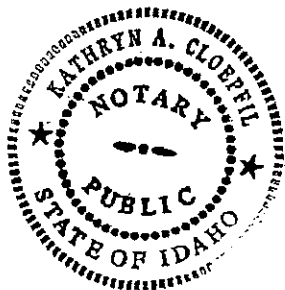
FIRST AMERICAN TITLE INSURANCE
COMPANY, a California corporation, as Trustee under
Subdivision Trust Agreement dated 10/8/02

By: May Lin Carlson
Name: May Lin Carlson
Its: Asst. Secretary

STATE OF Idaho)
County of Ada) ss

On this 25th day of Sept., 2006, before me, The undersigned, a Notary Public in and for said State, personally appeared May Lin Carlson, known or identified to me to be Asst. Secretary of First American Title Insurance Company, as Trustee under Subdivision Trust Agreement dated October 8, 2002, the trust that executed the within instrument or the person who executed the instrument on behalf of said trust and acknowledged to me that such trust 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



Kathryn Cloppell
Notary Public for Idaho
Residing at Boise
My commission expires 5-27-2010

SPECIAL WARRANTY DEED - 3

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SCHEDULE I

WILLOW CREEK PROPERTY

That portion of the SE1/4SW1/4 of Section 7, T5N, R1E, Boise Meridian, Ada County, Idaho, lying northeasterly of the centerline of Willow Creek Road, being the SE1/4SW1/4 of Section 7, less and except:

COMMENCING at the Southwest corner of said Section 7; thence N89°26'13"E, 976.19 feet to the Southwest corner of said SE1/4SW1/4 and the POINT OF BEGINNING;
Thence, along the West line of said SE1/4SW1/4, N01°37'53"E, 1315.55 feet to the Northwest corner of said SE1/4SW1/4;
Thence, along the North line of said SE1/4SW1/4, N89°27'42"E, 322.23 feet to point on said centerline;
Thence, along said centerline, S17°08'49"E, 211.69 feet;
Thence, S21°38'20"E, 458.10 feet to a curve;
Thence, along the arc of said curve to the right, having a radius of 365.00 feet, a central angle of 26°42'14", and being subtended by a chord, which bears S08°17'13"E, 168.58 feet;
Thence, S05°03'53"W, 109.20 feet to a curve;
Thence, along the arc of said curve to the left, having a radius of 310.00 feet, a central angle of 35°10'52", and being subtended by a chord, which bears S12°31'32"E, 187.37 feet;
Thence, S30°06'58"E, 168.08 feet;
Thence, S34°03'01"E, 83.37 feet to the South line of said SE1/4SW1/4;
Thence, S89°26'13"W, 781.04 feet to the POINT OF BEGINNING;
All in Section 7, Township 5 North, Range 1 East of Boise Meridian, in Ada County, Idaho

That portion of the NW1/4SW1/4 of Section 17, T5N, R1E, Boise Meridian, Ada County, Idaho, lying northeasterly of the centerline of Willow Creek Road, being the NW1/4SW1/4 of Section 17, less and except:

COMMENCING at the Southwest corner of said Section 17; thence, along the West line of said Section 17, N00°16'27"E, 1314.67 feet to the POINT OF BEGINNING;
Thence, along the South line of said (NW1/4SW1/4), N89°57'12"E, 204.11 feet to a point on said centerline;
Thence, along said centerline, N37°36'51"W, 332.36 feet to the said West line;
Thence, S00°16'27"W, 263.44 feet to the POINT OF BEGINNING;
All in Section 17, Township 5 North, Range 1 East of Boise Meridian, in Ada County, Idaho

That portion of the NE1/4SE1/4, and that portion of the SE1/4NE1/4, and that portion of the NW1/4NE1/4, and that portion of the SW1/4NE1/4, and that portion of the NE1/4NW1/4, of Section 18, T5N, R1E, Boise Meridian, Ada County, Idaho, lying northeasterly of the centerline of Willow Creek Road, being the NE1/4SE1/4, SE1/4NE1/4, NW1/4NE1/4, SW1/4NE1/4, and NE1/4NW1/4, of Section 18, less and except:

COMMENCING at the Northwest corner of said Section 18; thence, along the North line of said Section 18, N89°26'13"E, 976.19 feet to the Northwest corner of said (NE1/4NW1/4) and the POINT OF BEGINNING;
Thence, continuing along said North line, N89°26'13"E, 781.04 feet to said centerline of Willow Creek Road;
Thence, along said centerline S34°03'01"E, 215.25 feet;
Thence, S10°42'30"E, 414.87 feet to a curve;
Thence, along the arc of said curve to the left, having a radius of 225.00 feet, a central angle of 56°12'00", and being subtended by a chord, which bears S38°48'30"E, 211.96 feet;
Thence, S66°54'30"E, 1186.00 feet to a curve;
Thence, along the arc of said curve to the right, having a radius of 1000.00 feet, a central angle of 13°57'43", and being subtended by a chord, which bears S59°55'39"E, 243.08 feet;
Thence, S52°56'47"E, 351.88 feet to a curve;
Thence, along the arc of said curve to the right, having a radius of 635.00 feet, a central angle of 19°19'45", and being subtended by a chord, which bears S44°01'28"E, 213.21 feet;
Thence, S34°21'35"E, 166.76 feet to a curve;
Thence, along the arc of said curve to the right, having a radius of 480.00 feet, a central angle of 24°30'13", and being subtended by a chord, which bears S24°11'03"E, 203.72 feet;
Thence, S11°55'56"E, 513.68 feet to a curve;
Thence, along the arc of said curve to the left, having a radius of 395.00 feet, a central angle of 25°40'56", and being subtended by a chord, which bears S24°46'24"E, 175.58 feet;
Thence, S37°36'51"E, 1212.36 feet to the East line of said Section 18;
Thence, along said East line, S00°16'27"W, 263.44 feet to the Southeast corner of said (NE1/4SE1/4);
Thence, along South line of said (NE1/4SE1/4), S89°31'40"W, 1320.20 feet to the Southwest corner of said (NE1/4SE1/4);
Thence, along the West line of said (NE1/4SE1/4), N00°17'28"E, 1313.97 feet to the Northwest corner of said (NE1/4SE1/4);
Thence, along the South line of said (S1/4NE1/4), S89°29'51"W, 1319.82 feet to the Southwest corner of said (S1/4NE1/4);
Thence, along the West line of said (S1/4NE1/4), N00°18'28"E, 1313.28 feet to the Northwest corner of said (S1/4NE1/4);
Thence, along the South line of said (NE1/4NW1/4), S89°28'02"W, 1319.20 feet to the Southwest corner of said (NE1/4NW1/4);
Thence, along the West line of said (NE1/4NW1/4), N00°19'41"E, 1312.59 feet to the POINT OF BEGINNING

D44



January 19, 2004

Dan Friend, Fire Chief
Eagle Fire Protection District
966 East Iron Eagle Drive
Eagle, ID 83616

Re: Spring Valley Ranch Annexation Petition

Dear Mr. Friend:

Please accept this request to annex a portion of Spring Valley Ranch into the Eagle Fire Protection District. Items provided in support of the request include the following:

- A petition from the property owner in the form of a letter, dated January 14, 2004, from the Trustee of the *Subdivision Trst Agreement* for that portion of Spring Valley Ranch being proposed for annexation into the District.
- A legal description, incorporated within the body of the Trustee's letter, for the property to be annexed.
- Two map exhibits depicting the property to be annexed.
- A copy of the Special Warranty Deed conveying Spring Valley Ranch to the Trust.

We look forward to presenting this request to the Fire District Commissioners. If you need additional information in order to initiate the process, please let me know, and we will respond promptly.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Wardle", with a long horizontal flourish extending to the right.

Michael D. Wardle
Land Development Manager

cc: Steven R. Jewett, for the Trust
Bob Taunton, General Manager,
Spring Valley Development LLC
Spring Valley Livestock Company, Inc.
Geoffrey Wardle, Hawley Troxell

Enclosures

January 14, 2004

Dan Friend
Eagle Fire Protection District
966 E. Iron Eagle Dr.
Eagle, Idaho 83616

RE: Annexation of Property into the Eagle Fire Protection District

Dear Mr. Friend:

This letter constitutes the petition to annex certain real property into the Eagle Fire Protection District pursuant to Idaho Code § 31-1411. First American Title Insurance Company, a California corporation (the "**Trustee**"), is the Trustee of the Dual Beneficiary Trust created pursuant to the Subdivision Trust Agreement dated October 8, 2003, as amended. The Trustee holds certain property in trust for the benefit of the beneficiaries of the Subdivision Trust. The Trustee hereby requests annexation of the below described property (the "**Property**") into the Eagle Fire Protection District and grants its consent to the annexation of the Property.

With respect to this petition for annexation, Spring Valley Development LLC, one of the beneficiaries of the Subdivision Trust, will be responsible for addressing the specific technical questions that the Eagle Fire Protection District may have with respect to this petition. Please direct all inquiries to Michael D. Wardle, the land development manager of Spring Valley Development LLC, at 485 E. Riverside Dr., Suite 300, Eagle, ID 83616. His telephone number is 208-939-0343. He will represent Spring Valley Development LLC in the various hearings necessitated by this petition for annexation.

In support of this petition for annexation, the following documents are attached:

1. Map designating the location of the Property; and
2. Special Warranty Deed conveying title to the Property from Spring Valley Livestock Company, Inc., to the Trust.

D46

The Property consists of the following described real property:

All of Section 7, Township 5 North, Range 2 East of Boise Meridian, in Ada County, Idaho, which lies within Ada County, except that portion conveyed to the State of Idaho by deed recorded under Instrument No. 160917 in Book 208 of Deeds, Page 611; and except that portion conveyed to the State of Idaho by deed recorded under Instrument No. 191535 in Book 235 of Deeds, Page 542; and except that portion conveyed to the State of Idaho by deed recorded under Instrument No. 8514764.

All that portion of the Northwest quarter of the Northwest quarter; the Southwest quarter of the Northwest quarter; the West half of the Southwest quarter; the Southeast quarter of the Southwest quarter; the Northwest quarter of the Southeast quarter; the South half of the Southeast quarter; all in Section 17, Township 5 North, Range 2 East of Boise Meridian, in Ada County, Idaho.

All of Section 18, Township 5 North, Range 2 East of Boise Meridian, in Ada County, Idaho; except that portion conveyed to the State of Idaho for public road by deed recorded under Instrument No. 127564 in Book 182 of Deeds, Pages 21 and 22; and except that portion conveyed to the State of Idaho by deed recorded under Instrument No. 160917 in Book 208 of Deeds, Page 611; and except that portion conveyed to the State of Idaho by deed recorded under Instrument No. 610585; and except that portion conveyed to the State of Idaho by deed recorded under Instrument No. 8514764.

The North half of the North half; the Southeast quarter of the Northwest quarter; all in Section 19, Township 5 North Range 2 East of Boise Meridian, in Ada County, Idaho; except that portion conveyed to the State of Idaho for a right of way for a public Highway by deed recorded under Instrument No. 160903 in Book 208 of Deeds, Page 595; and except that portion conveyed to the State of Idaho by deed recorded under Instrument No. 160917 in book 208 of Deeds, Page 611; and except that portion conveyed to Ada County for Healy Toll Road by deed recorded under Instrument No. 19780 in Book 74 of Deeds, Page 254; and except that portion conveyed to the State of Idaho by deed recorded under Instrument No. 610585; and except that portion conveyed to the State of Idaho by deed recorded under Instrument No. 645947.

The legal descriptions cited above are for Spring Valley Ranch property proposed for annexation into the Eagle Fire Protection District. The exception parcels are Idaho

Transportation Department right-of-way for Highway 55. We trust the Eagle Fire Protection District will deal with the roadway as in previous annexations, which appear to have included public rights-of-way. The legal description above conforms to the descriptions of the various parcels and exceptions found in the recorded special warranty deed.

Please schedule a hearing on this matter in conformance with the relevant provisions of the Idaho Code. If you have any questions please do not hesitate to contact Mike Wardle as noted above.

Sincerely,

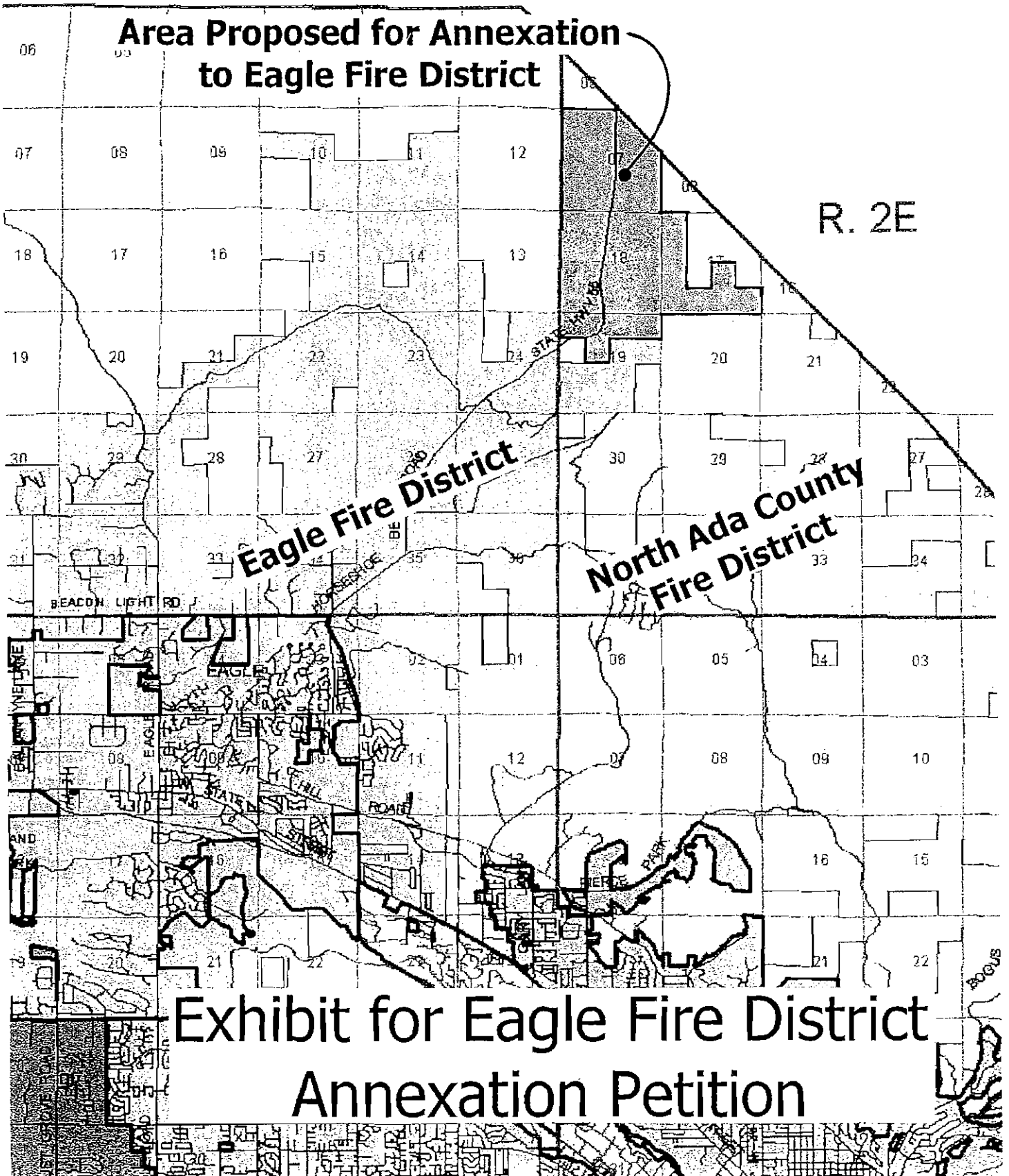
A handwritten signature in black ink, appearing to read "Steven R. Jewett", with a long horizontal flourish extending to the right.

Steven R. Jewett
Vice President, First American Title Insurance
Company, as Trustee under Subdivision Trust
Agreement dated October 8, 2002.

R. 1E

**Area Proposed for Annexation
to Eagle Fire District**

R. 2E



**Spring Valley Ranch Area Proposed for
Annexation to Eagle Fire District**

The map is a topographic representation of a rural area, likely in Colorado, given the 'CO 77' section identifier. It features a grid of property lines, some of which are dashed. A prominent feature is a large, irregularly shaped area shaded with diagonal hatching, representing the 'Core Area'. This area is bounded by a solid line. Several points are marked with black dots, and lines connect them to labels. The terrain is depicted with contour lines, and various geographical features like 'Creek' and 'Valley' are labeled. The map is overlaid with a grid of section numbers, including 36, 35, 34, 33, 32, 31, 30, 29, 28, 27, 26, 25, 24, 23, 22, 21, 20, 19, 18, 17, 16, 15, 14, 13, 12, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1, and 0. The map is titled 'Spring Valley Ranch Area Proposed for Annexation to Eagle Fire District' and 'Exhibit for Eagle Fire District Annexation Petition'.

Core Area Boundary

Property Line

**Exhibit for Eagle Fire District
Annexation Petition**

229968

Recording Requested By and
When Recorded Return to:

First American Title Insurance Company
4801 East Washington Street
Phoenix, AZ 85034
Phone: (602) 685-7000

See Legal Descriptions for Sections 7, 17, 18
and 19, Township 5 North, Range 2 East on
pages 2 of 4 and 3 of 4 of the written
description dated July 24, 2003, as attached
hereto in Schedule I and as "highlighted"
by  for ease of reference.

ADA COUNTY RECORDER J. DAVID NAVARRO
BOISE IDAHO 07/25/03 03:53 PM
DEPUTY Bonnie Oberbillerig
RECORDED - REQUEST OF
Pioneer
AMOUNT 54.00

18



(SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY)

SPECIAL WARRANTY DEED

(SPRING VALLEY-ADA)

THIS SPECIAL WARRANTY DEED made this 24th day of July, 2003, between SPRING VALLEY LIVESTOCK COMPANY, INC., an Idaho corporation ("Grantor"), and FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation, as TRUSTEE OF THE DUAL BENEFICIARY TRUST CREATED PURSUANT TO THE SUBDIVISION TRUST AGREEMENT DATED OCTOBER 8, 2003, as amended ("Grantee"), as said Subdivision Trust Agreement was entered into between Grantor, Grantee and SUNCOR DEVELOPMENT COMPANY, an Arizona corporation ("SunCor"), as Second Beneficiary thereunder, and together with the Contribution Agreement executed contemporaneously therewith by Grantor and SunCor, is evidenced by a Memorandum of Agreements recorded October 22, 2002, as Instrument No. 102121552, Official Records of Ada County (all rights, title and interest of SunCor under said Subdivision Trust Agreement and said Contribution Agreement having been assigned by SunCor to SPRING VALLEY DEVELOPMENT LLC, an Idaho limited liability company ["SV Development"]), witnesseth:

That Grantor, for and in consideration of the sum of Ten Dollars and No Cents (\$10.00), and other good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, does, by these presents, convey unto Grantee and its successors and assigns forever upon and pursuant to the terms of the aforementioned Subdivision Trust Agreement and the Contribution Agreement, all the following described real estate situated in the County of Ada, State of Idaho.

SEE SCHEDULE I ATTACHED HERETO AND
INCORPORATED HEREIN.

Together with all and singular the tenements, hereditaments, and appurtenances thereunto belonging or in anywise appertaining, the rents, issues and profits thereof, including all water rights, permits and licenses appurtenant thereto; and all estate, right, title and interest in and to the property, as well in law as in equity, except as expressly provided otherwise herein. To have

SPECIAL WARRANTY DEED - 1

41397 0001 711143 4

D51

and to hold, all and singular the above-described premises together with the appurtenances unto Grantee and its successors and assigns forever.

SUBJECT TO the provisions of the aforementioned Subdivision Trust Agreement and the Contribution Agreement which govern the duties and responsibilities of Grantor, Grantee and SV Development and survive the recording of this deed, and those exceptions to title set forth in SCHEDULE II attached hereto and made part hereof, Grantor makes no covenants or warranties with respect to title, express or implied, other than (i) that previous to the date of this instrument, neither Grantor nor Grantor's immediate predecessor in interest (Colin McLeod III and Teresa McLeod, husband and wife) have conveyed the same estate, or any right, title or interest therein, to any person other than Grantee and (ii) that such estate is at the time of the execution of this instrument free from encumbrances done, made or suffered by Grantor or Grantor's immediate predecessor in interest, or any person claiming under Grantor or Grantor's immediate predecessor in interest.

GRANTOR:

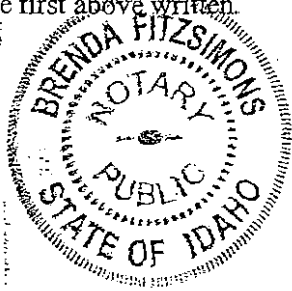
SPRING VALLEY LIVESTOCK COMPANY,
INC, an Idaho corporation

By *Colin McLeod III*
Its *[Signature]*

STATE OF IDAHO)
) ss.
County of Ada)

On this 24 day of July, 2003, before me, Brenda Fitzsimons Notary Public in and for said State, personally appeared Colin McLeod III, known to me to be President of SPRING VALLEY LIVESTOCK COMPANY, INC., the corporation that executed the within instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

WITNESS MY HAND and official seal hereto affixed the day, month and year in this certificate first above written.



