

Please print or type. Attach pages with additional information. Instructions are included at the end of this form.
Incomplete forms will be returned.

- 07/23/2003 15:25

6. If the change in ownership affects the entire water right for each water right or adjudication claim number listed in item 1, THEN SKIP THIS ITEM AND GO TO ITEM 7. If the change in ownership divides the water right(s) among multiple owners, you must describe, in detail, your portion of each water right after the change. Fill in the appropriate spaces in the box(es) below to describe your water right(s) after the change (one water right per box, you may copy this page as necessary). If your quantity of water is greater than a proportionate split, you must attach documentation to show justification for a larger amount. If you are not sure how to identify your portion of the original water right or adjudication claim records, please contact the nearest IDWR office for assistance.

DESCRIPTION OF YOUR PORTION OF WATER RIGHT (If the right(s) will not be split, skip this area and proceed to item 7)		
Water Right and/or Adjudication Claim Number _____		
Water Use	Diversion Rate or Volume (cubic feet per second or acre-feet per annum)	Description (acres, number and type of stock, homes, etc)
Irrigation	_____	_____
Stock	_____	_____
Domestic	_____	_____
Other _____	_____	_____
Total	_____	

DESCRIPTION OF YOUR PORTION OF WATER RIGHT (If the right(s) will not be split, skip this area and proceed to item 7)		
Water Right and/or Adjudication Claim Number _____		
Water Use	Diversion Rate or Volume (cubic feet per second or acre-feet per annum)	Description (acres, number and type of stock, homes, etc)
Irrigation	_____	_____
Stock	_____	_____
Domestic	_____	_____
Other _____	_____	_____
Total	_____	

7. Signature of New Owner(s) or Claimant(s)
(include title if applicable)

Maurice May

For Snake River Basin Adjudication Claims: Please attach a Notice of Appearance completed by your attorney, if you wish IDWR to correspond with him/her for all matters related to your claims.

For Office Use Only

Received by _____ Date _____ Fee _____
 Received by _____ Date _____ Receipt No. _____
 Processed by _____ AJ Date _____ WR _____ Date _____



Order No. 0622540

CORPORATION WARRANTY DEED

FOR VALUE RECEIVED

ANCHOR, INC, an Idaho Corporation, as to an undivided 60% interest

a corporation duly organized and existing under the laws of the State of Idaho, does hereby grant, bargain, sell, and convey unto

GARY MCSTAY and MARI MCSTAY, husband and wife

the Grantees whose current address is: Box 777, Bellevue ID 83313

the following described premises, in **CAMAS COUNTY, IDAHO**, to-wit:
Township 1 South, Range 16 East of the Boise Meridian, Camas County, Idaho
Section 10: NE1/4SW1/4, NW1/4SE1/4

SUBJECT TO: Taxes, easements, restrictions, reservations, assessments and encumbrances as shown of record, if any.

Grantor Warrants to the Grantee and its successors in title, that Grantor has not created nor permitted to be created any lien, charge or encumbrance against said real estate which is not shown herein, and Grantor covenants that it will defend said premises to the extent of the warranties made herein against the lawful claims of all persons.

TO HAVE AND TO HOLD the said premises, with their appurtenances unto the said Grantees, their heirs and assigns forever.

IN WITNESS WHEREOF, The Grantor, pursuant to a resolution of its Board of Directors has caused its corporate name to be hereunto subscribed by its President.

May 11, 2006

Anchor, Inc.