Brenda Fitzsimons
Notary Public for the State of Idaho
Residing at Caldwell
My commission expires 11-16-2008

SCHEDULE I

Legal Description

July 22, 2003

Project No: 2408

Legal Description

Suncor Development Company

McLeod Properties located in Ada County

A tract of land located in Township 5 North, Range 1 West, Boise Meridian, Ada County, Idaho described as follows:

In Section 13, the Northeast One Quarter, the Southeast One Quarter of the Northwest One Quarter and the South One Half of the Southwest One Quarter, and;

In Section 14, the North One Half of the Northeast One Quarter, the Southeast One Quarter of the Northeast One Quarter, the South One Half of the Northwest One Quarter, the North One Half of the Southeast One Quarter, the Southwest One Quarter of the Southeast One Quarter and the Northeast One Quarter of the Southwest One Quarter, and;

In Section 22, the Southeast One Quarter of the Northeast One Quarter and the Northeast One Quarter of the Southeast One Quarter, and;

In Section 26, the Northwest One Quarter of the Northwest One Quarter, and;

In Section 27, the Northeast One Quarter of the Northeast One Quarter

AND ALSO

A tract of land located in Township 5 North, Range 1 East, Boise Meridian, Ada County, Idaho described as follows:

In Section 1, those portions of Government Lot 1, the South One Half of the Northeast One Quarter lying in Ada County, the West One Half of the Southeast One Quarter and the Southeast One Quarter of the Southwest One Quarter.

In Section 3, the East One Half of the Southwest One Quarter and the Southeast One Quarter and;

In Section 4, the South One Half and the South One Half of the Northwest One Quarter and;

In Section 5, the Northeast One Quarter of the Southeast One Quarter and;

In Section 7, Government Lot 4 and;

In Section 8, the South One Half of the Northeast One Quarter, the East One Half of the Northwest One Quarter, the North One Half of the Southwest One Quarter and the Southwest One Quarter of the Southwest One Quarter and;

In Section 10, the Southeast One Quarter of the Northeast One Quarter, and;

In Section 11, the South One Half of the Northwest One Quarter, and;

In Section 12, the Northeast One Quarter of the Northwest One Quarter and the Northwest One Quarter of the Northeast One Quarter, and;

In Section 17, the Northwest One Quarter, the North One Half of the Southwest One Quarter, and;

In Section 18, Government Lots 1 and 2, and;

In Section 19, Government Lots 1 and 2;

AND ALSO

A tract of land located in Township 5 North, Range 2 East, Boise Meridian, Ada County, Idaho described as follows:

In Section 21, all the portions which lie within the Northwest One Quarter of the Northeast One Quarter of Ada County;

Except that portion conveyed to Ada County for Healy Toll Road by deed recorded under Instrument Number 19780 in Book 74 of Deeds, Page 254, records of Ada County, Idaho.

Subject to all existing easements and rights-of-way, recorded or prescriptive.

Prepared By: ROYLANCE & ASSOCIATES P.A.
391 W. STATE STREET, SUITE E
EAGLE, IDAHO 83616
208-939-2824
208-939-2855 (FAX)



7-24-03

July 24, 2003

Project No: 2408

Legal Description

Suncor Development Company

Spring Valley Livestock Company properties in Ada County

A tract of land located in Township 5 North, Range 1 West, Boise Meridian, Ada County, Idaho described as follows:

In Section 10, the East One Half of the Southeast One Quarter, and;

In Section 14, the Southwest One Quarter of the Northeast One Quarter, the North One Half of the Northwest One Quarter and the Southeast One Quarter of the Southwest One Quarter, and;

In Section 15, the Northeast One Quarter of the Northeast One Quarter.

AND ALSO

A tract of land located in Township 5 North, Range 1 East, Boise Meridian, Ada County, Idaho described as follows:

In Section 1, the South One Half of the Northwest One Quarter, the North One Half of the Southwest One Quarter, the Southwest One Quarter of the Southwest One Quarter, and the West One Half of the Southeast One Quarter, Government Lots 3 and 4 and the portion of Government Lot 2 lying in Ada County,

Except that portion conveyed to the State of Idaho for public road by deed recorded under Instrument No. 127565 in Book 182 of Deeds, Page 23.

In Section 2, the South One Half of the Northwest One Quarter, the South One Half and Government Lots 3 and 4, and;

In Section 3, the South One Half of the Northeast One Quarter, the Southeast One Quarter of the Northwest One Quarter and Government Lots 1, 2, 3 and 4, and;

In Section 4, the Southeast One Quarter of the Northeast One Quarter and Government Lots 1 and 4, and;

In Section 5, the South One Half of the Northeast One Quarter and Government Lots 1 and 2, and;

In Section 7, the Southwest One Quarter of the Southeast One Quarter and the Southeast One Quarter of the Southwest One Quarter, and;

In Section 8, the Southeast One Quarter of the Southeast One Quarter, and;

In Section 9, the Northwest One Quarter, the South One Half, the North One Half of the

Northeast One Half and the Southwest One Quarter of the Northeast One Quarter, and;

In Section 10, the Southwest One Quarter, and;

In Section 11, the North One Half of the Northeast One Quarter, and;

In Section 12, the South One Half, the West One Half of the Northwest One Quarter, the Southeast One Quarter of the Northwest One Quarter, the East One Half of the Northeast One Quarter and the Southwest One Quarter of the Northeast One Quarter,

Except from the Southwest One Quarter of the Southwest One Quarter of said Section 12, a one acre parcel for a school house lot reserved in Sheriff's Deed recorded under Instrument No. 143440 in Book 183 of Deeds, page 171.

In Section 13, the North One Half, the Southeast One Quarter and the North One Half of the Southwest One Quarter, and;

In Section 18, the East One Half of the Northwest One Quarter, the East One Half of the Southwest One Quarter, the West One Half of the Northeast One Quarter, The Southeast One Quarter of the Northeast One Quarter and the Southeast One Quarter, and;

In Section 19, the Northeast One Quarter, the Southeast One Quarter and the East One Half of the Northwest One Quarter, and;

In Section 20, the West One Half of the Southwest One Quarter and the Southwest One Quarter of the Northwest One Quarter, and;

In Section 24, the North One Half of the Northeast One Quarter.

AND ALSO

A tract of land located in Township 5 North, Range 2 East, Boise Meridian, Ada County, Idaho described as follows:

In Section 6, all portions which lie within Ada County,

Except that portion conveyed to the State of Idaho for public road by deed recorded under Instrument No. 127565 in Book 182 of Deeds, Page 23.

And except that portion conveyed to the State of Idaho by deed recorded under Instrument No. 191535 in Book 235 of Deeds, Page 542. **And except** that portion conveyed to the State of Idaho by deed recorded under Instrument No. 8514764.

In Section 7, all portions which lie within Ada County,

Except that portion conveyed to the State of Idaho by deed recorded under Instrument No. 160917 in Book 208 of Deeds, Page 611.

And except that portion conveyed to the State of Idaho by deed recorded under Instrument No. 191535 Book, Page 542.

And except that portion conveyed to the State of Idaho by deed recorded under Instrument No. 8514764.

In Section 8, those portions of the Southwest One Quarter and the Southwest One Quarter of the Southeast One Quarter lying in Ada County, and;

In Section 17, the West One Half of the West One Half, the Southeast One Quarter of the South West One Quarter, the South One Half of the Southeast One Quarter, the Northwest One Quarter of the Southeast One Quarter, the Northeast One Quarter of the Northwest One Quarter and those portions of the North One Half of the Northeast One Quarter lying in Ada County, and;

All of Section 18, **Except** that portion conveyed to the State of Idaho for public road by deed recorded under Instrument No. 127564 in Book 182 of Deeds, Pages 21 and 22.

And except that portion conveyed to the State of Idaho by deed recorded under Instrument No. 160917 in Book 208 of Deeds, Page 611.

And except that portion conveyed to the State of Idaho by deed recorded under Instrument No. 610585.

And except that portion conveyed to the State of Idaho by deed recorded under Instrument No. 8514764.

In Section 19, the North One Half of the Northeast One Quarter, the East One Half of the Southeast One Quarter, the East One Half of the Northwest One Quarter and Government Lot 1,

Except that portion conveyed to the State of Idaho for a right-of-way for a Public Highway by deed recorded under Instrument No. 160903 in Book 208 of Deeds, Page 595.

And except that portion conveyed to the State of Idaho by deed recorded under Instrument No. 160917 in Book 208 of Deeds, Page 611.

And except that portion conveyed to Ada County for Healy Toll Road by deed recorded under Instrument No. 19780 in Book 74 of Deeds, Page 254.

And except that portion conveyed to the State of Idaho by deed recorded under Instrument No. 610585. **And except** that portion conveyed to the State of Idaho by deed recorded under Instrument No. 645947.

All of Section 20, **Except** that portion conveyed to Ada County for Healy Toll Road by deed recorded under Instrument No. 19780 in Book 74 of Deeds, Page 254.

In Section 21, the South One Half, the Northwest One Quarter, and the Southwest One Quarter of the Northeast One Quarter, and all the portions in the East One Half of the Northeast One Quarter lying in Ada County,

Except that portion conveyed to School District No. 50 by deed recorded under Instrument No. 58453 in Book Of Deeds, Pages 161 and 162.

And except that portion conveyed to Ada County for Healy Toll Road by deed recorded under Instrument No. 19780 in Book 74 of Deeds, Page 254.

In Section 22, all portions which lie within Ada County, and;

In Section 27, the Northwest One Quarter of the Northwest One Quarter, and;

In Section 28, the North One Half of the North One Half, and;

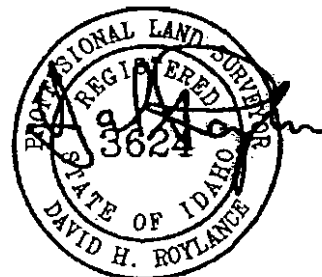
In Section 29, the North One Half of the Northwest One Quarter, and;

In Section 30, the North One Half of the Northeast One Quarter, the Southeast One Quarter of the Northeast One Quarter and the East One Half of the Northwest One Quarter and Government Lot 2,

Except that portion conveyed to Ada County for Healy Toll Road by deed recorded under Instrument No. 19780 in Book 74 of Deeds, Page 254.

Subject to all existing easements and rights-of-way, recorded or prescriptive.

Prepared By: ROYLANCE & ASSOCIATES P.A.
391 W. STATE STREET, SUITE E
EAGLE, IDAHO 83616
208-939-2824
208-939-2855 (FAX)



7-24-03

CONTRIBUTION AGREEMENT
(SPRING VALLEY RANCH)

by and among

SPRING VALLEY LIVESTOCK COMPANY, INC.,
an Idaho corporation

and

SUNCOR DEVELOPMENT COMPANY,
an Arizona corporation

and

COLIN McLEOD III and TERESA McLEOD,
Idaho Residents

October 8, 2002

D59

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LIST OF EXHIBITS

Exhibit "A-1" Legal Description of Core Property
Exhibit "A-2" Legal Description of Non-Core Property
Exhibit "A-3" Legal Description of Excluded Property
Exhibit "B" Form of Dual Beneficiary Trust

CONTRIBUTION AGREEMENT (Spring Valley Ranch Property)

BY THIS CONTRIBUTION AGREEMENT (the "Agreement") made as of October 8, 2002 (the "Effective Date"), by and among SPRING VALLEY LIVESTOCK COMPANY, INC., an Idaho corporation ("Spring Valley"), COLIN McLEOD III and TERESA McLEOD, husband and wife, and as the sole shareholders of Spring Valley (the "McLeods"), SUNCOR DEVELOPMENT COMPANY, an Arizona corporation ("SunCor"), the parties agree as follows:

RECITALS

A. Spring Valley and the McLeods own that certain real property consisting of approximately 31,600 gross acres of land located in the Counties of Ada, Boise and Gem, Idaho, including the core portion of such land which consists of approximately 12,500 gross acres and is described on Exhibit "A-1" attached hereto (the "Core Property"); and an additional 19,100 gross acres of land located in the Counties of Ada, Boise and Gem, Idaho, and described on Exhibit "A-2" attached hereto (the "Non-Core Property"); and

B. Spring Valley and the McLeods have agreed, subject to certain conditions described herein, to transfer title to their respective interests in the Core Property and Non-Core Property (collectively, "the Property") to a subdivision trust (the "Dual Beneficiary Trust") in order to facilitate the development and sale of the Property; and

C. Approximately 6,700 acres of the Spring Valley Ranch is not intended to be included and thus, not subject to this Agreement. Said property is described at "A-3" of the Exhibits; and

D. The McLeods desire to facilitate and to direct Spring Valley to fully satisfy all of its obligations under this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, Spring Valley, the McLeods and SunCor agree as follows:

ARTICLE I

CONTRIBUTION; PERCENTAGE PAYMENTS

1.1 Agreement; General Parameters. On and after the Close of Escrow, SunCor shall have the exclusive authority to develop the Property subject to the Trust Agreement as one or more master planned mixed use communities, in multiple phases. More than one phase may be under development at any one time. The determination of the scope and size of each phase of development shall be determined by SunCor. The determination of the Developable Acres in each phase shall be determined by SunCor. SunCor shall have the exclusive right to develop and to direct the improvement and the sale of the Property subject to the Trust Agreement in any pattern and to adjust and change such pattern during the course of the Project in accordance with

the following General Parameters (which are subject to modification in accordance with Section 3.13):

(a) Network of Villages. SunCor will cause the Property to be developed after Close of Escrow as a network of villages within a framework of open space:

(i) Ranching Theme. A traditional "ranching Idaho" look should dominate the western region of the Non-Core Property within the overall Project. Equestrian properties and facilities may be used to help to enhance this theme;

(ii) Small Town and Urban Theme. The central villages in the Core Property, located around Highway 55, should have a strong mix of uses and a "small town character". This region offers opportunities to locate shops, offices, civic uses, schools, churches and attached product; and

(iii) Recreational Theme. The villages on the eastern side of the Non-Core Property should be designed to capture the attention of the recreationally-oriented Boise, Idaho market. Hiking trails, cross-country skiing, mountain biking trails and other outdoor recreation may be developed to enhance this theme.

Villages within the Project will be uniquely designed and each will be a modern reflection of the region's heritage and small town values. In each village, a cohesive network of neighborhoods will be clustered around central amenities such as parks, schools, churches, shops and/or civic uses. These central amenities will be located within easy walking and bicycling distance from most neighborhood homes and will be intended to give the villages an intimate and friendly scale. Around these small town settings, natural open spaces such as the creeks, hills and steep terrain will be largely preserved to the extent feasible to provide recreation, wildlife corridors, scenic amenities and village buffers.

(b) Guideline Principles. SunCor will employ the following principles as guides in the planning and design of the Project:

(i) Integrated Land Uses. Create a wide range of marketable land-uses for living, working, shopping, and recreating in the community by (A) centrally locating amenities so they are within walking distance of most neighbors and mixing marketable land uses within the core area, (B) reducing housing density away from neighborhood centers, and (C) providing strong linkages between uses;

(ii) Product/Housing Diversity. Provide homes, offices and shops that appeal to customer's different needs and lifestyles. Providing choices for a wide range of potential buyers/renters in order to improve the appearance of neighborhoods and increase the market share and absorption of the Project and will (A) design buildings that differ in style, color, elevation and materials, (B) create floor plans and Lot sizes that appeal to different needs and lifestyles, (C)

accommodate a wide range of income levels and ownership options, and (D) balance diversity with cost efficiency;

(iii) Pedestrian Scale. Design neighborhoods with discernable boundaries and central amenities that are within reasonable walking distance. Streets, neighborhoods and buildings will be designed with the intention of creating intimacy and security of a small town by (A) creating varied housing opportunities within intimate settings, (B) designing pedestrian friendly streets, (C) preserving natural landscape as distinct neighborhood edges, (D) locating homes within walkable distances to neighborhood centers and (E) designing building elevations that encourage human interaction;

(iv) Environmental Stewardship. Build a community that preserves scenic open spaces and wildlife corridors to the extent feasible, and creates new recreational opportunities for residents. By working with the natural topography, drainage patterns and vegetation to the extent economically feasible, the Project will be designed to be attractive and a cost efficient community and will (A) use landscape materials compatible with climate and preserve native foliage, (B) design the landscape to enhance scenic views, (C) preserve steep slopes, significant drainages, highway buffers, and regionally significant wildlife corridors, (D) use building colors, materials and heights that blend with, or compliment, the natural environment and (E) create a system of trails through the landscape that can be used by walkers, hikers, horse-riders, skiers, and bikers;

(v) Cultural Heritage. Design villages that recognize the cultural heritage and the historical architectural design of the region by (A) using regional and historical architectural design elements, (B) using local, natural building materials when available, and (C) preserving and enhancing historically significant site features;

(vi) Sense of Place. Create memorable villages that have the intimacy and warmth of a small town, as well as the energy and convenience of an urban area by (A) using elements of local culture and natural settings to create memorable spaces, (B) incorporating the ideas of people who have lived in, or around, Spring Valley Ranch into the planning and design of the community, (C) planning for civic gathering places and (D) incorporating thematic elements that characterize the area; and

(vii) Transportation and Linkages. Design a safe, efficient and convenient network of roads and trails, and plan for the long-range transportation needs of the area by (A) creating multi-use trails to connect major community and regional destinations, (B) designing residential streets to slow traffic and accommodate pedestrians and cyclists and (C) reserving land for possible future transit facilities.

(c) Retained Rights. SunCor's right to develop the Property is subject to certain retained rights of the Spring Valley Representative as to certain Major Decisions,

as described in Section 3.12. The holders of the First Beneficial Interest, acting through the Spring Valley Representative, also have certain retained rights to withdraw certain portions of the Non-Core Property from the Trust, as described in Section 6.5, the right to use portions of the Non-Core Property as collateral, as described in Section 6.6, and the right to continue to use portions of the Property for grazing and personal domestic purposes pursuant to Section 5.4.

(d) **Fixed Shares**. In accordance with this Agreement, the holders of the First Beneficial Interest shall receive their Fixed Shares of certain Percentages Payments from the Trust, as described in Section 1.2, as the sole consideration for the conveyance of portions of the Property by the Dual Beneficiary Trust at the direction of SunCor. The holders of the First Beneficial Interest also shall be entitled to receive their Fixed Shares of certain Deposits received from SunCor via Escrow Agent prior to and at Close of Escrow, as described in Section 3.3, certain Required Minimum Annual Payment received directly from SunCor after Close of Escrow, pursuant to Section 4.3, and shall have the optional right to receive certain Advances from SunCor pursuant to Section 4.1.

(e) **Permitted First Purchaser**. The Property shall be developed and disposed of in multiple Lot or Parcel closings over the term of the Dual Beneficiary Trust, commencing at the Close of Escrow. First purchasers of Lots and Parcels may include SunCor and Affiliates of SunCor, including commercial developers and residential home building entities (e.g., Golden Heritage Homes, Inc.).

(f) **Supersede LOI**. This Agreement supersedes and replaces the Letter of Intent in its entirety. Neither the McLeods nor Spring Valley shall solicit or entertain any third party offers for the sale or development of the Property while this Agreement remains in effect, except that the McLeods and Spring Valley may solicit and entertain third party offers for the sale and development of the portions of Non-Core Property that are available to be withdrawn from the Trust pursuant to Section 6.5.

1.2 Percentage Payments. From time to time after Close of Escrow, as portions of the Property held in Trust are developed and sold, Spring Valley and the McLeods shall receive the following Percentage Payments from the Dual Beneficiary Trust, directly from the closing escrows of such Lots and Parcels pursuant to the Dual Beneficiary Trust Agreement, subject to the credits described in Section 4.2, which Percentage Payments shall be computed as a percentage of the Sales Price (or the deemed Sales Price as reflected in the following matrix) of each Lot and Parcel:

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PERCENTAGE PAYMENT MATRIX		
Sales To Non-Affiliates of SunCor		Percentage Payment (As Percentage of Sales Price) of Lot or Parcel
Unimproved Parcels		60% *
Unimproved Single Family Super-Pads		35% *
Improved Single Family Lots		25% *
Unimproved Multi-Family, Town Home and Timeshare Parcels		35% *
Commercial, Municipal, Institutional, Office and Industrial Parcels		35% *
Improved Industrial Lots/Two Acres or Less		25% *
Sales To SunCor and Affiliates of SunCor		Percentage Payment (As Percentage of Sales Price) of Lot or Parcel
Single Family (Non-Custom) & Town Home Products constructed by Golden Heritage or other SunCor Affiliate	20% of Final Price of Home and Lot shall be Treated as Sales Price of Lot	25% of Sales Price of Lot *
Improved Custom Lots		25% of Sales Price of Lot *
Golden Heritage or other SunCor Affiliate is the Builder of Custom Single Family Homes	25% of Final Price of Home and Lot Shall be Treated as Sales Price of the Lot	25% of Sales Price of Lot *
SunCor or a SunCor Affiliate is the Developer of the Commercial, Office or Industrial Lot	Appraisal Value of Lot is Sales Price of Lot	35% of Sales Price of Lot *
* The foregoing percentages of the Sales Price (or the Appraisal Value, where applicable) shall be permanently reduced one percentage point (prorated) on a prospective basis for each 1,000 acres of Developable Acres of the Non-Core Property withdrawn from the Trust by the First Beneficiary pursuant to Section 6.5. (For example, the withdrawal of 1,000 acres of Developable Acres of the Non-Core Property would reduce the Percentage Payment of Unimproved Parcels from 60% to 59% and the Percentage Payment applicable to Improved Industrial Lots/Two Acres or Less from 25% to 24%.) Such reduction shall be effective as of the date such acreage is conveyed by the Trust to the First Beneficiary or its designee. Such reduction shall be effective for all subsequent sales of lots and parcels.		

1.3 Allocation of Fixed Shares. On or before Opening of Escrow, Spring Valley and the McLeods shall designate in a written instrument delivered to SunCor and to the Trustee of the Dual Beneficiary Trust the respective percentage shares of Spring Valley and the McLeods (the "Fixed Shares") of any Deposits, any Percentage Payments, any Required Minimum Annual Payment and any optional Advances due hereunder, and such Fixed Shares shall equal 100%. Assignments of such Fixed Shares may be made only in accordance with Section 12.9.

1.4 Consents and Approvals; Spring Valley Representative. Whenever under this Agreement it is contemplated that any consent, approval or other discretionary act of Spring Valley and/or the McLeods or any future holder of the First Beneficial Interest shall be required or permitted, Spring Valley, the McLeods and all future holders of the First Beneficial Interest and the Spring Valley Representatives agree that such consent, approval or other discretionary act shall not be unreasonably withheld, delayed or conditioned.

(a) **Designation of Representative.** At all times, the holders of all of the First Beneficial Interest shall designate and maintain (by written notice to SunCor, with a copy to the Trustee of the Dual Beneficiary Trust) one adult individual who shall be available to SunCor by telephone during normal business hours in Boise, Idaho and who shall be fully authorized to act for all of the holders of the First Beneficial Interest in all matters contemplated by this Agreement and by the Dual Beneficiary Trust Agreement, within the time periods contemplated by such agreements. The individual who is serving as the Spring Valley Representative under this Agreement also shall simultaneously serve as the Spring Valley Representative under the Dual Beneficiary Trust Agreement. The initial representative of Spring Valley and the McLeods under this Agreement shall be Colin McLeod III. For the benefit of SunCor, at all times an alternate representative will be selected by the First Beneficiary to serve in the event of the resignation, death, or incapacitation of the then current Spring Valley Representative. The names and addresses of the Spring Valley Representative and the alternate representative will be provided to SunCor and the Trustee. In the event the First Beneficiary has not provided SunCor and/or the Trustee with an alternate representative, SunCor and/or the Trustee shall be entitled to provide notice only to the last known Spring Valley Representative as required by the Contribution Agreement and Trust Agreement. A notice mailed and addressed to the last known address as provided in Article X shall be deemed served notwithstanding the First Beneficiary has failed to provide an alternate representative. Neither the Spring Valley Representative nor the alternate representative can be competitors of SunCor or have any other conflict of interest with SunCor, and the inherent conflict of interest between the economic interests of the First Beneficiary and the Second Beneficiary shall not be considered a conflict for this purpose. The name of the first alternate representative shall be Teresa McLeod. If Teresa McLeod dies, resigns or becomes incapacitated while serving as the Spring Valley Representative, the successor Spring Valley Representative shall be an adult individual appointed or elected by the Persons holding a simple majority of the interests constituting the First Beneficial Interest. If for any reason, a Spring Valley Representative is not appointed or elected in accordance with this Agreement or if more than one Person at any time claims to be the Spring Valley Representative, SunCor shall be authorized to direct the Trustee of the Dual Beneficiary Trust to suspend the payment of all amounts due hereunder to the holder of the First Beneficial Interest and to hold the undistributed funds on deposit in a bank in Boise, Idaho in the name of the Trustee pending the determination of the identity of the Spring Valley Representative. Such suspended payments shall be distributed when all of the holders of the First Beneficial Interest acknowledge in a written instrument the authority of such single representative, and such individual undertakes in a written instrument delivered to SunCor and the Trustee to serve as the Spring Valley Representative in accordance with this Agreement. For purposes of this Agreement, "incapacitated" means unable to perform the duties of the Spring Valley Representative because of any mental or physical disability.

(b) **Binding Consents.** Any consent, approval or other discretionary act required or permitted to be given by the holder of the First Beneficial Interest which has been authorized in a written instrument signed by the Spring Valley Representative and delivered to SunCor shall be irrevocably binding upon all of the holders of the First Beneficial Interest, and SunCor and Trustee of the Dual Beneficiary Trust may rely on

such written consent or approval signed by the Spring Valley Representative without any further inquiry. All of the holders of any First Beneficial Interest shall be deemed to have consented to any matter requested by SunCor if:

(i) such request is in writing, has been delivered as a written notice addressed to the Spring Valley Representative in the manner set forth herein, and

(ii) such written request from SunCor conspicuously states that the failure to respond to the notice shall be deemed an approval of the request made by SunCor, and

(iii) the Spring Valley Representative shall fail or refuse for any reason within the twenty (20) working days beginning after the deemed delivery of such written request by SunCor to deliver a written notice to SunCor objecting to the requested action and stating in reasonable detail the reason for such objection.

(c) **Declaration of Intent.** The McLeods, Spring Valley and their successors and assigns declare for themselves and for all future holders of any interest in the First Beneficial Interest that they have delegated to the Spring Valley Representative the authority and discretion set forth in this Agreement and in the Dual Beneficiary Trust Agreement in order to provide a mechanism for the efficient and timely processing of consents, approvals and authorizations for a long-term real estate development. In the absence of such mechanism, SunCor would not have been able to commit to the Project, which is expected to have a duration of approximately forty-five (45) years. The agency and authority delegated to the Spring Valley Representative by Spring Valley, the McLeods, their successors and assigns and all future holders of any interest in the First Beneficial Interest shall be broadly construed to protect the expectation of SunCor that SunCor shall be entitled to rely on the consents, approvals and authorizations made by the Spring Valley Representative and that SunCor shall not be required to deal with multiple successors in interest to the McLeods and Spring Valley.

ARTICLE II

DEFINITIONS

For purposes of this Agreement, the terms set forth below shall have the following meanings.

“**Advance**” shall mean any of the optional Advances made available by SunCor to Spring Valley and the McLeods pursuant to Section 4.1.

“**Advance Credit Account**” shall mean the interest bearing memorandum account maintained by the Trustee pursuant to Section 4.2.

“**Affiliate**” shall mean any corporation, limited liability company and partnership actually controlled by SunCor, directly or indirectly.

“**Agreement**” shall mean this Contribution Agreement.

"Anniversary Date" shall mean each annual anniversary of the Close of Escrow.

"Annual Advance" shall mean the optional Annual Advances described in Section 4.1(b).

"Appraisal Value" shall mean the fair market value of the Lot or Parcel, as determined by an independent third party appraiser experienced in the appraisal of real property in Idaho selected by SunCor and agreed to by the Spring Valley Representative by delivering a written notice to SunCor within twenty (20) working days after SunCor gives the Spring Valley Representative written notice of SunCor's choice of the appraiser. The cost of such appraisal shall be borne solely by SunCor. The initial independent third party appraiser approved by SunCor and the Spring Valley Representative shall be an individual mutually approved by SunCor and the Spring Valley Representative on or before Close of Escrow. If such appraiser is unavailable or refuses to provide services or if either SunCor or the Spring Valley Representative delivers written notice to the other after the Close of Escrow that such appraiser is no longer acceptable, and SunCor and the Spring Valley Representative thereafter cannot agree upon another independent appraiser, the appraiser shall be randomly selected from the list of eight names, four of which will be nominated by the Spring Valley Representative and four by SunCor by placing all of the names in a container, the Trustee will draw a name, and such individual or firm will be the appraiser. All appraisers nominated by SunCor and the Spring Valley Representative are required to be experienced, certified real estate appraisers who are wholly independent of, and unrelated to, both SunCor, Spring Valley and the McLeods.

"Business Plan" shall mean the written plan for the development of the Project that is described in Section 3.12.

"Charitable 501(c)(3) Parcel" shall mean any Lot or Parcel to be conveyed to a Section 501(c)(3) organization (other than a school or church) without any monetary consideration. Charitable 501(c)(3) Parcels do not include any Lot or Parcel sold under a threat of condemnation or conveyed to an entity for monetary consideration.

"Charitable Institutional Parcel" shall mean any Lot or Parcel of fifty (50) acres or less earmarked for donation and for use as the site of a public or private school, park, fire station, church or a similar governmental or public purpose.

"Charitable Large Parcels" shall mean any Lot or Parcel of more than fifty (50) acres earmarked for donation to a charitable entity or to a governmental entity.

"Close of Escrow" shall mean the date the Trustee of the Dual Beneficiary Trust acquires title to the Property from Spring Valley and the McLeods in accordance with this Agreement.

"Close of Escrow Advance" has the meaning set forth in Section 4.1(a).

"Closing Agent" means the escrow company or the title company designated from time to time by SunCor to manage and administer the closing of Lots and Parcels conveyed by the Trustee. The closing agent shall be located in Boise, Idaho.

"Commercial, Municipal, Institutional, Office and Industrial Parcels" shall mean a Parcel intended for a commercial, municipal, institutional office or industrial use, entitled with infrastructure improvements adjacent to the Parcel, but with no improvements located on the Parcel.

"Core Property" shall mean that portion of the Property consisting of approximately 12,500 gross acres that is conveyed to the Dual Beneficiary Trust at Close of Escrow.

"County Authority" shall mean the governmental authorities of Ada, Boise and Gem counties, in the State of Idaho.

"Credit Account" shall mean one of the two memorandum accounts computed and maintained by the Trustee pursuant to Section 4.2 of this Agreement. There are two Credit Accounts:

- (i) the Advance Credit Account, which bears interest; and
- (ii) the Non-Interest Credit Account, which does not bear interest.

"Current Development" shall mean any phase or element of the Project for which Second Beneficiary has completed the planning, initial platting, and the initial infrastructure design, and has begun the physical construction of the infrastructure for such phase or element of the Project. Each phase or element shall be limited to 640 acres.

"Deadline Date" shall mean the date determined under Section 3.2 by which Close of Escrow is contemplated to occur.

"Deposit" shall mean the Opening of Escrow Deposit.

"Developable Acres" or "Developable Acreage" shall mean the portion of the Property that SunCor determines in the exercise of its reasonable discretion after consultation with the Spring Valley Representative is developable into an improved Lot or Parcel that can be sold for a residential or commercial purpose consistent with the General Parameters. Developable Acres also include open space and Public Parcels reasonably required to support the development of acreage held for development and sale, as determined through the entitlement process. Developable Acres shall not include any portion of the Property that has a slope of more than thirty percent (30%) or has drainage or flood problems unless such portion of the Property qualifies as open space as determined through the entitlement process.

"Development Agreement" shall mean any written agreement between SunCor and/or the Dual Beneficiary Trust with any county, municipal or regional governmental authority regarding the development of the Property or any portion thereof, including and not limited to any agreement relating to the development of any onsite or offsite infrastructure for the Project.

"District Financing" shall mean any community facilities district, improvement district or similar public or quasi-public financing or refinancing approved by SunCor in writing

and dedicated to funding infrastructure improvements for the development of all or any portion of the Property, including any off site improvements that benefit the Project.

"Dual Beneficiary Trust" shall mean the subdivision trust established by Spring Valley and SunCor as the beneficiaries, with First American Title Insurance Company, a California corporation, as the initial trustee, under a form of Trust Agreement attached hereto as Exhibit "B".

"Dual Beneficiary Trust Agreement" shall mean the form of instrument to be approved and executed by SunCor and Spring Valley on or before Opening of Escrow substantially in the form of Exhibit "B" attached hereto.

"Effective Date" means October 8, 2002, which is the effective date of this Agreement.

"Escrow Agent" shall mean Pioneer Title Company of Ada County, Boise, Idaho.

"Excluded Property" shall mean approximately 6,700 acres of real property which shall be designated in writing prior to Close of Escrow by the Spring Valley Representative with the written approval of SunCor, which Excluded Property is not to be thereafter treated as Property for purposes of this Agreement.

"First Beneficial Interest" shall mean the entire interest held by the McLeods, Spring Valley and their successors and assigns, as the First Beneficiary under the Dual Beneficiary Trust.

"Fixed Shares" shall mean the fixed percentage interests identified by the McLeods and Spring Valley, on or before Close of Escrow.

"Force Majeure Events" shall mean the events and circumstance described in Section 3.7.

"General Parameters" shall mean the parameters, principals and performance criteria which are required to be reflected in the development of the Project, which are set forth in detail in their original form in Section 1.1. The General Parameters are subject to change in accordance with this Agreement.

"Golf Course Parcel" shall mean one or more Parcels of up to 250 acres (each) of the Property to be dedicated to the development as an eighteen (18) hole golf course, driving range, possible club house and related open space for the Project. A Golf Course Parcel is not required to be conveyed to any governmental body or any Section 501(c)(3) entity.

"Improved Custom Lot" shall mean a Lot for a single family custom home.

"Improved Industrial Lots/Two Acres or Less" shall mean a Lot that has been improved with infrastructure such as utilities and paved roads extended to the edge of the Lot that is intended to be used for commercial or industrial purposes and which contains two acres or less of gross acreage.

"Improved Single Family Lots" shall mean production and custom Lots intended to be sold for the construction of single family residences which have been finished with improvements consistent with the location of such Lots in the various locations of the Project.

"Letter of Intent" shall mean that certain letter of intent dated as of February 14, 2002 for identification purposes only by and among SunCor, Spring Valley, and the McLeods, as amended on May 30, 2002.

"Lot" means each lot (residential, commercial and other) reflected on a plat for the Property prepared by SunCor and recorded against the Property.

"McLeods" shall mean Colin and Teresa McLeod, as individuals, and includes their successors and assigns.

"Major Decisions" shall mean only the matters listed in Section 3.12.

"Non-Core Property" shall mean the real property described in Exhibit "A-2".

"Non-Interest Credit Account" shall mean the non-interest bearing memorandum account computed and maintained by the Trustee pursuant to Section 4.2.

"Opening of Escrow" has the meaning set forth in Section 3.2 of the Agreement.

"Opening of Escrow Deposit" means the \$40,000 deposited by SunCor to Escrow pursuant to Section 3.3.

"Parcel" means more than one Lot or an unimproved portion of the Property reflected on a plat, including and not limited to the Golf Course Parcel and any Public Parcel.

"Percentage Payment" shall mean an amount payable to the holder of the First Beneficial Interest that is equal to a percentage of the Sales Price of the Lots and Parcels within the Property sold by the Trust, as determined from time to time in accordance with Section 1.2.

"Person" shall mean an individual and any legal entity.

"Preliminary Title Commitment" means collectively the First American Title Insurance Company, a California corporation Commitments having File Numbers 214642a, 214642b and 214642c with the effective dates of March 4 and March 6, 2002.

"Production Lot" shall mean a lot for a single family home which is not a Custom Lot.

"Project" means the proposed development of the Property by SunCor as a multi-phase residential community with retail, commercial and industrial elements.

"Property" shall mean the Core Property and the Non-Core Property. The Property does not include the Excluded Property.

"Public Parcel" means any portion of the Property not intended to be sold, and including (without limitation) portions of the Property intended to be dedicated to any homeowners association, any common area for the Project, rights of way, roads, streets, parks, bicycle paths, walkways, public utility sites, water facility sites, easements, any portion of the Property intended to be used as the site for public facilities, churches, offices or facilities of charitable organizations, schools, governmental authorities and similar purposes. Public Parcels also include any such Parcels described in any Development Agreement.

"Required Minimum Annual Payment" has the meaning in Section 4.3.

"Sales Price" shall mean for the purpose of computing the amount of any Percentage Payment payable to Spring Valley and the McLeods under the Dual Beneficiary Trust Agreement:

(a) The gross Sales Price of all Lots and Parcels sold by the Dual Beneficiary Trust to third parties which are not Affiliates of SunCor, as such Sales Price is received. Such Sales Price shall not be subject to any reductions, including and not limited to escrow fees, title insurance premiums, customary closing costs, real estate brokers' commissions and other closing costs borne by the seller of real property, in connection with the sale of a Lot and Parcel to a third party.

(b) The Sales Price of any Lot or Parcel, title to which is held by the Dual Beneficiary Trust, where SunCor or an Affiliate of SunCor is the developer of commercial, industrial or office improvements on the Lot or Parcel shall be the Appraisal Value of such Lot or Parcel.

(c) The Sales Price of any Lot or Parcel title to which is held by the Dual Beneficiary Trust sold after completion of the construction of any residence thereon (including any residence constructed by Golden Heritage Homes, Inc. or another affiliate of SunCor) shall be determined as follows:

(i) Any single family (non-custom) home and townhouse product: 20% of the final Sales Price of the home and the Lot will be treated as the Sales Price of the Lot; and

(ii) Any custom single family house: 25% of the final Sales Price of the house and the Lot shall be treated as the Sales Price of the Lot.

(d) Sales Price does not include any consideration or other value attributable to any Public Parcel or Golf Course.

(e) Sales Price includes any net condemnation proceeds (including interest) attributable to any portion of the Property that is condemned or disposed of under threat of condemnation.

(f) The determination of the category of a Lot or Parcel (e.g., a custom Lot rather than a production Lot) shall be made by SunCor in the exercise of its reasonable discretion.

(g) Sales Price also includes an equivalent percentage (equal to the percentage that would have been applicable if the leased property had been sold at the time the Lot or Parcel is first leased) of any lease rentals (not including expense reimbursements) received under any lease of a Lot or Parcel by the Trust under terms that include an option to purchase.

(h) Sales Price includes any principal and interest attributable to the sale or disposition of any Lots and Parcels on an installment or deferred payment as and when such payments are received, and the Percentage Payment shall not be reduced for subsequent adjustments under Section 1.2.

(i) Sales Price does not include any other compensation, reimbursement, incentives or other consideration.

(j) Sales Price does not include any grazing lease rental or similar amounts.

"Secured Loan" shall mean the loan that may be made by SunCor to Spring Valley and the McLeods after the Effective Date, secured (in part) by the Property.

"Spring Valley Representative" shall mean the adult individual designated pursuant to Section 1.4.

"SunCor" shall mean SunCor Development Company, an Arizona corporation, and its permitted successors and assigns.

"Survey Analysis" means the special and limited survey analysis prepared at the request of and at the sole cost of SunCor.

"Termination Notice" shall mean the written notice that may be issued by SunCor addressed to the Spring Valley Representative that states SunCor does not intend to proceed with the development of the Property.

"Title Company" means Pioneer Title Company of Ada County, an Idaho corporation, Boise, Idaho.

"Trust Agreement" means that certain Trust Agreement executed concurrently with this Agreement wherein Spring Valley Livestock Company, Inc., and Colin McLeod III and Teresa McLeod appear as the First Beneficiary and SunCor Development Company appears as the Second Beneficiary. The Trust Agreement is hereby incorporated by reference and made a part hereof.

"Trustee" means First American Title Insurance Company, a California corporation (and its successors) and only in the capacity as trustee of the Dual Beneficiary Trust.

"Unimproved Parcel" shall mean a Parcel with no improvements to or immediately adjacent to the Parcel.

"Unimproved Single Family Super-Pad" shall mean a Parcel that has been entitled and engineered with improvements adjacent to the Parcel, but with no improvements on the Parcel.

ARTICLE III

CONDITIONS PRECEDENT; ESCROW

3.1 Conditions Precedent. The Close of Escrow and the consummation of the transactions contemplated by this Agreement are subject to the full and timely satisfaction or performance (or the waiver, at SunCor's written election) of each of the following conditions precedent on or before Close of Escrow:

(a) Board Approval. The Board of Directors of SunCor shall have approved prior to November 12, 2002 (i) the Project, (ii) the release of the Opening of Escrow Deposit pursuant to this Agreement and (iii) the release of the Close of Escrow Deposit subject to the satisfaction of the other conditions precedent.

(b) Mutual Approvals. SunCor and the Spring Valley Representative shall have mutually approved a qualified real estate appraiser who is eligible to conduct real estate appraisals (as contemplated by the definition of "Appraisal Value").

(c) Preliminary Due Diligence. SunCor shall have completed to its sole satisfaction its preliminary due diligence and review of the feasibility of the development of the Project including water rights and availability and shall have obtained such reports and studies as SunCor deems necessary and in a form satisfactory to SunCor, including and not limited to any environmental, archaeological and biological studies.

(d) Condemnation. SunCor shall have determined that no significant portion of the Property is under threat of any condemnation or taking that would materially and adversely affect SunCor's ability to develop the Core Project.

(e) Third Party Claims. A written release shall have been obtained, in a form reasonably satisfactory to SunCor, of any claim of any individual or entity for reimbursement of professional fees, due diligence expenses, engineering or planning expenses, a finders fee, referral fee or similar compensation arising out of any oral or written agreement or alleged agreement by Spring Valley or the McLeods, and any claim by any individual or entity to the effect that such Person has a legal or equitable right to buy, lease or otherwise acquire the right to occupy or develop any portion of the Property; Spring Valley shall be obligated to provide to SunCor notice of all unreleased claims known by Spring Valley and SunCor shall notify Spring Valley of its objections 30 days prior to closing of escrow or November 2, 2002.

(f) Title Policy. Pioneer Title Company shall be irrevocably committed to issue the Title Policy for the Property in the amount of \$12,560,000.00, or the tax assessed value of the property, whichever is greater, as of Close of Escrow.

(g) **Title Objections.** All written objections raised by SunCor to the conditions of title to the Property shall have been cured to the extent required by Section 3.5.

(h) **Trust Agreement.** The Dual Beneficiary Trust Agreement shall have been fully executed and deposited in Escrow, to be effective as of the Close of Escrow, in a form reasonably satisfactory to SunCor and the Spring Valley Representative.

(i) **Form of Conveyance.** A form of special warranty deed satisfactory to SunCor shall have been adopted by the Trustee of the Dual Beneficiary Trust Agreement.

(j) **Confirmation.** The First and Second Beneficiaries shall have delivered for deposit to the Escrow a written confirmation of their representations and warranties, effective as of the Close of Escrow.

(k) **Mining Claims and Utility Easements.** All mining claims, unused utility easements and similar encumbrances shall have been abandoned or released as of the Close of Escrow or waived by SunCor.

(l) **Grazing Leases.** Spring Valley and/or the McLeods shall have secured written grazing leases to reflect the terms and conditions of any unwritten agreement, if any, and estoppel certificates and amendments acceptable to SunCor for such grazing leases, and such grazing leases shall have been assigned to the Trustee of the Dual Beneficiary Trust, effective as of the Close of Escrow.

(m) **Impact Fees.** SunCor shall have determined to its satisfaction that any impact fees or development fees are not likely to prevent the successful development of the Property.

(n) **Final Property Determinations.** SunCor, Spring Valley and the McLeods shall have determined the boundaries as of Close of Escrow of the Property and the Excluded Property.

3.2 **Escrow; Escrow Period; Termination Notices**

(a) **Escrow.** SunCor shall establish an escrow (the "Escrow") with the Boise, Idaho office of Pioneer Title Company, for the purpose of handling the closing of the conveyance of the Property. Escrow shall open ("Opening of Escrow") only when this Agreement and the Dual Beneficiary Trust Agreement have been fully executed by the respective parties and the Opening of Escrow Deposit has been deposited in Boise, Idaho with the Escrow Agent and to Idaho Independent Bank. The release of funds deposited to such bank will be subject to joint written instructions of SunCor and the Spring Valley Representative that have been agreed to in connection with the Opening of Escrow.

(b) **Escrow Period.** The "Escrow Period" means the period of time from Opening Escrow until the earlier of (i) "Close of Escrow" (as defined in Section 3.8) or (ii) the actual or deemed delivery by SunCor of a "Termination Notice" to the Spring

Valley Representative to the effect that SunCor does not intend to proceed with the Project.

(i) Upon SunCor's actual or deemed delivery of a Termination Notice, SunCor shall have no further obligation under this Agreement or the Dual Beneficiary Trust Agreement and any Deposit held in Escrow at that time (not including any Deposit previously released to Spring Valley pursuant to the terms of this Agreement) shall be promptly returned to SunCor, with any interest earned thereon;

(ii) If Close of Escrow does not occur by the later of (such later date being referred to as the "Deadline Date"):

(A) December 2, 2002 (or, at the written request of the Spring Valley Representative, January 3, 2003); or

(B) the date which is sixty (60) days after SunCor has received the amended Title Report, the Spring Valley Representative may elect in a writing delivered to SunCor and the Escrow Agent to treat such occurrence as the equivalent of the receipt of a Termination Notice from SunCor. Alternatively, SunCor and the Spring Valley Representative may confer in good faith and agree not later than thirty (30) days after the presumptive Deadline Date upon an extended Deadline Date. In the absence of an agreement on such extension within such thirty (30) day period or if within such thirty (30) day period the Spring Valley Representative elects in a writing delivered to SunCor to treat such occurrence as the receipt of a Termination Notice, or if SunCor delivers at any time a Termination Notice to the Spring Valley Representative, SunCor, Spring Valley, and the McLeods shall have no further obligation to each other under this Agreement or the Dual Beneficiary Trust Agreement, and any Deposit held by the Escrow Agent (together with all interest earned thereon) promptly shall be returned to SunCor.

3.3 Opening of Escrow Deposit. SunCor shall deposit Forty Thousand Dollars (\$40,000) in cash or certified funds in an interest bearing Escrow Account at Idaho Independent Bank in the name of SunCor with Escrow Agent, as Agent, simultaneously with Opening of Escrow, and notice of such Escrow Deposit shall be sent promptly to the Spring Valley Representative. Such Deposit shall be subject to written instructions jointly approved by the Spring Valley Representative and SunCor. Such Escrow Deposit (including any earned interest) shall become nonrefundable immediately after the approval by the Board of SunCor of the release of the Opening of Escrow Deposit. The Opening of Escrow Deposit shall be released from Escrow to Spring Valley and the McLeods, in accordance with their Fixed Shares, at Close of Escrow. If the Board of SunCor approves the release of the Opening of Escrow Deposit but Close of Escrow does not occur prior to the Deadline Date, the Opening of Escrow Deposit and all interest thereon shall be released to Spring Valley and the McLeods in accordance with their Fixed Shares immediately after the Deadline Date. If the Board of SunCor does not approve the release of the Opening of Escrow deposit by the Deadline Date or if SunCor delivers a

Termination Notice before such Board approval, the Opening of Escrow Deposit shall be released to SunCor.

3.4 Surveys. SunCor may obtain at Suncor's sole expense, a current boundary survey of the Property or parts of the Property. At Suncor's sole expense, SunCor also may obtain an ALTA survey. SunCor shall obtain a Survey Analysis in a form satisfactory to SunCor before Close of Escrow. The parties will cooperate to correct any discrepancies revealed in SunCor's Survey Analysis.

3.5 Title Review. SunCor acknowledges that it has read and understands the Preliminary Title Commitment. Within five (5) days after Opening of Escrow, Spring Valley and the McLeods shall cause Pioneer Title Company to deliver to SunCor, with a copy to Spring Valley and the McLeods, an updated preliminary title commitment and full copies of all Schedule B documents for the Property (the "Title Report") leading to the issuance as of Close of Escrow of an extended coverage owner's policy or policies of title insurance to SunCor, as second beneficiary under the Dual Beneficiary Trust, (the "Title Policy"). Spring Valley shall pay for all standard coverages, and any additional coverages or endorsements shall be paid at the expense of SunCor. SunCor shall have until thirty (30) days from the receipt of the Title Report (and all required copies of matters affecting title) or the Opening of Escrow (whichever date is later) to object in its sole discretion by written notice to the Spring Valley Representative to any matter affecting title shown on the Title Report. If any amendment or supplement to the Title Report is issued (except to remove matters previously objected to by SunCor), including any amendment or supplement upon delivery of the Survey, such amendment or supplement shall be promptly delivered by Escrow Agent to SunCor, together with a legible copy of any new matter referred to therein and SunCor shall deliver a copy thereof to the Spring Valley Representative. SunCor shall have sixty (60) days after receipt of any such amendment or supplement (and any copies of Supplemental Schedule B documents), but not later than Close of Escrow, to object by written notice to the Spring Valley Representative to any matter reflected in any supplemental report. Any objection by SunCor under this Section 3.5 shall describe in reasonable detail the objectionable matter and the reason(s) why it is objectionable. Spring Valley and the McLeods shall cure at their expense and to SunCor's reasonable satisfaction any title matter objected to by SunCor prior to Close of Escrow, and Spring Valley and the McLeods also shall cure before Close of Escrow any new matter identified by SunCor attributable to any supplemental report received by SunCor. In the event Spring Valley and the McLeods are not able to cure after a good faith and reasonable effort any timely objection made by SunCor to title to the Property, SunCor may, at its election (i) elect to treat the portion of the Property with the title defect as Excluded Property, or (ii) elect to terminate the Agreement, and in the event of such termination any Deposit not already released to Spring Valley and the McLeods by SunCor shall be disbursed in accordance with Section 3.3. The Title Policy shall have such coverages and endorsements as SunCor reasonably determines is appropriate, and any coverages and endorsements that are not standard shall be at the sole expense of SunCor.

3.6 Due Diligence. The Dual Beneficiary Trust is acquiring title to the Property "as is" and Spring Valley and the McLeods make no covenant, representation or warranty of any kind or nature whatsoever, express or implied with respect to the Property, except as set forth herein, in the Dual Beneficiary Trust Agreement, in connection with the issuance of the Title Report, or pursuant to Section 3.8 upon conveyance of good and marketable fee simple title to

the Property to Dual Beneficiary Trust. SunCor shall, in good faith and with diligence, review and investigate the physical and environmental condition of the Property, the zoning, the land use, building requirements and restrictions applicable to the Property and all other matters which SunCor considers necessary or appropriate in connection with the exercise of due diligence. SunCor shall be responsible for all expenses incurred in connection with its review and investigation of the Property. SunCor shall have the right to enter upon the Property before the Close of Escrow for purposes of exercising its due diligence. If SunCor delivers a Termination Notice, SunCor shall provide to Spring Valley originals, including mylars, of all survey maps and plats, and all engineering, water and similar technical studies and reports completed for the benefit of SunCor with respect to such portions of the Property, free and clear of any charges owing with respect thereto.

3.7 Force Majeure. No Force Majeure Event shall excuse or delay the Deadline Date for Close of Escrow. However, any deadline for the performance by SunCor of any act due before Close of Escrow shall be automatically extended to the extent SunCor's performance is delayed by any act or omission of Spring Valley or the McLeods. After the Close of Escrow, the due date for the performance by SunCor under this Agreement and the Dual Beneficiary Trust Agreement, automatically shall be extended solely to the extent and for the period that performance is prevented by reason of any of the following events (provided such events are beyond SunCor's reasonable control): (i) public moratoriums or suspensions of entitlement or permit issuances; (ii) delays by governmental authorities or any utility provider in granting approvals sought by SunCor; (iii) governmental imposed delays or suspensions occasioned by environmental or anti-developmental activists, including environmental permitting delays, or caused by local government delays; (iv) judgments or decrees of any court and delays caused by labor disputes and other events beyond SunCor's reasonable control; (v) curtailment or suspension of activities to remedy or avoid an actual or alleged, present or prospective violation of federal, state, county or local environmental, cultural resource or similar laws, regulations, or rules; or (vi) Acts of God, including the inavailability of a sufficient water supply to service the property.

3.8 Close of Escrow. Close of Escrow shall occur not later than the Deadline Date (as it may be extended with the written consent of SunCor and the Spring Valley Representative), on a day designated by SunCor after each of the conditions precedent described in Section 3.1 have been satisfied or waived by SunCor. At Close of Escrow, the following shall occur:

(a) **Dual Beneficiary Trust.** The Dual Beneficiary Trust Agreement, shall become fully effective and shall be delivered from Escrow to the respective parties.

(b) **Property Conveyance.** Spring Valley and the McLeods shall convey good and marketable fee simple title to the Property and all water rights relating to such Property held by them to the Dual Beneficiary Trust, free and clear of all liens and encumbrances except (i) those exceptions which Spring Valley is unable to remove from the Preliminary Title Commitment, and (ii) liens encumbering the Non-Core Property (only) related solely to borrowings by Spring Valley and the McLeods. The permitted exceptions referred to in clause (i) do not include liens for borrowings and other indebtedness on the Core Property.

(c) **Reconfirmation of Representations.** Each party shall reconfirm in writing for the benefit of the other party, the accuracy (as of the close of Escrow) of the representations and warranties made by the party in this Agreement.

(d) **SunCor Legal Opinion.** SunCor shall have received an opinion of Idaho legal counsel to SunCor in a form reasonably satisfactory to SunCor to the effect that the provisions of this Agreement and the Dual Beneficiary Trust Agreement do not contravene any Idaho law or regulation.

(e) **Spring Valley Legal Opinion.** SunCor shall have received an opinion of legal counsel to Spring Valley (which may be based upon appropriate certificates of Spring Valley, corporate consent resolutions and other matters deemed relevant by such legal counsel) that (i) none of the provisions of this Agreement or the Dual Beneficiary Agreement are in conflict with the organizational or formation agreements of Spring Valley Livestock Company, Inc. or breach any other contract or agreement to which the McLeods or Spring Valley Livestock Company, Inc. is bound and (ii) Spring Valley Livestock Company, Inc. is duly authorized to consummate the transactions contemplated by this Agreement. Such legal opinion shall not be construed as a guarantee by legal counsel that this Agreement or the Dual Beneficiary Trust Agreement are legal.

(f) **Tax Treatment.** The Spring Valley Representative shall deliver a written notice to SunCor pursuant to Section 7.1 of this Agreement of Spring Valley's desired tax characterization of this Agreement.

(g) **Advances.** SunCor shall make the Advance required by Section 4.1(a) at Close of Escrow.

3.9 Golf Course Parcels.

(a) **Golf Course Parcels.** Spring Valley and the McLeods agree to transfer and convey to SunCor or its designee, and hereby irrevocably authorize and direct the Trustee to so transfer and convey, without any payment by SunCor of any consideration to the holders of the First Beneficial Interest or to the Dual Beneficiary Trust, at any time on or after Close of Escrow, any Lot or Parcel designated by SunCor to be dedicated for use only as a Golf Course Parcel provided the following conditions are satisfied in a manner consistent with the General Parameters, as amended from time to time in accordance with this Agreement:

(i) Parcels dedicated for use as a Golf Course Parcel shall not exceed the acreage required for one eighteen-hole course per 2,000 acres of Property; and

(ii) No single Golf Course Parcel planned or developed for the Project shall exceed 250 acres or include (within the 250 acres) Developable Acres that are not integrated into, and incidental to the planned golf course

(b) **Completion Guarantee for Golf Course Parcel.** SunCor agrees that (i) SunCor will develop and commence the operation of a golf course on the Golf Course Parcel not later than thirty-six (36) months after the date of such conveyance by the

Trustee to SunCor and (ii) SunCor will manage and operate, or cause the golf course to be managed and operated, in a manner similar to other golf course properties managed or operated by SunCor in the State of Arizona, until at least ninety (90%) percent of the Single Family Production Lots in the phase of the Project in which the Golf Course Parcel is included, have been sold. SunCor will deliver to the Spring Valley Representative a written instrument re-confirming the obligation of SunCor under this Section 3.9(b) before any Golf Course Parcel is conveyed to SunCor.

3.10 Adjustment to Legal Description of Property. With the written request of SunCor and the written consent of Spring Valley Representative, the legal descriptions of the Property and the Excluded Property may be modified and adjusted. Portions of the Non-Core Property may be used at the direction of SunCor to acquire in-fill parcels for the Core Property in land exchanges with the Bureau of Land Management and other governmental agencies. Such exchanges shall be for equivalent value.

3.11 Charitable Parcels; Public Parcels. The following provisions shall apply to all Charitable Parcels and Public Parcels:

(a) **Income Tax Benefits.** All income tax benefits attributable to the charitable conveyance of any Charitable Public Parcel, including and not limited to any tax benefits attributable to any conservation or similar easement, shall be retained solely by the holders of the First Beneficial Interest. The amount and timing of any such tax benefits shall be determined by the legal and tax counsel of Spring Valley and the McLeods and shall not be the responsibility of SunCor.

(b) **Economic Benefits.** All property tax rebates, credits, reductions in impact fees and other economic benefits accruing on account of any donation of a Public Parcel shall be retained solely by Second Beneficiary.

(c) **Identity of Donee.** The following restrictions shall apply to Charitable Parcels and Public Parcels:

(i) Spring Valley Representative may suggest at any time appropriate donees for any Charitable 501(c)(3) Parcel, any Charitable Institutional Parcel and any Charitable Large Parcel;

(ii) The specific location of any Charitable Large Parcel and the donee of any such Lot or Parcel must be approved by the Spring Valley Representative;

(iii) The specific location of any Charitable Institutional Parcel and the Public Parcel donee of such Lots or Parcel shall be determined solely by SunCor;

(iv) The specific location of any Charitable 501(c)(3) Parcel and the donee of such Lot or Parcel must be approved by the Spring Valley Representative; and

(v) The specific location of any conservation or similar easement and the donee of any such easement must be approved by the Spring Valley Representative.

(d) **Conveyances.** SunCor shall direct the Trustee to convey each Charitable Institutional Parcel, Charitable 501(c)(3) Parcel, Charitable Large Parcel and each Public Parcel to the donee in the name of and for the benefit of the holder of the First Beneficial Interest.

3.12 Business Plan; Major Decisions. A Business Plan shall be prepared by SunCor within the first twenty-four (24) months following Close of Escrow, and such Business Plan shall be consistent with the General Parameters. The Business Plan shall be provided to the Spring Valley Representative for informational purposes only and is not a contract or agreement by SunCor. The Business Plan is not required to be approved by the Spring Valley Representative; however, any Major Decision which is reflected in the Business Plan is subject to approval by the Spring Valley Representative. The Business Plan is subject to modification and change unilaterally by SunCor (except for the elements of the Business Plan that represent Major Decisions), provided the Business Plan remains consistent with the General Parameters. The Business Plan is not a guarantee of the development of the Core Property and Non-Core Property or the amount of any Sales Price proceeds. The following are the only Major Decisions:

(a) The bulk sale of any Parcel of 100 or more undeveloped Developable Acres in any calendar year; and

(b) The transfer of 20% or more of any phase without consideration as Public Parcels (not including the Golf Course Parcel). A phase is limited to 640 acres.

SunCor may propose a change in the Business Plan that constitutes a Major Decision, but such changes shall not be implemented by SunCor without good faith consultation with the Spring Valley Representative. If SunCor and the Spring Valley Representative are unable to agree on a Major Decision within the ninety (90) day period beginning after the commencement of such consultation, the provisions of Section 3.13 shall apply, as if such unagreed Major Decision were an unagreed change in the General Parameters, and SunCor shall be allowed to adopt such Major Decision unilaterally, subject to the right of the Spring Valley Representative to seek an order from an arbitrator or panel of arbitrators barring such change by SunCor, if the arbitrator or panel of arbitrators determines that SunCor's change does not conform to a change that would be made by a prudent real estate developer in similar circumstances.

3.13 Adjustments to the General Parameters. After Close of Escrow, if there is a change in prevailing market conditions for the development and sale of any element of the Project, including and not limited to changes caused by changes in federal, state or local laws, regulations, or ordinances, changes in the local economic condition, changes in the demographics that affect the potential market for segments of the Project and changes caused by any Force Majeure Event, and SunCor determines that the profitable further development and sale of the remaining portions of the Property will require changes in the General Parameters in effect at such time, SunCor shall propose in writing to the Spring Valley Representative a prospective change in the General Parameters, and SunCor and the Spring Valley Representative

shall confer in good faith and attempt to reach agreement on a prospective change in the General Parameters over the succeeding ninety (90) day period. Any agreed upon change in the General Parameters shall be treated as an amendment of this Agreement. If SunCor and the Spring Valley Representative are unable to agree upon a change in the General Parameters that addresses the change in circumstances to their mutual satisfaction within the ninety (90) day period after the receipt by the Spring Valley Representative of the written proposal by SunCor, SunCor may in its discretion adopt the change in the General Parameters and the Spring Valley Representative shall have the right to object to such change by initiating the arbitration proceedings of Section 11.3(b). If the panel of arbitrators or the arbitrator determines that SunCor's change in the General Parameters is not consistent with the actions of a prudent real estate developer in similar circumstances, the panel of arbitrators or the arbitrator may issue an order changing the General Parameters to conform to the parameters that would be adopted by a prudent real estate developer in similar circumstances, and SunCor shall be obligated to adopt such modified General Parameters.

ARTICLE IV

CLOSE OF ESCROW ADVANCE OPTIONAL ADVANCES; PERCENTAGE PAYMENTS & MINIMUM PAYMENTS

4.1 Optional Advances.

(a) Close of Escrow Advance. SunCor shall deliver at Close of Escrow to Spring Valley and the McLeods in their Fixed Shares, the amount of up to Two Million Dollars (\$2,000,000.00) less the amount of the Opening of Escrow Deposit (the "Close of Escrow Advance"). The Close of Escrow Advance shall be paid to or applied for the benefit of the McLeods and Spring Valley in their Fixed Shares as follows:

(i) An amount sufficient to pay off the Secured Loan (including all interest earned thereon) shall be retained by SunCor, and all documents securing the Secured Loan shall be marked "paid in full" and returned to the McLeods; and

(ii) At the McLeods request, an amount up to the balance of the Close of Escrow Advance shall be paid to Spring Valley and the McLeods in their Fixed Shares; provided that in order to insure that the Core Property conveyed to SunCor as of the Close of Escrow is free and clear of all liens for any borrowings or other indebtedness of the McLeods and Spring Valley, the Escrow Agent shall automatically disburse a sufficient portion of the Close of Escrow Advance at Close of Escrow directly to any lender or holder of any such lien on the Core Property to the extent required to obtain at Close of Escrow from such lender or holder a simultaneous recordable lien release in a form satisfactory to SunCor, and the remaining balance of the Advance shall be paid to the McLeods and Spring Valley. Any amount not advanced shall be available to be advanced in accordance with Section 4.1(g).

The first \$500,000 of the Opening of Escrow Deposit is not credited to the Advance Credit Account, and the balance of the Opening of Escrow Deposit shall be credited to the Advance Credit Account.

(b) **Optional Annual Advance.** At the written request of the Spring Valley Representative, delivered to SunCor at any time before each Anniversary Date, the Spring Valley Representative may require SunCor to deliver a non-refundable and creditable Advance to Spring Valley and the McLeods, and SunCor shall promptly pay such Advance within thirty (30) days after receipt of such request but not earlier than Anniversary Date, in an amount up to Four Hundred Thousand Dollars (\$400,000) per Anniversary Date, as requested by Spring Valley Representative. Any optional Annual Advance shall be credited to the Advance Credit Account. Such right to request an optional Annual Advance of up to \$400,000 only applies to the first five (5) twelve consecutive month periods beginning after Close of Escrow. If less than the full amount of \$400,000 is requested by the Spring Valley Representative for any of such five (5) twelve month periods, the balance of such optional Annual Advance may be requested and shall be disbursed in accordance with Section 4.1(g).

(c) **Advance Credit Account.** The amount of any Advance made by SunCor pursuant to this Section 4.1(a) (not including the first \$500,000.00 of the Close of Escrow Advance) shall be credited to the Advance Credit Account. The principal balance from time to time of the Advance Credit Account shall accrue simple interest at a rate of ten (10%) percent per annum. Such interest shall be added to the balance of the Advance Credit Account.

(d) **Character of Advances.** SunCor and the holder of the First Beneficial Interest shall report each Advance made pursuant to Section 4.1(a) (not including the first \$500,000.00 of the Close of Escrow Advance) and Section 4.1(b) as a loan made by SunCor to the holder of the First Beneficial Interest for income tax purposes.

(e) **No Personal Obligation.** No holder of the First Beneficial Interest shall have the obligation to repay to SunCor any Close of Escrow Advance, any optional Annual Advance, or any amount credited to the Non-Interest Credit Account. The balance of the Credit Accounts can only be recovered by SunCor in a manner permitted under this agreement or the Dual Beneficiary Trust Agreement.

(f) **Application.** The balance of the Advance Credit Account shall be applied first before the application of any balance to Non-Interest Credit Account.

(g) **Late Disbursement.** If less than the full amount of the Close of Escrow Advance or any optional Annual Advance is requested and disbursed to Spring Valley and the McLeods as of Close of Escrow or as of any of the next five Anniversary Dates after Close of Escrow, the Spring Valley Representative may upon thirty (30) days advance written notice to SunCor delivered before the seventy-second (72nd) month after Close of Escrow request any portion of the undisbursed portion of the Close of Escrow Advance or such optional Annual Advance to be disbursed to Spring Valley and the McLeods on or before the first day of the seventy-second (72nd) month after Close of

Escrow, and SunCor shall promptly disburse such amounts, which shall be added to the Advance Credit Account. SunCor shall have no further obligation to make any Advances to Spring Valley or the McLeods after the first day of the seventy-second (72nd) month after Close of Escrow. The right to request optional Annual Advances is personal to Spring Valley and/or Colin and Teresa McLeod and their daughter and may not be assigned.

(h) Termination. The obligation of SunCor to make any additional optional Annual Advance shall not terminate, when the right of SunCor to direct the development and sale of any portion of the Property is terminated by the Spring Valley Representative pursuant to the Dual Beneficiary Trust provided that at the time of such termination SunCor shall continue to have the right to direct the development and sale of a portion of the Property under Current Development, and in such case, the balance of the Advance Credit Account shall be applied as provided in Section 4.2(e).

4.2 Credit Accounts.

(a) Nature of Account. Each Credit Account is a bookkeeping/memorandum account computed and maintained by the Trustee. The initial balance of each Credit Account shall be zero.

(b) Non-Interest Credit Account. No interest shall accrue or be credited on the outstanding balance of the Non-Interest Credit Account at any time. Interest shall accrue on the Advance Credit Account pursuant to Section 4.1(c).

(c) Credit Accounts. After Close of Escrow, SunCor shall receive a credit to the Non-Interest Credit Account for the portion of any Required Minimum Annual Payment SunCor delivers to the holder of the First Beneficial Interest under Section 4.3 (with notice of such payment to be delivered by SunCor to the Trustee) that is equal to the amount computed under Section 4.3(a) for any measuring period. SunCor also shall receive credit to the Advance Credit Account for any amount SunCor pays to release any third party claim to the Property of the type described in Section 3.1(e), and any amount SunCor pays pursuant to Section 6.6(d). (SunCor has no obligation to make any such payments.) SunCor also is entitled to a credit to the Advance Credit Account for certain payments SunCor makes, as Second Beneficiary, on account of a default by First Beneficiary. All principal amounts credited to the Advance Credit Account shall earn simple interest at the rate of ten (10%) percent per annum from the date such amounts are credited to the Advance Credit Account.

(d) Application. The balance of the Credit Accounts shall automatically be applied to reduce the amount of the Percentage Payment payable to the First Beneficiary under the Dual Beneficiary Trust Agreement, in the manner described in Section 8.1 of the Trust Agreement that are attributable to closings of sales of Improved Single Family Lots in excess of fifty (50) per measuring period (as defined in Section 4.3); however, the Advance Credit Account shall be applied first until the balance of the Advance Credit Account is zero and thereafter the Non-Interest Credit Account shall be applied.

(e) **Repayment.** Upon the termination of SunCor's right to develop and direct the sale of any portion of the Property, the balance of the Advance Credit Account and the balance of the Non-Interest Credit Account, shall be applied automatically to reduce the amount of the Percentage Payments otherwise payable to the holder of the First Beneficial Interest and attributable to the sale of Improved Single Family Lots; however, the prohibition upon the application of such balance to the Percentage Payments attributable to the first fifty (50) Improved Single Family Lots in any measuring period shall not apply and the balance of the Advance Credit Account may be applied to all such Percentage Payments in a measuring period. SunCor shall bear the sole risk that there will be insufficient Developable Acres remaining under Current Development to permit SunCor to fully apply the remaining balance of the Advance Credit Account and the Non-Interest Credit Account.

4.3 **Required Minimum Annual Payment.** SunCor shall make a Required Minimum Annual Payment to the holders of the First Beneficial Interest in accordance with their Fixed Shares within ten (10) days after the end of each consecutive twelve (12) month period described below. The first twelve month measuring period shall begin as of the first day of the first month in which occurs the closing of the sale of the first Improved Single Family Production Lot (with a residence that was constructed as part of the Project), but not later than for the measuring period beginning on the third (3rd) Anniversary Date, unless otherwise delayed pursuant to Section 3.7 herein; however in no event shall the measuring period extend beyond the beginning of the fourth (4th) Anniversary Date. Each subsequent measuring period shall begin on the annual anniversary of the first day of the first measuring period. The parties shall give the Trustee written notice of the date that the Measuring Period begins.

(a) **Formula Amount.** The Required Minimum Annual Payment is a formula amount that will be re-determined for each measuring period. The Required Minimum Annual Payment is equal to:

(i) An amount equal to the product of fifty (50) multiplied by the rolling average Percentage Payment per unit for Improved Single Family Production Lots sold and closed within the same measuring period, less

(ii) The amount of all Percentage Payments actually distributed to the holder of the First Beneficial Interest attributable to Single Family Lots (Production and Custom) closed in the same measuring period.

The rolling average Percentage Payment per unit for purposes of computing the amount in subsection (i), above, cannot be less than \$9,000 per unit, and the rolling average shall be computed by disregarding the sales of the Custom Lots and the Percentage Payments from such sale. The rolling average shall be computed with reference to closings during the current measuring period and the three immediately preceding measuring periods (or the actual number of preceding measuring periods, if less than three).

(b) **Termination.** The obligation of SunCor to pay the Required Minimum Annual Payment shall terminate automatically at such time when the last phase of the

project commences to be under current Development and in accordance with Article IX of the Dual Beneficiary Trust Agreement, if the Spring Valley Representative elects to terminate SunCor's right to develop and direct the sale of the Property that is not under Current Development; however, the right of the First Beneficiary to receive the Percentage Payments described in Section 1.2 shall continue.

(c) **Minimum Amount.** Failure of SunCor to pay the Required Minimum Annual Payment shall subject SunCor to the risk of forfeiture of any portion of the Property that is not under Current Development, as provided in Article IX of the Dual Beneficiary Trust Agreement.

(d) **Example.** The provisions of subsection (a) can be illustrated as follows:

(i) Assume that Close of Escrow occurs on January 3, 2003. The first "measuring period" cannot commence later than January 3, 2007, which is the fourth Anniversary Date. Assuming, however, that the closing of the sale of the first Improved Single Family Lot occurs on July 2, 2006, the first twelve month measuring period would begin on July 1, 2006 and would end on June 30, 2007, and the due date of the first Required Minimum Annual Payment would be July 5, 2007. Subsequent measuring periods would also begin on July 1;

(ii) Assume, further, that during the first measuring period the sale of only 45 Improved Single Family Production Lots are closed, resulting in Percentage Payments to the holder of the First Beneficial Interest of \$460,000 (an average of \$10,222 per unit), the portion of the Required Minimum Annual Payment that would be payable on July 5, 2007 would be \$51,110 (5 unit "shortfall" multiplied by \$10,222). This \$51,110 payment would be credited to the Non-Interest Credit Account and would automatically be applied to reduce Percentage Payments otherwise payable to the First Beneficiary in a subsequent measuring period to the extent of any Percentage Payments attributable to sales of Improved Single Family Lots in excess of 50 units in such subsequent year. (However, such credit would not be applied until the balance of the Advance Credit Account, which bears interest, had been reduced to zero);

(iii) In addition, if you assume that in the second measuring period another 45 Improved Single Family Production Lots were sold, resulting in Percentage Payments to the holder of the First Beneficial Interest of \$470,000 (an average of \$10,444 per unit), the portion of Required Minimum Annual Payment for the second measuring period that is due five days after the end of the measuring period would be \$51,665 (5 unit shortfall multiplied by \$10,333 per unit); and

(iv) If, during the third measuring period 50 Improved Single Family Production Lots were sold and closed, resulting in Percentage Payments to the holder of the First Beneficial Interest of only \$440,000 (an average of only \$8,800 per unit), a Required Minimum Annual Payment of \$49,250 would be due and \$49,250 of this payment would be credited to the Non-Interest Credit Account. In

the fourth measuring period, the Required Minimum Annual Payment calculation required by subsection (a)(ii) would be based on the rolling average of \$9,785 per unit for the two (2) preceding and the current measuring periods. In all of the preceding measuring periods for purposes of computing the rolling average per unit Percentage Payment, all sales of Custom Lots are excluded.

4.4 Set-Off. SunCor may reduce and set off any amounts due and payable under this Agreement or the Dual Beneficiary Trust Agreement to Spring Valley, the McLeods or their successors and assigns for any indemnification SunCor is entitled to recover from Spring Valley or the McLeods under any agreement. This Section shall not be interpreted to expand the rights of SunCor to recover the balance of any Credit Account or release SunCor's obligations under Section 4.1 or 4.3.

ARTICLE V

ACCESS; USE OF LAND; DEVELOPMENT & RESTRICTIONS

5.1 Improvements. After the Close of Escrow, SunCor shall have the exclusive right to erect upon the Property entrance improvements, including fences, gates, signs, temporary sales structures and landscaping and to remove any existing structures and improvements, and such improvements shall be configured to the extent possible to not interfere with any permitted and continuing domestic use of the Property by the McLeods pursuant to Section 5.4. All such improvements which cannot be readily removed shall be and become part of the Property, and in the event this Agreement is terminated without the acquisition by or conveyance to SunCor or its designee of the Lot or Parcel upon which such improvements are located, such improvements (other than any temporary sales structures and other improvements that can be removed without damaging the Property) shall become the property of the First Beneficiary under the Trust Agreement, free and clear of any encumbrances.

5.2 Access. After Close of Escrow, SunCor and its representatives, agents and employees shall have full, unfettered, and exclusive access and possession of all of the Property at all reasonable times for any purpose germane to the development, construction or marketing of the Project, including and not limited to installation, maintenance and operation of plant nurseries, utility construction and installation, storage and construction yards and any other usage germane to the construction, marketing or development of the Property held in Trust. SunCor's exclusive access and possession of the Property not under Current Development shall be subject to mutually approved grazing leases and the periodic, casual and noncommercial use of any portion of such portions of Property by Spring Valley and the McLeods pursuant to Section 5.4.

5.3 Roads and Easements. All holders of First Beneficial Interest shall fully cooperate with SunCor before and after Close of Escrow in securing any roadway or easement abandonments and/or realignments required by SunCor for the development of the Project. Any roadway or easement owned or controlled by Spring Valley or the McLeods or benefiting them shall be abandoned by them without any additional compensation paid by SunCor.

5.4 Use of Land.

(a) Cooperation. The holder of the First Beneficial Interest shall cooperate with SunCor before and after Close of Escrow to cause the Property to be actively ranched to the extent required to maintain advantageous property tax rates for such property until active development of specific segments of such Property commences.

(b) No Ranching Obligation. Nothing in this Agreement shall be construed to require Spring Valley or the McLeods to continue to conduct cattle ranching or grazing activities on the Property, and with written notice to SunCor, Spring Valley and the McLeods may discontinue or terminate any cattle ranching or grazing activities they are conducting on the Property.

(c) Lease Rights. If the McLeods and Spring Valley discontinue using the Property for cattle ranching conducted by the McLeods or Spring Valley, the McLeods and Spring Valley may lease all or a portion of the Property to others for cattle ranching and grazing purposes only, under terms of leases approved by SunCor. Any rentals from such leases shall be retained by Spring Valley and the McLeods, provided the lessee fulfills all of its obligations under any lease, including the obligation to maintain the Property leased to such tenant. If a tenant does not fulfill all of its obligations under a lease, the rentals under such lease shall be paid over to the Trustee to the extent requested by SunCor to pay for maintenance costs not paid by the tenant in breach of the lease.

(d) SunCor Lease. If the Spring Valley Representative notifies SunCor that Spring Valley and the McLeods are discontinuing or terminating cattle ranching activity and further notify SunCor that the McLeods and Spring Valley do not desire to lease the Property to a third party for grazing purposes, at such time SunCor shall have the right to lease all or portions of the Property for cattle grazing or other agricultural purposes on terms and conditions approved by SunCor and at SunCor's sole expense and risk and all rentals shall be paid to SunCor. The intent of such SunCor leases shall be to maintain favorable property tax classification for the portions of the Property not under Current Development.

(e) General Restrictions. All cattle grazing and ranching shall be conducted in a manner that does not interfere with the development of the Property.

(f) Personal Rights. Spring Valley and the McLeods shall have the right to occupy and use the houses, barns and other improvements in existence at Opening of Escrow and located within the Property for traditional cattle ranching purposes and for the McLeod family domestic purposes, until SunCor notifies the Spring Valley Representative in writing that such usage must be discontinued to permit the continued development of the Property. Not later than six (6) months after receipt of such written notice from SunCor, such usage by Spring Valley and the McLeods shall be discontinued. SunCor shall assist Spring Valley in relocating any cattle fences and other barriers at SunCor's cost in connection with relocating any cattle ranching activity conducted by the McLeods or Spring Valley (but not their tenants) on the Property.

(g) **Master Lease.** Prior to Close of Escrow, either SunCor or the Spring Valley Representative may propose a form of ranching/grazing lease for consideration by the other party, and if such grazing lease is acceptable to both parties, such grazing lease shall be executed at the Close of Escrow and shall supersede the provisions of this Section 5.4.

(h) **Other Restrictions.** Neither Spring Valley nor the McLeods shall lease or permit any other Person to occupy any portion of the Property except in accordance with this Agreement without the written consent of SunCor, which shall not be unreasonably withheld. Spring Valley and the McLeods shall not store nor allow any other Person to store any hazardous substance on the Property before Close of Escrow. Any grazing lease rentals or other income received by SunCor after Close of Escrow shall be promptly transferred to the Trustee of the Dual Beneficiary Trust to be applied to pay the miscellaneous costs of maintaining the Property after Close of Escrow, including insurance and real property taxes, and miscellaneous charges and fees due under the Dual Beneficiary Trust.

5.5 Complementary Development. Any property to be withdrawn from the Trust under Section 6.5 shall be withdrawn only after the following restrictions and/or easements have been recorded against the Property:

(a) **Utility Services.** No lines, wires, or other devices for the communication or transmission of electric current or power including telephone, television, and radio signals shall be erected, placed, or maintained anywhere in or upon the Property unless the same shall be contained in conduits or cables are installed and maintained underground, except to the extent (if any) such underground or concealed placements may be prohibited by law, and except for such above-ground structures and/or media for transmission as may be otherwise reasonably approved by SunCor. No provision hereof shall be deemed to forbid the erection of temporary power or telephone structures incident to the construction of buildings or structures. The drafting of this restriction and easement is the responsibility of SunCor and must be approved by the Spring Valley Representative.

(b) **Access.** SunCor shall be granted any necessary access by easement through the Property to any Property remaining in the Trust. The exact legal description of the easement shall be the responsibility of SunCor and must be approved by Spring Valley.

(c) **Water Resources and Sewage Systems.** No development of the Property withdrawn from the Trust shall hinder and impede or adversely affect in any way the availability of water resources, distribution, or treatment facilities, and sewage facilities, disposal, or collection for the planned development, and the use of the remaining Property. SunCor shall have the senior right to develop sewage, disposal, treatment, and collection systems that may be required on the Property in the Trust as determined by SunCor in the exercise of its reasonable discretion.

The owner of any water wells and related systems to be developed by third parties on the withdrawn Property shall grant to SunCor a 90 day option to purchase such wells and related systems upon completion at fair market value. In the event of purchase by SunCor, SunCor shall be obligated to provide water to the Property charging only reasonable user and access fees. The drafting of this restriction and easement is the responsibility of SunCor and must be approved by the Spring Valley Representative.

(d) Third Party Costs. Infrastructure improvements required for development of any part of the Non-Core Property shall be borne solely by the owner of such Non-Core Property. To the extent SunCor is required to oversize roadways, wet or dry utility infrastructure or other elements of the Core Property in order to accommodate third party development or partial development of the Non-Core Property not held in Trust, Spring Valley and the McLeods shall reimburse SunCor for the third party owner's proportionate share of such development costs from the proceeds of sale by Spring Valley and the McLeods of such Non-Core Property unless the third party reimburses SunCor for such third party's proportionate share of such developments costs.

(e) Design. SunCor reserves the right to provide design input on any development of the Property withdrawn. Any development shall be consistent with and complementary to the nature and quality of the planned community development of the Property in the Trust. The drafting of this restriction and easement is the responsibility of SunCor and must be approved by Spring Valley.

(f) Recording. Prior to recording any document setting forth the restrictions imposed by this article, SunCor shall obtain the approval of the recording document by the Spring Valley Representative, which shall not be unreasonably withheld. Prior to closing, SunCor shall provide the recording documents to be used for approval by the Spring Valley Representative. These documents shall become an exhibit and will be used to record the restrictions if and prior to the withdrawal of any Property from the Trust.

ARTICLE VI

FIRST BENEFICIARY OBLIGATIONS and RETAINED RIGHTS

6.1 Existing Indebtedness. Spring Valley and the McLeods agree that on or before Close of Escrow, Spring Valley and/or the McLeods shall fully pay and satisfy all indebtedness encumbering the Core Property, including the approximately \$600,000 mortgage indebtedness currently encumbering the Property. Such payment and satisfaction may be accomplished by releasing the Core Property from any mortgage and lien securing such indebtedness and substituting portions of the Non-Core Property not under Current Development as collateral. Any Non-Core Property serving as collateral shall be subject to the provisions of Section 6.6.

6.2 Planning; Zoning; Annexation. Spring Valley and the McLeods agree that after the Close of Escrow the Trustee shall execute any necessary petitions for rezoning, petitions to annex or to form improvement and community facility districts, execute any Development Agreements and any amendments thereto, and signing any other similar petitions, requests or statements associated with the development of the Property or any portion thereof or the

construction of improvements required by SunCor. Spring Valley and the McLeods shall cooperate with SunCor, at SunCor's sole expense, in SunCor's efforts to obtain all entitlements for the Property, including any required rezoning, use permits, variances, agreements with various government authorities, shared facility agreements, water rights and water development agreements, access agreements, infrastructure agreements, improvement district agreements, impact agreements, development agreements and similar agreements. Spring Valley and the McLeods also agree to fully cooperate with SunCor in subordinating the interest of Spring Valley and the McLeods to any lien or encumbrance created under any financing permitted under the Dual Beneficiary Trust Agreement, which subordination shall be limited in scope as required under the Dual Beneficiary Trust Agreement.

6.3 Maintenance. After Close of Escrow, SunCor shall maintain all of the Property held in Trust in good order and condition (not including any portion of the Property leased or being used for grazing by Spring Valley or their assigns), shall pay all property taxes and assessments as the same become due before delinquency with respect to the Property held in Trust. Such taxes shall be prorated for the year the Property is conveyed to the Dual Beneficiary Trust and for the year in which any conveyance of Lots and Parcels by the Dual Beneficiary Trust is made to SunCor, Spring Valley, the McLeods or any third party. Such prorations shall be on a per diem basis and based upon the most recent tax assessment, and SunCor shall assume the obligation to pay such taxes for the post conveyance period and only while such Core Property and Non-Core Property is held in Trust.

6.4 Security Interests. On and after Close of Escrow, all holders of the First Beneficial Interest shall subordinate their interest to any financing contemplated by Section 1.4 of the Dual Beneficiary Trust Agreement.

6.5 Right to Withdraw Non-Core Property. At any time, the Spring Valley Representative may direct that parcels of Non-Core Property not under Current Development may be, together with appurtenant water and other rights, reconveyed to a designee of the Spring Valley Representative, subject only to each of the following;

(a) The Non-Core Property shall remain subject to the restrictions and limitations on the use and development of such Property in accordance with the provisions of Section 5.5;

(b) To the extent the Non-Core Property conveyed to the designee of the Spring Valley Representative is Developable Acreage, the Percentage Payment thereafter due the holder of the First Beneficial Interest shall be reduced one percentage point for each 1,000 acres of Developable Acreage withdrawn from the Dual Beneficiary Trust. (There will be no reduction in the Percentage Payment as a result of the reconveyance to the First Beneficiary of any Non-Developable Acreage.) Non-Developable Acreage is property with 30 degree or more slope, has drainage or flood problems or ineligible as open space for entitlements;

(c) To the extent any Developable Acreage is transferred to any lender, voluntarily or by a final act of foreclosure, such acreage shall be treated as having been withdrawn pursuant to this Section 6.5;

(d) No more than 5,000 Developable Acres (in total) may be withdrawn by the First Beneficiary pursuant to this Section 6.5; and

(e) All proceeds of sale and other consideration received by any holder of a First Beneficial Interest shall remain solely the property of such holder of a First Beneficial Interest.

6.6 Right to Mortgage Non-Core Property. At any time, the Spring Valley Representative may direct that parcels of Non-Core Property may be used as collateral for a loan to Spring Valley or to the McLeods and encumbered by a mortgage or deed of trust on terms arranged by, and acceptable to, the Spring Valley Representative, and the proceeds of such borrowing shall be disbursed directly to the designee of the Spring Valley Representative, subject only to each of the following:

(a) A recording against the property of the restrictions and limitations set forth in Section 5.5 with respect to the entire portion of the Non-Core Property that would be encumbered by such financing, and the Trustee shall have recorded an instrument subjecting the Non-Core Property to be encumbered to such restrictions and limitations with a priority superior to the lien and security interest of the lender and all other parties to the financings.

(b) The Spring Valley Representative shall have notified SunCor and the Trustee of the proposed financing of the Non-Core Property at least two weeks in advance of the closing of proposed financing.

(c) The Dual Beneficiary Trust, the Trustee and SunCor shall have no obligation to repay such indebtedness, and the holders of the First Beneficial Interest shall be liable and responsible to repay such borrowing.

(d) In order to permit the development of the Non-Core Property, such financing shall either include release provisions acceptable to SunCor permitting the release of portions of the encumbered Non-Core Property upon not less than six (6) months notice to the lender and the First Beneficiary by SunCor or First Beneficiary shall at its sole expense remove the lien attributable to such financing within the six (6) month period in the portion of the Non-Core Property SunCor is seeking to develop. Any release payment paid by SunCor if the First Beneficiary shall fail to remove the lien within the six (6) month period, shall be added to the Advance Credit Account and shall earn simple interest from the date of such payment by SunCor at a rate of ten percent (10%) per annum. SunCor shall have no obligation to contribute any amount to obtain such releases.

ARTICLE VII

RELATIONSHIP OF PARTIES

7.1 Relationship. It is understood and agreed that Spring Valley and the McLeods are the contributors of the Core Property and the Non-Core Property, and that SunCor, Spring Valley, the McLeods, and their respective successors and assigns shall never be considered to be

partners or joint venturers. SunCor is an independent contractor and not the agent of Spring Valley or the McLeods. Solely for federal and state income tax purposes, upon the written request of the Spring Valley Representative made on or before Close of Escrow, SunCor shall cooperate with Spring Valley and the McLeods to account for the relationship among them as establishing an unincorporated organization in the nature of a partnership for income tax purposes only, to which Spring Valley and the McLeods shall be deemed to have contributed and not sold the Property and to which SunCor is contributing the funds SunCor expends to develop the Project. Sales of Lots and Parcels would be treated as reportable by such tax partnership. Any tax deduction attributable to a charitable conveyance of any portion of the Property would be allocated to Spring Valley and the McLeods. Any costs and expenses of preparing any federal and state income tax returns for such tax partnership shall be borne by Spring Valley and the McLeods, in accordance with their Fixed Shares, and no federal or state income tax return for such tax partnership may be filed without the advance written approval of SunCor, and any K-1's for the tax partnership shall be provided to SunCor by April 1 of the succeeding calendar year.

ARTICLE VIII

REPRESENTATIONS BY SUNCOR

8.1 Representations of SunCor. SunCor represents and warrants to Spring Valley and the McLeods as follows:

(a) **Binding Obligation.** This Agreement and the Dual Beneficiary Trust Agreement are each a legal, valid and binding obligation of SunCor, enforceable against SunCor in accordance with their respective terms, subject as to enforceability to the effect of applicable bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws affecting the rights of creditors generally.

(b) **No Broker.** SunCor has not employed or engaged any broker or agent or incurred any liability for any commission or fee to any broker or agent in connection with this Agreement.

(c) **Full Authority.** SunCor has the full power and authority to enter into and perform this Agreement and the Dual Beneficiary Trust Agreement, according to their terms.

(d) **Enforceability.** The individuals executing this Agreement and the Dual Beneficiary Trust Agreement and the other documents contemplated herein on behalf of SunCor are authorized to do so; all consents and approvals required to be obtained have been received, and upon the execution hereof, this Agreement, the Dual Beneficiary Trust Agreement and such other documents shall be binding upon and enforceable against SunCor.

8.2 Restoration of Property. If Close of Escrow does not occur, SunCor agrees to restore the Property to the extent practicable after completing its due diligence, and SunCor shall indemnify and defend Spring Valley and the McLeods against and hold Spring Valley and the McLeods harmless from all claims, demands, liabilities, losses, damages, costs and expenses,

including reasonable attorneys' fees and disbursements, arising directly from the due diligence activities on the Property conducted by SunCor or by its agents, employees, customers, and/or independent contractors prior to Close of Escrow. SunCor shall not be required to plug any drilling holes resulting from its due diligence efforts.

8.3 General Indemnification by SunCor. If Close of Escrow occurs, SunCor shall indemnify and defend Spring Valley and the McLeods and hold them harmless from all claims, demands, liabilities, losses, damages, costs and expenses, including reasonable attorneys' fees arising solely and directly from: (i) any construction, development or sale activity on the Property ordered by SunCor as part of the Project, and (ii) any claims by any purchasers of any improvements constructed on the Property as part of the Project. Such indemnification does not extend to (i) any income taxes payable by Spring Valley, the McLeods or their successors and assigns and (ii) any losses, damages, cost of expenses caused by the negligence or misconduct of Spring Valley or the McLeods.

ARTICLE IX

REPRESENTATIONS BY SPRING VALLEY AND THE McLEODS

9.1 Representations, Warranties and Agreements of Spring Valley and McLeods. Spring Valley and the McLeods jointly and severally represent, warrant to and covenant with SunCor that as of the date hereof and as of the date of Close of Escrow:

(a) **Legal Obligations.** This Agreement and the Dual Beneficiary Trust Agreement are each a legal, valid and binding obligation of Spring Valley and the McLeods, enforceable against Spring Valley and the McLeods in accordance with their respective terms, subject as to enforceability to the effect of applicable bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws affecting the rights of creditors generally.

(b) **Third Party Fees.** Spring Valley and the McLeods have paid or satisfied or will fully pay and satisfy as of Close of Escrow any commission or fee then due to any broker or agent retained by Spring Valley or the McLeods.

(c) **No Litigation.** Spring Valley and the McLeods have no knowledge not previously disclosed in writing to Duane Black or Steve Gervais of any pending, threatened or contemplated claims or litigation affecting the Property, and the Property is not subject to any lien or indebtedness (other than real estate taxes for the current year, the payment of which is not delinquent) and matters of public record.

(d) **No Violations.** Spring Valley and the McLeods have not received notice from any governmental or other agency of, and has no knowledge of, any violation of any laws, ordinances, governmental rules or regulations with respect to the Property, or of any proposed condemnation, exercise of eminent domain, or proposed or pending assessments with respect to the Property, other than normal real estate taxes, and matters that are of public record.

(e) **No Further Impositions.** Spring Valley and the McLeods will not cause any matter, or permit any matter within their control, to arise or be imposed upon the Property which adversely affects title to the contemplated development of the Property or the Project.

(f) **Full Authority.** Spring Valley and the McLeods have full power and authority to enter into and perform this Agreement and the Dual Beneficiary Trust Agreement, according to their terms.

(g) **Enforceability.** The individuals executing this Agreement and the Dual Beneficiary Trust Agreement and the other documents contemplated herein on behalf of Spring Valley are authorized to do so; all consents and approvals required to be obtained have been received, and upon the execution hereof, this Agreement, the Dual Beneficiary Trust Agreement and such other documents shall be binding upon and enforceable against Spring Valley and the McLeods.

(h) **No Attachments.** There are no attachments, executions, assignments for the benefit of creditors, receiverships, conservatorship, or voluntary or involuntary proceedings in bankruptcy or pursuant to any other debtor relief laws contemplated by Spring Valley or the McLeods, or filed by or against Spring Valley or pending in current judicial administrative proceeding against Spring Valley or the McLeods.

(i) **No Third Party Contract.** No portion of the Property is under any contract (executory or otherwise) to be sold or acquired by any other Person, or subject to any option to be sold or acquired by any other Person, or subject to any other third party right under which any Person (other than SunCor) has, or has the right to acquire, any beneficial, equitable or legal interest in the Property.

(j) **No Third Party Interests.** No individual or legal entity (or any Person claiming through them) have any right, title or interest in the Property or any portion thereof or any executory or other right to acquire any interest in Core Property and Non-Core Property.

(k) **No Hazardous Waste.** None of the Property nor any facilities on the Property have been used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Substances or solid waste, except in compliance with all applicable federal, state and local laws or regulations. For purposes of this paragraph, "Hazardous Substances" shall be deemed to include pollutants or substances defined as "hazardous waste," "hazardous substances," "hazardous materials," or "toxic substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA") as amended by the superfund Amendments and Reauthorization Act of 1986 (PL 99-499); the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, *et. seq.*, the Toxic Substance Control Act, 15 U.S.C. Section 2601, *et. seq.*; the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Section 6901 *et. seq.*, all comparable state laws; and in the rules or regulations adopted and guidelines promulgated pursuant to said laws.

9.2 **Indemnification.** Spring Valley and the McLeods, jointly and severally, shall indemnify and hold SunCor harmless (i) from any cost or expense (including reasonable attorney's fees) incurred by SunCor as a result of any breach of this Agreement or misrepresentation by Spring Valley or the McLeods; (ii) any claim by a broker or finder that a commission or fee is payable in connection with the disposition of the Property as a result of any promise or agreement by the McLeods or Spring Valley; and (iii) any claim by any third party relating to the Property that is conveyed to the Dual Beneficiary Trust. Such indemnification does not extend to any losses, damages, cost or expense caused by the negligence or misconduct of SunCor.

ARTICLE X

NOTICES

Wherever in this Agreement it shall be required or permitted that notice or any other communication be given or served by either party to this Agreement to or on the other, such notice or other communication shall be given or served and shall not be deemed to have been duly given or served unless in writing, and delivered personally, or deposited in the United States mail, certified with return receipt requested, postage prepaid, addressed as follows:

To SunCor:	SunCor Development Company Attn: Bradley Wright Corporate Counsel 80 East Rio Salado Parkway, Suite 410 Tempe, AZ 85281 Phone: (480) 317-6800
With a copy to:	SunCor Development Company Attn: Duane Black Vice President and Chief Operating Officer 80 East Rio Salado Parkway, Suite 410 Tempe, AZ 85281 Phone: (480) 317-6800
With a copy to:	SunCor Development Company Attn: Michael D. Johnson Director of Acquisitions 80 East Rio Salado Parkway, Suite 410 Tempe, AZ 85281 Phone: (480) 317-6800
Spring Valley and/or McLeods:	Spring Valley Livestock Company, Inc. Attn: Colin McLeod III 10393 West Floating Feather Road Star, ID 83669 Phone: (208) 286-7975

With a copy to: Jon T. Frye, CPA
Frye & Vauk, CPAs
P.O. Box 1360
702 S. 7th St.
Caldwell, ID 83605
Phone: (208) 459-0876

With an additional copy to: David Kerrick, Esq.
David Kerrick & Associates
101 Blaine St.
P.O. Box 44
Caldwell, ID 83606
Phone: (208) 459-4574

With an additional copy to: John C. Ward
Moffatt Thomas
P.O. Box 829
Boise, ID 83701
Phone: (208) 385-5340

or at such other address as may have been designated by one party and served upon the other. No Notice may be given by telephone, facsimile transmission or by e-mail. Notices and other communications to the Escrow Agent and the Trustee shall be addressed as follows:

Escrow Agent: Pioneer Title Company of Ada County
8151 W. Rifleman
Boise, ID 83704
Phone: (208) 377-2700

Trustee: First American Title Insurance Company, a California corporation
4801 East Washington Street
Phoenix, Arizona 85034
Phone: (602) 685-7000

Delivery shall be considered to have been made (a) immediately, if served in person, or (b) 72 hours after the time of mailing, if deposited in the United States mail. A notice or any other item herein required to be served which is mailed and addressed to a party at the address set forth above shall be deemed served notwithstanding the fact that the party has changed representatives or has moved. A party may, by written notice to the other parties, change the address or the representative for notices to be sent to such party.

ARTICLE XI

REMEDIES; ARBITRATION

Spring Valley and SunCor shall have the following rights and remedies as a result of a breach of this Agreement:

11.1 General Limitations. All disputes arising under this Agreement or the Trust Agreement between the parties shall be resolved exclusively through the mediation and arbitration provisions of Section 11.4. Neither party shall be liable to the other for lost profits, punitive damages, exemplary damages or similar damages. Each party retains the right to recover consequential and compensatory direct damages which are proximately caused and foreseeable in the full amount of any loss, but neither party shall have any right to recover indirect or speculative damages. Notwithstanding the foregoing, the sole remedy for the failure of SunCor to pay any Required Minimum Annual Payment (whether in connection with the sale of fewer than fifty units per year or otherwise) shall be the termination of SunCor's rights to direct the development and sale of portions of the Property not under Current Development, as provided for by Article IV of the Trust Agreement. Each party reserves the right to seek the remedy of specific performance (to the extent not limited by the foregoing), and each party also reserves the right to seek other equitable remedies that are not inconsistent with the foregoing limitations. Nothing in this Agreement shall limit Spring Valley's right to seek specific performance and/or payment of the optional Advances required to be made by SunCor in accordance with Sections 4.1(a) and (b) in the event of nonpayment by SunCor.

11.2 SunCor's Remedies. If Spring Valley or the McLeods fail to comply with any of their respective covenants and obligations contained in this Agreement or the Trust Agreement, SunCor shall be entitled to exercise any other rights or remedies available under law or equity except as limited by this Agreement.

11.3 Spring Valley's Remedies. If SunCor fails to pay any sums due hereunder or otherwise fails to comply with any of the terms or provisions of this Agreement or the Trust Agreement, Spring Valley and the McLeods, shall have the following remedies:

(a) If SunCor fails to pay any Required Minimum Annual Payment, Spring Valley may terminate SunCor's right to direct the development and the sale of any portion of the Property not under Current Development, as provided in Article IX of the Trust Agreement; and

(b) In the case of any other breach by SunCor, Spring Valley shall be entitled to exercise any other rights or remedies available under law or equity except as limited by this Agreement or the Dual Beneficiary Trust Agreement.

11.4 Dispute Resolution. All claims, disputes and other matters in controversy (herein called "dispute") arising directly or indirectly out of or related to this Agreement or the Trust Agreement, or the breach thereof, whether contractual or noncontractual, and whether during the term or after the termination of this Agreement, including any dispute regarding the calculation of any Percentage Payment, any Required Minimum Annual Payment the balance to the Credit Account shall be resolved exclusively according to the procedures set forth in this Section 11.4 at the request at any time of either SunCor or the Spring Valley Representative.

(a) **Mediation.** No party to this Agreement shall commence an arbitration proceeding pursuant to the provisions of Section 11.4 unless such party shall first give a written notice (a "Dispute Notice") to the other party setting forth the nature of the dispute. The parties shall attempt in good faith to resolve the dispute by mediation under

the Commercial Mediation Rules of the American Arbitration Association (AAA) in effect on the date of the Dispute Notice. If the parties cannot agree on the selection of a mediator within twenty (20) days after delivery of the Dispute Notice, the mediator will be selected by the AAA. If the dispute has not been resolved by mediation as provided above within sixty (60) days after delivery of the Dispute Notice, then the dispute shall be determined by arbitration in accordance with the provisions of Section 11.4(b) below.

(b) Arbitration.

(i) Any dispute that is not settled through mediation as provided in Section 11.4(a) above shall be resolved by arbitration in Idaho, if the arbitration is initiated by Spring Valley, and in Boise, Idaho, if the arbitration is initiated by SunCor, and shall be governed by the Federal Arbitration Act, 9 U.S.C. § 1 et seq, and administered by the American Arbitration Association under its Commercial Arbitration Rules (the "Rules") in effect on the date of the Dispute Notice, as modified by the provisions of this Section 11.4(b). If the claim in the dispute does not exceed \$100,000, there shall be a single arbitrator selected by mutual agreement of the parties appointed according to the Rules. If the claim in the dispute exceeds \$100,000, the arbitration panel shall consist of three (3) members if either SunCor or the Spring Valley Representative shall request an expanded panel, one of whom shall be selected by SunCor and one by the Spring Valley Representative and the third, who shall serve as chairman, shall be selected by the two (2) so selected. If either SunCor or the Spring Valley Representative fails to select an arbitrator within ten (10) days after a demand for arbitration, or if the two arbitrators named by the parties fail to agree upon a third within ten (10) days after the last of them have been appointed, then AAA shall select the arbitrator(s). All arbitrators must be neutral, must be knowledgeable in the general subject matter of the dispute, and must be experienced in real estate development matters. The mediator who has served in that capacity under Section 11.4(a) or otherwise shall not be eligible to serve as an arbitrator. The arbitrator(s) shall base the award on applicable law and judicial precedent and, unless both parties agree otherwise, shall include in such award the findings of fact and conclusions of law upon which the award is based. Judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The Arbitrator(s) shall award the prevailing party in the Arbitration its reasonable attorneys' fees and costs incurred in connection with such proceedings. The Arbitrator shall be authorized to grant SunCor the remedy of specific performance.

(ii) Notwithstanding the foregoing, in the event the dispute is determined by a single arbitrator, or if it is determined by less than the unanimous decision of the three arbitrators, then upon the application by either party to a court for an order confirming, modifying or vacating the award, the court shall have the power to review whether, as a matter of law based on the findings of fact determined by the arbitrator, the award should be confirmed, modified or vacated in order to correct any errors of law made by the arbitrator. In order to effectuate such judicial review limited to issues of law, the parties agree (and shall stipulate

to the court) that the findings of fact made by the Arbitrator(s) shall be final and binding on the parties and shall serve as the facts to be submitted to and relied on by the court in determining the extent to which the award should be confirmed, modified or vacated.

11.5 Costs and Attorneys' Fees. If either party fails to proceed with mediation or arbitration as provided herein or unsuccessfully seeks to stay such mediation or arbitration, or fails to comply with any arbitration award, or is unsuccessful in vacating or modifying the award pursuant to a petition or application for judicial review, the other party shall be entitled to be awarded costs, including reasonable attorneys' fees, paid or incurred by such other party in successfully compelling such arbitration or defending against the attempt to stay, vacate or modify such arbitration award and/or successfully defending or enforcing the award.

11.6 Tolling Statute of Limitations. All applicable statutes of limitations and defenses based upon the passage of time shall be tolled while the procedures specified in this Article XI are pending. The parties will take such action, if any, required to effectuate such tolling.

11.7 Special Circumstances. Within six months after the occurrence of any of the following special circumstances:

(a) A material adverse change in the senior management of SunCor in Tempe, Arizona that more likely than not will materially and adversely affect SunCor's ability to develop the Project in accordance with the General Parameters. In the event that the change in senior management described above results from Duane Black ceasing his employment with SunCor for any reason prior to October 1, 2022, the Spring Valley Representative shall have the reasonable right to approve the person succeeding Mr. Black.

(b) Any sale or other disposition of more than a fifty percent controlling stock interest in SunCor (whether by a sale of stock, merger or other form of corporate reorganization) and the failure of the holder of such new controlling stock interest to confirm in writing to the Spring Valley Representative (at the written request of the Spring Valley Representative) the new holder's commitment to cause SunCor to complete the Project in accordance with this Agreement and the Dual Beneficiary Trust Agreement. The parties agree that the holder of the new controlling interest in SunCor shall have a reasonable time of not less than 90 days to respond to any written request by the Spring Valley Representative.

or within three months after the occurrence of one of the following circumstances:

(c) SunCor's voluntary or involuntary filing for bankruptcy or any similar state or insolvency proceedings, if SunCor shall officially reject this Agreement or the Dual Beneficiary Trust Agreement during the course of such proceedings or shall refuse to reaffirm its obligations under this Agreement and the Dual Beneficiary Trust Agreement within 180 days after the commencement of such proceedings.

(d) SunCor's sale or attempt to sell or otherwise dispose of its interest, as Second Beneficiary under the Dual Beneficiary Trust Agreement, in violation of this Agreement.

if there is a good faith written determination by all the First Beneficiaries that the occurrences of such special circumstances will result in SunCor's failure to develop the Core Property and Non-Core Property in accordance with this Agreement or the Trust Agreement, the Spring Valley Representative may take the following actions in the following order at any time within six (6) months after the occurrence of one of the special circumstances described in subsections (a) or (b), and within three (3) months of (c) or (d) above:

(e) Initiate the mediation proceedings of Section 11.4(a) and seek reasonable written assurances from SunCor during the succeeding ninety days in a form satisfactory to the Spring Valley Representative that SunCor will complete the Project in accordance with this Agreement and the Dual Beneficiary Trust Agreement and if such reasonable written assurances are obtained, no further action shall be taken; however,

(f) If the Spring Valley Representative determines in good faith that SunCor has not provided reasonable assurances that SunCor will complete the Project in accordance with this Agreement and the Dual Beneficiary Trust Agreement, the Spring Valley Representative may by written notice to SunCor initiate the arbitration proceedings of Section 11.4(b), and if the arbitrator or panel of arbitrators determines that SunCor has not provided the Spring Valley Representative with reasonable written assurances, the Spring Valley Representative may elect to terminate SunCor's right to develop any phases of the Property not under Current Development, and require the Trustee to reconvey to Spring Valley all Property not under Current Development, whereupon such Property shall no longer be subject to this Agreement. Upon reconveyance, there shall be recorded against the Property that is re-conveyed a mortgage or deed of trust in a form reasonably satisfactory to SunCor evidencing the obligation of Spring Valley and the McLeods, the owners of such reconveyed Property, to make the reimbursement described below and in the following manner: The amount of the reimbursement shall be SunCor's unrecovered costs of construction of utilities and roadways that extend beyond the boundaries of the Property not under Current Development. The reimbursement shall only be due and payable by the McLeods and Spring Valley to SunCor upon transfer in whole or in part of such reconveyed Property to any third party. Spring Valley and the McLeods agree that all transfers of the reconveyed Property shall be bona fide sales intended to maximize the proceeds of sale. Fifty percent (50%) of the gross proceeds of sale or other disposition of any portion of the reconveyed Property shall be paid to SunCor until the entire reimbursement amount due SunCor has been paid in full.

ARTICLE XII

TERMINOLOGY; CONSTRUCTION; TIME PERIODS

12.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Idaho. The proper venue for any legal proceedings

arising out of this Agreement shall be the District Court for Ada County, Fourth District State of Idaho.

12.2 Severable Provisions; Enforceability. Each provision of this Agreement is intended to be severable. If any provision hereof shall be declared by a court of competent jurisdiction to be invalid, illegal or unenforceable for any reason whatsoever, such invalidity, illegality or unenforceability shall not affect the validity of the remainder of this Agreement.

12.3 Further Assurances. From and after the date of this Agreement, Spring Valley and SunCor agree to do such things, perform such acts, and make, execute, acknowledge and deliver such documents as may be reasonably necessary or proper and usual to complete the transactions contemplated by this Agreement and to carry out the purpose of this Agreement in accordance with this Agreement.

12.4 Captions, Headings, Titles. All captions, headings or titles in the sections and paragraphs of this Agreement are inserted for convenience of reference only and shall not constitute a part of this Agreement or a limitation of the scope of the particular section or paragraph to which they apply. All personal pronouns used in this Agreement, whether used in the masculine, feminine or neuter gender shall, where appropriate, include all other genders and the singular shall include the plural and vice a versa.

12.5 Time Periods. If the time fixed for performance of any obligation hereunder expires on a Saturday, Sunday or legal holiday, the deadline shall be extended automatically to the next day that is not a Saturday, Sunday or legal holiday. Except as may be otherwise expressly provided herein, the time for performance of any obligation hereunder shall expire at 5:00 p.m. (Boise, Idaho time) on the last day of the period allowed hereunder.

12.6 Construction. As used in this Agreement, the masculine, feminine and neuter gender and the singular or plural shall each be construed to include the other whenever the context so requires. This Agreement shall be construed as a whole and in accordance with its fair meaning, without regard to any presumption or rule of construction causing this Agreement or any part of it to be construed against the party causing the Agreement to be written. This Agreement was prepared with the assistance of legal counsel for each party, and the parties acknowledge that each has had a full and fair opportunity to review the Agreement. If any words or phrases in this Agreement have been stricken, whether or not replaced by other words or phrases, this Agreement shall be construed (if otherwise clear and unambiguous) as if the stricken matter never appeared and no inference shall be drawn from the former presence of the stricken matters in this Agreement or from the fact that such matters were stricken.

12.7 Waivers. No waiver of any provision of this Agreement or any breach of this Agreement shall be effective unless such waiver is in writing and signed by the waiving party and any such waiver shall not be deemed a waiver of any other provisions of this Agreement or any other or subsequent breach of this Agreement.

12.8 Amendment or Modification. This Agreement may not be amended or modified except by a written agreement signed by Spring Valley, the McLeods, SunCor (or their successors in interest).

12.9 Assignment. SunCor may assign all, or portions of its rights, title and interest hereunder to an Affiliate of SunCor or to a third party to facilitate the financing, corporate redistricting or the development of the Project, including a joint venture, single or multiple member limited liability company or partnership; provided, however, (i) such assignee shall specifically agree to be bound by and assumes the obligations under this Agreement and all other documents and agreements associated herewith, and (ii) such assignee shall have been approved by the Spring Valley Representative in writing, which approval shall not be unreasonably withheld, and (iii) SunCor shall remain responsible for the actions or inactions of such assignee hereunder. SunCor's continuing responsibility may not be assigned or delegated to another person, unless such assignee is a real estate development firm with net worth and net income equal or greater than those of SunCor as of the Close of Escrow, in which case, SunCor shall automatically be released from its obligations under this Agreement and the Trust Agreement, effective upon the execution by the assignee of a written instrument in a form reasonably satisfactory to the Spring Valley Representative assuming full responsibility for such obligations.

(a) If (i) by operation of law because of the dissolution or liquidation of Spring Valley or the death of either one of the McLeods or any shareholder of Spring Valley or their successors or (ii) if any Person who is not an original signatory to this Agreement shall succeed to any interest in the Percentage Payments or any other amounts due hereunder to the McLeods or Spring Valley, the Spring Valley Representative must promptly and irrevocably establish at SunCor's request, and at the sole cost and expense of the McLeods, Spring Valley and their successors and assigns, a permanent disbursement agency with a bank or other financial institution to which SunCor and the Trustee may deposit from time to time any amounts due hereunder or under the Dual Beneficiary Trust Agreement (the "Disbursing Agent") and thereby fully discharge SunCor's and the Trustee's payment obligations as they arise. Neither the Trustee nor SunCor shall have any obligation to account to or tender any reports to any assignee, transferee or pledgee; SunCor's sole obligation shall be to make the payments due to the Disbursing Agent.

(b) No Disbursing Agent or other assignee, transferee, pledgee or other Person claiming any interest in any amounts due hereunder or under the Dual Beneficiary Trust shall have any right or claim superior to that of Spring Valley or the McLeods; and

(c) Neither SunCor nor the Trustee shall have any obligation to any one to determine if funds received by the Disbursing Agent are correctly or timely paid to or applied for the benefit of any other Person, and neither SunCor nor the Trustee shall have any liability to any one for any failure of the Disbursing Agent to properly remit funds it receives.

12.10 Time of Essence. Time is of the essence of this Agreement.

12.11 Cost of Preparation of Documents. Each of the parties hereto shall pay their own attorneys' and accountants' fees incurred in connection with the negotiation and preparation of this Agreement and the Trust Agreement.

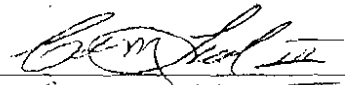
12.12 Counterparts. This Agreement may be executed in counterparts, each of which may contain fewer than all signatures but all of which, together, shall constitute a single instrument.

12.13 Legal Representation. Spring Valley and the McLeods acknowledge and agree that each of them has had the opportunity to review this Agreement and the Dual Beneficiary Trust Agreement with their own legal and tax counsel and their own accountants. Spring Valley and the McLeods also acknowledge and agree that each of them has relied and will continue to rely upon their own advisers in the administration of the transactions governed by this Agreement and the Trust Agreement.

12.14 Tax Representations. Spring Valley and the McLeods acknowledge and agree that SunCor and its advisors have made no representations to Spring Valley or to the McLeods with respect of the tax character or the tax treatment of any amounts payable hereunder or the availability or timing of any tax benefits for any donations of portions of the Core Property and Non-Core Property.

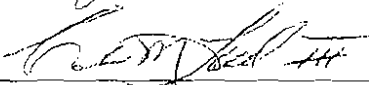
IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first hereinabove written.

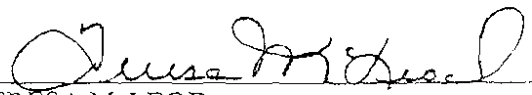
SPRING VALLEY LIVESTOCK COMPANY,
INC., an Idaho corporation.

By: 

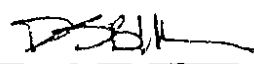
Name: Colin McLeod III

Title: President


COLIN McLEOD III


TERESA McLEOD

SUNCOR DEVELOPMENT COMPANY, an
Arizona corporation

By: 

Name: DUANE F. BLACK

Title: V.P.

EXHIBIT "A-1"

LEGAL DESCRIPTION OF CORE PROPERTY

EXHIBIT A-1

		Colin McLeod						SVL								
Township	Section		# of Qtr			Gov't Lot				# of Qtr			Gov't Lot			
			Qtr Sections			Acres				Qtr Sections			Acres			
			Core	Non- Core	Excl	Core	Non- Core	Excl		Core	Non- Core	Excl	Core	Non- Core	Excl	
T05N01E	1	Gov't Lot 1, S 1/2 of NE 1/4, W 1/2 of SE 1/4, SE 1/4 of SW 1/4 *	5			18.77				10						
	2									10			85.2			
	3	E 1/2 of SW 1/4, SE 1/4		6						3			42.84	121.3		
	4	S 1/2 of NW 1/4, S 1/2		10						1				77.5		
	5	NE 1/4 of SE 1/4		1						2				77.0		
	7	Gov't Lot 4				30.0				2						
	8	S 1/2 of NE 1/4, E 1/2 of NW 1/4, N 1/2 of SW 1/4, SW 1/4 of SW 1/4		7						1						
	9									15						
	10	SE 1/4 of NE 1/4		1						4						
	11	S 1/2 of NW 1/4		2						2						
	12	NW 1/4 of NE 1/4, NE 1/4 of NW 1/4	2							14						
	13									14						
	17	NW 1/4, N 1/2 of SW 1/4		6												
	18	Gov't Lots 1 and 2				59.2				11						
	19	Gov't Lots 1 and 2				60.2				10						
	20									3						
	T05N02E	4									2				178.6	
		5									8					
6										3	9		40.12	81.6		
7										S 1/2						
8										All *						
9										All *						
10										S 1/2 within Ada Cty, NE 1/2 of NE 1/4, S 1/2 of NE 1/4, N 1/2 of NW 1/4, SE 1/4 of NW 1/4, NE 1/4 of SW 1/4 in Bouse Cty, SE 1/4, S 1/2 of S 1/2 within Bouse Cty						
14										W 1/2 of NE 1/4, N 1/2 of NW 1/4						
15										NE 1/4 of NE 1/4, S 1/2 of NE 1/4, SE 1/4 of SW 1/4, NW 1/4 & S 1/2 of SE 1/4						
16										S 1/2 of S 1/2						
17										N 1/2 of NE 1/4, NE 1/4 of NW 1/4	2	7				
18										S 1/2 of NW 1/4, SW 1/4						
19										SE 1/4 of SE 1/4						
20										N 1/2 of NE 1/4, N 1/2 of NW 1/4	1					
21		NW 1/4 of NE 1/4 *	1							8	3					
22										SW 1/4 of NW 1/4, W 1/2 of SW 1/4, SE 1/4 of SW 1/4, NW 1/4 of SE 1/4						
23										S 1/2 of SE 1/4						
24										All *	16					
27									N 1/2 of N 1/2, SE 1/4 of NW 1/4, E 1/2 of SE 1/4 *	7						
28									All *	16						
29									All except NW 1/4 of NE 1/4 *	15						
30									All	16						
T05N01W	10									N 1/2, N 1/2 of SW 1/4, N 1/2 of SE 1/4, SE 1/4 of SE 1/4	13					
	11	SW 1/4 of NE 1/4, S 1/2 of NW 1/4, S 1/2		11						NW 1/4	4					
	12	SE 1/4 of NW 1/4, N 1/2 of SW 1/4		9						NW 1/4 of NW 1/4	1					

EXHIBIT A-1

		Colin McLeod						SVL					
Township	Section	F of Otr						Gov't Lot					
		Otr Sections						Acres					
		Core	Non-	Excl	Core	Non-	Excl	Core	Non-	Excl	Core	Non-	Excl
T05N01W		S 1/2 of NE 1/4; SE 1/4											
	13	NE 1/4 of NE 1/4; NW 1/4 of NE 1/4; S 1/2 of NE 1/4; SE 1/4 of NW 1/4; S 1/2 of SW 1/4											
	14	N 1/2 of NE 1/4; SE 1/4 of NE 1/4; S 1/2 of NW 1/4; N 1/2 of SE 1/4; SW 1/4 of SE 1/4; NE 1/4 of SW 1/4						N 1/2 of NW 1/4; SE 1/4 of SW 1/4; SW 1/4 of NE 1/4					
	15							NE 1/4 of NE 1/4					
	22	SE 1/4 of NE 1/4; NE 1/4 of SE 1/4											
	23	S 1/2 of SW 1/4; NE 1/4 of NE 1/4; S 1/2 of NE 1/4; S 1/2 of NW 1/4; N 1/2 of SW 1/4; N 1/2 of SE 1/4; SW 1/4 of SE 1/4; NW 1/4 of NE 1/4											
	24	S 1/2 of NE 1/4; W 1/2 of NW 1/4; SE 1/4 of NW 1/4; NE 1/4 of SW 1/4; N 1/2 of SE 1/4											
	26	NW 1/4 of NW 1/4											
	27	NE 1/4 of NE 1/4											
T06N01E	12							Gov't Lots 1,2,3,4,5,6					
	13							Gov't Lots 1,2,3,4,5,6,7,8; SE 1/4; E 1/2 of SW 1/4; SW 1/4 of SW 1/4					
	14							Gov't Lots 5 & 6					
	21							Gov't Lots 4,5,7,8					
	22							Gov't Lots 2,3,6; NW 1/4 of SW 1/4; SE 1/4; NE 1/4 of NW 1/4; E 1/2 of SW 1/4					
	23							Gov't Lots 2,3,5,6; SE 1/4; SW 1/4; SE 1/4 of NW 1/4					
	24							All					
	25							All					
	26							All					
	27							NE 1/4; SE 1/4; E 1/2 of NW 1/4; E 1/2 of SW 1/4; SW 1/4 of SW 1/4					
	28							SE 1/4; SE 1/4 of NE 1/4					
	33							E 1/2					
	34							E 1/2; SW 1/4; E 1/2 of NW 1/4; SW 1/4 of NW 1/4					
	35							N 1/2; SW 1/4					
	36							S 1/2 of SE 1/4; NE 1/4 of SW 1/4					
T06N02E	7							Gov't Lots 3,4,10,11; E 1/2 of SW 1/4					
	13							NE 1/4; E 1/2 of NW 1/4; NE 1/4 of SW 1/4; S 1/2 of SW 1/4; SE 1/4					
	14							S 1/2					
	15							S 1/2					
	17							2 parcels within SE 1/4 of SE 1/4					
	18							W 1/2 of NE 1/4; E 1/2 of NW 1/4; NE 1/4 of SW 1/4; Gov't Lots 1,2,3,4					
	19							S 1/2 of NE 1/4; SW 1/4; SE 1/4					
	20							All					
	21							S 1/2; NE 1/4; NW 1/4 & S 1/2 of NW 1/4					
	22							All					
	23							NE 1/4 W 1/2					
	24							E 1/2; NW 1/4 of NW 1/4					
	27							All					
	28							N 1/2; N 1/2 of S 1/2; SE 1/4 of SE 1/4					
	29							All					
	30							All					
	31							E 1/2; E 1/2 of W 1/2; Gov't Lots 2,3,4					
	32							N 1/2; N 1/2 of S 1/2; S 1/2 of SW 1/4; SW 1/4 of SE 1/4					
	33							N 1/2 of NW 1/4; NW 1/4 of SW 1/4; S 1/2 of SW 1/4					
	34							E 1/2; E 1/2 of NW 1/4					
	35							NE 1/4 of SW 1/4; S 1/2 of SW 1/4					

EXHIBIT A-1

		Colin McLeod						SVL						
Township	Section		# of Qtr			Gov't Lot			# of Qtr			Gov't Lot		
			Qtr Sections			Acres			Qtr Sections			Acres		
			Core	Non- Core	Excl	Core	Non- Core	Excl	Core	Non- Core	Excl	Core	Non- Core	Excl
T06N03E	1	Gov't Lot 4; SW 1/4 of NW 1/4; W 1/2 of SW 1/4			3			37.4						
	2	Gov't Lot 1; S 1/2 of NE 1/4; N 1/2 of SW 1/4; SE 1/4 of SW 1/4; NE 1/4 of SE 1/4			6			37.1						
	3	S 1/2 of N 1/2; S 1/2			12									
	4	NE 1/4 of SW 1/4; S 1/2 of SW 1/4; SE 1/4			7									
	5	S 1/2 of SE 1/4			2									
	7	SE 1/4 of SW 1/4			1			E 1/2					8	
	8	E 1/2; S 1/2 of SE 1/4			8			W 1/2					8	
	9	All *			16									
	10	N 1/2 of N 1/2			4									
	11	NW 1/4 of NW 1/4			1									
	17							All					16	
	18							All					16	
	19							All					16	
	20							SE 1/4 of NE 1/4; W 1/2 of NW 1/4; SW 1/4; NE 1/4 of SE 1/4; S 1/2 of SE 1/4; N 1/2 of N 1/2					10	
	30												4	
		Total # of 1/4 Sections	8	94	60				294	339	106			
		Acres per 1/4 Section	40	40	40				40	40	40			
		Subtotal Acres	320	3760	2400	19	149.4	74.5	11760	13560.0	4240.0	428	1638.1	0.0
									less 1 acre, Sect 12, T06N03E	-1				
		Subtotal Core Acres	339						Subtotal Core Acres	12187				
		Subtotal Non-Core Acres	3909						Subtotal Non-Core Acres	15198				
		Subtotal Excluded Acres	2475						Subtotal Excluded Acres	4240				
		Total	6723						Total	31625				
		Ranch Property Total	38348											
		Total Core Acres	12526											
		Total Non-Core Acres	19107											
		Total Contract Acres	31633											
		Total Excluded Acres	6715											
		* contain exceptions per the title report												
NOTE: The above information was obtained from the preliminary title report prepared by Pioneer Title on March 4, 2002														

NOTE: The above information was obtained from the preliminary title report prepared by Pioneer Title on March 4, 2002

EXHIBIT "A-2"

LEGAL DESCRIPTION OF NON-CORE PROPERTY

EXHIBIT A-2

		Colin McLeod						SVL								
Township	Section		# of Qtr			Gov't Lot				# of Qtr			Gov't Lot			
			Qtr Sections			Acres				Qtr Sections			Acres			
			Core	Non-Core	Excl	Core	Non-Core	Excl		Core	Non-Core	Excl	Core	Non-Core	Excl	
T05N01E	1	Gov't Lot 2, S 1/2 of NE 1/4, W 1/2 of SE 1/4, SE 1/4 of SW 1/4 *	5			18.77				NW 1/4, N 1/2 of SW 1/4, SW 1/4 of SW 1/4, E 1/2 of SE 1/4, NW 1/4 of NE 1/4 *	10					
	2									Gov't Lots 3 & 4, S 1/2 of NW 1/4, SW 1/4, SE 1/4		10	85.2			
	3	E 1/2 of SW 1/4, SE 1/4		6						Gov't Lots 1, 2, 3, 4, S 1/2 of NE 1/4 SE 1/4 of NW 1/4		3	42.84	121.32		
	4	S 1/2 of NW 1/4, S 1/2		10						Gov't Lots 1 & 4, SE 1/4 of NE 1/4		1		77.53		
	5	NE 1/4 of SE 1/4		1						Gov't Lots 1 & 2, S 1/2 of NE 1/4		2		76.97		
	7	Gov't Lot 4					30			SE 1/4 of SW 1/4, SW 1/4 of SE 1/4		2				
	8	S 1/2 of NE 1/4, E 1/2 of NW 1/4, N 1/2 of SW 1/4, SW 1/4 of SW 1/4		7						SE 1/4 of SE 1/4		1				
	9									N 1/2 of NE 1/4, SW 1/4 of NE 1/4, NW 1/4, S 1/2		15				
	10	SE 1/4 of NE 1/4		1						SW 1/4		4				
	11	S 1/2 of NW 1/4		2						N 1/2 of NE 1/4		2				
	12	NW 1/4 of NE 1/4, NE 1/4 of NW 1/4,	2							S 1/2 of N 1/2, NW 1/4 of NW 1/4, NE 1/4 of NE 1/4, S 1/2 *	14					
	13									N 1/2, N 1/2 of SW 1/4, SE 1/4	14					
	17	NW 1/4, N 1/2 of SW 1/4		6												
	18	Gov't Lots 1 and 2				59.24				NW 1/4 of NE 1/4, S 1/2 of NE 1/4, E 1/2 of NW 1/4, E 1/2 of SW 1/4, SE 1/4		11				
	19	Gov't Lots 1 and 2				60.16				NE 1/4, E 1/2 of NW 1/4, SE 1/4, SW 1/4 of NW 1/4, W 1/2 of SW 1/4		10				
	20									N 1/2 of NE 1/4	2	3				
	24									Gov't Lots 1, 2, 3, S 1/2 of NE 1/4, S 1/2 of NW 1/4, SW 1/4		8	128.55			
	T05N02E	4									Gov't Lots 2, 3, 4, S 1/2 of N 1/2	3	9	40.12	81.56	
5										S 1/2						
6										All *	16					
7										All *	16					
8										S 1/2 within Ada Cty, NE 1/2 of NE 1/4, S 1/2 of NE 1/4, N 1/2 of NW 1/4, SE 1/4 of NW 1/4, NE 1/4 of SW 1/4 in Boise Cty, SE 1/4, S 1/2 of S 1/2		15				
9										Within Boise Cty						
10										W 1/2 of NE 1/4, N 1/2 of NW 1/4	4	7				
14										NE 1/4 of NE 1/4, S 1/2 of NE 1/4, SE 1/4 of SW 1/4, NW 1/4 & S 1/2 of SE 1/4		4				
15										S 1/2 of S 1/2	2	7				
16										N 1/2 of NE 1/4, NE 1/4 of NW 1/4, S 1/2 of NW 1/4, SW 1/4	1	3				
17										SE 1/4 of SE 1/4	8					
18										N 1/2 of NE 1/4, N 1/2 of NW 1/4						
19										SW 1/4 of NW 1/4, W 1/2 of SW 1/4, SE 1/4 of SW 1/4, NW 1/4 of SE 1/4						
20										S 1/2 of SE 1/4	16					
21		NW 1/4 of NE 1/4 *	1							All *	15					
22										All except NW 1/4 of NE 1/4 *	16					
23										All		13				
24										N 1/2, N 1/2 of SW 1/4, N 1/2 of SE 1/4, SE 1/4 of SE 1/4		4				
27									NW 1/4	1	1					
28									NW 1/4 of NW 1/4	4	2					
29									N 1/2 of N 1/2	5						
30									N 1/2 of NW 1/4							
									N 1/2 of NE 1/4, SE 1/4 of NE 1/4, E 1/2 of NW 1/4, Gov't Lot 2 *				42.78			
T05N01W	10									E 1/2 of SE 1/4	2					
	11	SW 1/4 of NE 1/4, S 1/2 of NW 1/4, S 1/2		11												
	12	SE 1/4 of NW 1/4, N 1/2 of SW 1/4,		9												

EXHIBIT A-2

Colin McLeod										SVL									
Township	Section		# of Qtr			Gov't Lot				# of Qtr			Gov't Lot						
			Qtr Sections			Acres				Qtr Sections			Acres						
			Core	Non- Core	Excl	Core	Non- Core	Excl		Core	Non- Core	Excl	Core	Non- Core	Excl				
T05N01W		S 1/2 of NE 1/4, SE 1/4																	
	13	NE 1/4 of NE 1/4, NW 1/4 of NE 1/4, S 1/2 of NE 1/4, SE 1/4 of NW 1/4, S 1/2 of SW 1/4		7															
	14	N 1/2 of NE 1/4, SE 1/4 of NE 1/4, S 1/2 of NW 1/4, N 1/2 of SE 1/4, SW 1/4 of SE 1/4, NE 1/4 of SW 1/4		9						4									
	15									1									
	22	SE 1/4 of NE 1/4, NE 1/4 of SE 1/4		2															
	23	S 1/2 of SW 1/4, NE 1/4 of NE 1/4, S 1/2 of NE 1/4, S 1/2 of NW 1/4, N 1/2 of SW 1/4, N 1/2 of SE 1/4, SW 1/4 of SE 1/4, NW 1/4 of NE 1/4		13															
	24	S 1/2 of NE 1/4, W 1/2 of NW 1/4, SE 1/4 of NW 1/4, NE 1/4 of SW 1/4, N 1/2 of SE 1/4		8															
	26	NW 1/4 of NW 1/4		1															
	27	NE 1/4 of NE 1/4		1															
T06N01E	12														218.16				
	13									7					290.88				
	14														72.72				
	21														145.44				
	22									2	6				109.08				
	23									9					145.44				
	24									16									
	25									16									
	26									16									
	27										13								
	28										5								
	33										8								
	34									1	14								
	35									12									
	36									5									
T06N02E	7									2					131.95				
	13										13								
	14									2	6								
	15									8									
	17																		
	18										5				141.12				
	19									10									
	20									15	1								
	21										15								
	22									16									
	23									12									
	24										9								
	27									16									
	28									8	5								
	29									8	8								
	30									16									
	31									12					114.24				
	32									1	14								
	33										5								
	34									10									
	35									3									

Dim

EXHIBIT A-2

		Colin McLeod						SVL									
Township	Section	# of Qtr			Gov't Lot			# of Qtr			Gov't Lot						
		Qtr Sections			Acres			Qtr Sections			Acres						
		Core	Non-Core	Excl	Core	Non-Core	Excl	Core	Non-Core	Excl	Core	Non-Core	Excl				
T06N03E	1	Gov't Lot 4, SW 1/4 of NW 1/4; W 1/2 of SW 1/4					3			37.4							
	2	Gov't Lot 1; S 1/2 of NE 1/4; N 1/2 of SW 1/4; SE 1/4 of SW 1/4; NE 1/4 of SE 1/4					6			37.1							
	3	S 1/2 of N 1/2, S 1/2					12										
	4	NE 1/4 of SW 1/4, S 1/2 of SW 1/4, SE 1/4					7										
	5	S 1/2 of SE 1/4					2										
	7	SE 1/4 of SW 1/4					1			E 1/2					8		
	8	E 1/2, S 1/2 of SE 1/4					8			W 1/2					8		
	9	All *					15										
	10	N 1/2 of N 1/2					4										
	11	NW 1/4 of NW 1/4					1										
	17														16		
	18									All					16		
	19									All					16		
	20														10		
											SE 1/4 of NE 1/4, W 1/2 of NW 1/4, SW 1/4, NE 1/4 of SE 1/4, S 1/2 of SE 1/4 N 1/2 of N 1/2				4		
	30																
	Total # of 1/4 Sections		8	94	60							294	339	106			
	Acres per 1/4 Section		40	40	40							40	40	40			
	Subtotal Acres		320	3760	2400	19	149	74.5				11760	13560	4240.0	428	1638	0.0
											Less 1 acre, Sect 12, T05N01E	-1					
	Subtotal Core Acres		339								Subtotal Core Acres	12187					
	Subtotal Non-Core Acres		3909								Subtotal Non-Core Acres	15198					
	Subtotal Excluded Acres		2475								Subtotal Excluded Acres	4240					
	Total		6723								Total	31625					
Ranch Property Total		38348															
Total Core Acres		12526															
Total Non-Core Acres		19107															
Total Contract Acres		31633															
Total Excluded Acres		6715															

* contain exceptions per the title report

NOTE: The above information was obtained from the preliminary title report prepared by Pioneer Title on March 4, 2002

D112

EXHIBIT "A-3"

LEGAL DESCRIPTION OF EXCLUDED PROPERTY

TOTAL ACREAGE: 6,700 ACRES (More or Less)

EXHIBIT A-3

		Colin McLeod						SVL						
Township	Section		# of Qtr			Gov't Lot			# of Qtr			Gov't Lot		
			Qtr Sections			Acres			Qtr Sections			Acres		
			Core	Non-Core	Excl	Core	Non-Core	Excl	Core	Non-Core	Excl	Core	Non-Core	Excl
T05N01E	1	Gov't Lot 1, S 1/2 of NE 1/4, NW 1/2 of SE 1/4, SE 1/4 of SW 1/4	5			18.77			NW 1/4, N 1/2 of SW 1/4, SW 1/4 of SW 1/4, E 1/2 of SE 1/4, NW 1/4 of NE 1/4	10				
	2								Gov't Lots 3 & 4, S 1/2 of NW 1/4, SW 1/4, SE 1/4	10		85.2		
	3	E 1/2 of SW 1/4, SE 1/4		6					Gov't Lots 1, 2, 3, S 1/2 of NE 1/4, SE 1/4 of NW 1/4	3		42.84	121.32	
	4	S 1/2 of NW 1/4, S 1/2		10					Gov't Lots 1 & 4, SE 1/4 of NE 1/4, Gov't Lots 1 & 2, S 1/2 of NE 1/4	1			77.53	
	5	NE 1/4 of SE 1/4		1					SE 1/4 of SW 1/4, SW 1/4 of SE 1/4	2			76.97	
	7	Gov't Lot 4				30			SE 1/4 of SE 1/4	2				
	8	S 1/2 of NE 1/4, E 1/2 of NW 1/4, N 1/2 of SW 1/4, SW 1/4 of SW 1/4		7						1				
	9								N 1/2 of NE 1/4, SW 1/4 of NE 1/4, NW 1/4, S 1/2	15				
	10	SE 1/4 of NE 1/4		1					SW 1/4	4				
	11	S 1/2 of NW 1/4		2					N 1/2 of NE 1/4	2				
	12	NW 1/4 of NE 1/4, NE 1/4 of NW 1/4	2						S 1/2 of N 1/2, NW 1/4 of NW 1/4, NE 1/4 of NE 1/4, S 1/2	14				
	13								N 1/2, N 1/2 of SW 1/4, SE 1/4	14				
	17	NW 1/4, N 1/2 of SW 1/4		6										
	18	Gov't Lots 1 and 2				59.24			NW 1/4 of NE 1/4, S 1/2 of NE 1/4, E 1/2 of NW 1/4, E 1/2 of SW 1/4, SE 1/4	11				
	19	Gov't Lots 1 and 2				60.16			NE 1/4, E 1/2 of NW 1/4, SE 1/4	10				
	20								SW 1/4 of NW 1/4, W 1/2 of SW 1/4	3				
	24								N 1/2 of NE 1/4	2				
	T05N02E	4								Gov't Lots 1, 2, 3, S 1/2 of NE 1/4, S 1/2 of NW 1/4, SW 1/4	8		128.55	
5									Gov't Lots 2, 3, 4, S 1/2 of N 1/2, S 1/2	3	9	40.12	81.56	
6									All	16				
7									All	16				
8									S 1/2 within Ada Cty, NE 1/2 of NE 1/4, S 1/2 of NE 1/4, N 1/2 of NW 1/4, SE 1/4 of NW 1/4, NE 1/4 of SW 1/4 in Boise Cty; SE 1/4, S 1/2 of S 1/2 within Boise Cty	15				
9									W 1/2 of NE 1/4, N 1/2 of NW 1/4	4				
10									NE 1/4 of NE 1/4, S 1/2 of NE 1/4, SE 1/4 of SW 1/4, NW 1/4 & S 1/2 of SE 1/4	7				
14									S 1/2 of S 1/2	4				
15									N 1/2 of NE 1/4, NE 1/4 of NW 1/4, S 1/2 of NW 1/4, SW 1/4	2	7			
16									SE 1/4 of SE 1/4	1				
17									N 1/2 of NE 1/4, N 1/2 of NW 1/4, SW 1/4 of NW 1/4, W 1/2 of SW 1/4, SE 1/4 of SW 1/4, NW 1/4 of SE 1/4	8	3			
18									S 1/2 of SE 1/4					
19									All	16				
20									N 1/2 of N 1/2, SE 1/4 of NW 1/4, E 1/2 of SE 1/4	7				
21		NW 1/4 of NE 1/4	1						All	16				
22									All except NW 1/4 of NE 1/4	15				
23									All	16				
24									N 1/2, N 1/2 of SW 1/4, N 1/2 of SE 1/4, SE 1/4 of SE 1/4	13				
27								NW 1/4	4					
28								NW 1/4 of NW 1/4	1					
29								N 1/2 of N 1/2	4					
30								N 1/2 of NW 1/4	2					
								N 1/2 of NE 1/4, SE 1/4 of NE 1/4 E 1/2 of NW 1/4, Gov't Lot 2	5		42.78			
T05N01W	10								E 1/2 of SE 1/4	2				
	11	SW 1/4 of NE 1/4, S 1/2 of NW 1/4, S 1/2		11										
	12	SE 1/4 of NW 1/4, N 1/2 of SW 1/4		9										

EXHIBIT A-3

		Colin McLeod						SVL					
Township	Section	# of Qtr			Gov't Lot			# of Qtr			Gov't Lot		
		Qtr Sections			Acres			Qtr Sections			Acres		
		Core	Non-Core	Excl	Core	Non-Core	Excl	Core	Non-Core	Excl	Core	Non-Core	Excl
T05N01W		S 1/2 of NE 1/4, SE 1/4											
	13	NE 1/4 of NE 1/4; NW 1/4 of NE 1/4; S 1/2 of NE 1/4; SE 1/4 of NW 1/4; S 1/2 of SW 1/4											
	14	N 1/2 of NE 1/4, SE 1/4 of NE 1/4; S 1/2 of NW 1/4, N 1/2 of SE 1/4; SW 1/4 of SE 1/4; NE 1/4 of SW 1/4											
	15												
	22	SE 1/4 of NE 1/4, NE 1/4 of SE 1/4											
	23	S 1/2 of SW 1/4, NE 1/4 of NE 1/4; S 1/2 of NE 1/4, S 1/2 of NW 1/4; N 1/2 of SW 1/4, N 1/2 of SE 1/4; SW 1/4 of SE 1/4, NW 1/4 of NE 1/4											
	24	S 1/2 of NE 1/4; W 1/2 of NW 1/4; SE 1/4 of NW 1/4, NE 1/4 of SW 1/4; N 1/2 of SE 1/4											
	26	NW 1/4 of NW 1/4											
	27	NE 1/4 of NE 1/4											
T06N01E	12											218.16	
	13											290.88	
	14											72.72	
	21											145.44	
	22											109.08	
	23											145.4	
	24												
	25												
	26												
	27												
	28												
	33												
	34												
T06N02E	7											131.95	
	13												
	14												
	15												
	17												
	18											141.12	
	19												
	20												
	21												
	22												
	23												
	24												
	27												
	28												
	29												
	30												
	31												
	32											114.4	
	33												
	34												
	35												

EXHIBIT A-3

		Colin McLeod						SVL							
Township	Section		# of Otr			Gov't Lot			# of Otr			Gov't Lot			
			Qtr Sections			Acres			Qtr Sections			Acres			
			Core	Non-Core	Excl	Core	Non-Core	Excl	Core	Non-Core	Excl	Core	Non-Core	Excl	
TO6NOSE	1	GOVT LOT 4, SW 1/4 of NW 1/4, W 1/2 of SW 1/4			3			37.4							
	2	GOVT LOT 1, S 1/2 of NE 1/4, N 1/2 of SW 1/4, SE 1/4 of SW 1/4, NE 1/4 of SE 1/4			6			37.1							
	3	S 1/2 of N 1/2, S 1/2			12										
	4	NE 1/4 of SW 1/4, S 1/2 of SW 1/4 SE 1/4			7										
	5	S 1/2 of SE 1/4			2										
	7	SE 1/4 of SW 1/4			1			E 1/2				8			
	8	E 1/2, S 1/2 of SE 1/4			8			W 1/2				8			
	9	All -			16										
	10	N 1/2 of N 1/2			4										
	11	NW 1/4 of NW 1/4			1										
	17							All				16			
	18							All				16			
	19							All				16			
	20							SE 1/4 of NE 1/4, W 1/2 of NW 1/4, SW 1/4, NE 1/4 of SE 1/4, S 1/2 of SE 1/4, N 1/2 of N 1/2				10			
	30											4			
		Total # of 1/4 Sections	8	94	60					294	339	106			
		Acres per 1/4 Section	40	40	40					40	40	40			
		Subtotal Acres	320	3760	2400	19	149	75		11760	13560	4240	428	1638	0
									Less 1 acre, Sect 12, TO6NOSE	-1					
		Subtotal Core Acres	339						Subtotal Core Acres	12187					
		Subtotal Non-Core Acres	3909						Subtotal Non-Core Acres	15198					
		Subtotal Excluded Acres	2475						Subtotal Excluded Acres	4240					
		Total	6723						Total	31625					
		Ranch Property Total	38348												
		Total Core Acres	12526												
		Total Non-Core Acres	19107												
		Total Contract Acres	31633												
		Total Excluded Acres	6715												
		* contain exceptions per the title report													

NOTE: The above information was obtained from the preliminary title report prepared by Pioneer Title on March 4, 2002.

EXHIBIT "B"

FORM OF DUAL BENEFICIARY TRUST AGREEMENT

ATTACHMENT E

**AVIMOR, LLC
BUSINESS ENTITY INFORMATION**



IDAHO SECRETARY OF STATE

Viewing Business Entity

Ben Ysursa, Secretary of State

[[New Search](#)] [[Back to Summary](#)]
 [[Get a certificate of existence for AVIMOR, LLC](#)]

AVIMOR, LLC

485 E RIVERSIDE DR STE 300
 EAGLE, ID 83616

Type of Business: LIMITED LIABILITY COMPANY

Status: EXISTING, ANREPT SENT 02 May 2008

State of Origin: IDAHO

Date of 22 Jul 2003

Origination/Authorization:

Current Registered Agent: CT CORPORATION SYSTEM
 1111 W JEFFERSON STE 530
 BOISE, ID USA 83702

File Number: W25199

Date of Last Annual Report: 14 May 2008

Original Filing:

Filed 22 Jul 2003 ARTICLES OF ORGANIZATION
 [[Help Me Print/View TIFF](#)]
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Amendments:

Amendment Filed 22 Jan 2004 NAME CHANGED TO SUNCOR IDAHO, LLC
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Amendment Filed 07 Mar 2006 NAME CHANGED TO AVIMOR, LLC
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Amendment Filed 18 Apr 2006 AMENDED & RESTATED
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Annual Reports:

Report for year 2008 ANNUAL REPORT
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Report for year 2007 ANNUAL REPORT
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Report for year 2006 ANNUAL REPORT
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Report for year 2005 ANNUAL REPORT
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Report for year 2005 CHNG RA/RO
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Report for year 2004 ANNUAL REPORT
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[Idaho Secretary of State's Main Page](#)

[State of Idaho Home Page](#)

Comments, questions or suggestions can be emailed to: sosinfo@sos.idaho.gov

No. W 25199	Due no later than Jul 31, 2008 Annual Report Form		2. Registered Agent and Address (NO PO BOX)														
Return to: SECRETARY OF STATE 700 WEST JEFFERSON PO BOX 83720 BOISE, ID 83720-0080 NO FILING FEE IF RECEIVED BY DUE DATE	1. Mailing Address: Correct in this box if needed. AVIMOR, LLC DAN RICHTER 485 E RIVERSIDE DR STE 300 EAGLE ID 83616		CT CORPORATION SYSTEM 1111 W JEFFERSON STE 530 BOISE ID 83702- USA														
		3. <u>New</u> Registered Agent Signature: *															
4. Limited Liability Companies: Enter Names and Addresses of Managers OR Members. <table border="1"> <thead> <tr> <th>Office Held</th> <th>Name</th> <th>Street or PO Address</th> <th>City</th> <th>State</th> <th>Country</th> <th>Postal Code</th> </tr> </thead> <tbody> <tr> <td>MEMBER</td> <td>SUNCOR IDAHO INC</td> <td>485 E RIVERSIDE DR STE 300</td> <td>EAGLE</td> <td>ID</td> <td>USA</td> <td>83616</td> </tr> </tbody> </table>				Office Held	Name	Street or PO Address	City	State	Country	Postal Code	MEMBER	SUNCOR IDAHO INC	485 E RIVERSIDE DR STE 300	EAGLE	ID	USA	83616
Office Held	Name	Street or PO Address	City	State	Country	Postal Code											
MEMBER	SUNCOR IDAHO INC	485 E RIVERSIDE DR STE 300	EAGLE	ID	USA	83616											
5. Organized Under the Laws of: ID W 25199	6. Annual Report must be signed.* Signature: Georgia L. Moraga Name (type or print): Georgia L. Moraga Date: 05/14/2008 Title: Paralegal																
Processed 05/14/2008	*Electronically provided signatures are accepted as original signatures.																