Bruce Bothwell, President

State of: Idaho

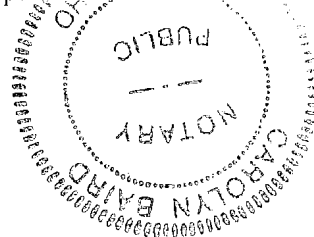
County of: Blaine

On this 12 day of May, 2006, before me, the undersigned, a Notary Public, in and for said State, personally appeared **BRUCE BOTHWELL**, known to me, and/or identified to me on the basis of satisfactory evidence, to be the **President** of the corporation that executed this instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

Notary Public

Residing at: Harley

Commission Expires: 1/23/2009





Order No. 0622540

WARRANTY DEED

FOR VALUE RECEIVED

ED TERRAZAS, an unmarried man, as to an undivided 24.00% interest and JACKIE WESELOH, an unmarried woman, as to an undivided 16.00% interest

the Grantors do hereby grant, bargain, sell, convey and warrant unto

GARY MCSTAY AND MARI MCSTAY, husband and wife

the Grantees whose current address is: **Box 777, Bellevue ID 83313**

the following described premises, in **CAMAS COUNTY, IDAHO**, to-wit:

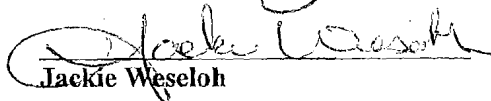
Township 1 South, Range 16 East of the Boise Meridian, Camas County, Idaho
Section 10: NE1/4SW1/4, NW1/4SE1/4

SUBJECT TO: Taxes, easements, restrictions, reservations, assessments and encumbrances as shown of record, if any.

TO HAVE AND TO HOLD the said premises, with their appurtenances unto the said Grantees, their heirs and assigns forever. And the said Grantors do hereby covenant to and with the said Grantees, that they are the owners in fee simple of said premises; that said premises are free from all encumbrances and that they will warrant and defend the same from all lawful claims whatsoever.

May 11, 2006


Ed. Terrazas


Jackie Weseloh

State of: Idaho
County of: _____

On this 15 day of May, 2006, before me, the undersigned, a Notary Public, in and for said State, personally appeared **ED TERRAZAS** and **JACKIE WESELOH**, known to me, and/or identified to me on the basis of satisfactory evidence, to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

Notary Public _____
Residing at: _____
Commission Expires: _____

SEE ATTACHED CERTIFIC

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of

Orange

} ss.

On

May 15, 2006

before me,

Ashley M. Faust "Notary Public"

Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared

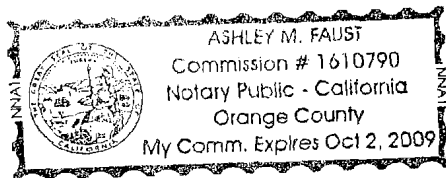
Ed Terrazas & Jackie Weseloh

Name(s) of Signer(s)

☐ personally known to me

☒ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) ~~is/are~~ subscribed to the within instrument and acknowledged to me that ~~he/she~~ they executed the same in ~~his/her~~ their authorized capacity(ies), and that by ~~his/her~~ their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Ashley M. Faust
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document:

Warranty Deed

Document Date:

5-15-2006

Number of Pages:

1

Signer(s) Other Than Named Above:

No other signers

Capacity(ies) Claimed by Signer

Signer's Name: _____

☐ Individual

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Attorney-in-Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

**RIGHT THUMBPRINT
OF SIGNER**

Top of thumb here

Agreement Relating to Willow Creek Ranch

06 22540
RECEIVED
AUG 07 2006
DEPT. OF WATER RESOURCES
SOUTHERN REGION

This Agreement Relating to Willow Creek Ranch ("Agreement") is made as of April 14, 2006 by and among (i) Anchor, Inc., an Idaho Corporation ("Anchor"), (ii) Edward P. Terrazas ("Terrazas") and Georgia J. Weseloh ("Weseloh") (collectively, "Terrazas/Weseloh"), (iii) Gary McStay and Mari McStay, husband and wife, (collectively, the "McStays"), and (iv) John J. Newell and Kelly J. Newell (collectively, the "Newells") with reference to the following facts (Anchor, Terrazas/Weseloh, McStays, and Newells are, collectively, the "Parties") (Terrazas, Weseloh, and Anchor in their capacities as co-tenants are, collectively, the "Seller"):

A. Willow Creek Ranch is an approximate 480-acre agriculturally zoned property with certain buildings, structures and improvements erected or located thereon (including, but not limited to irrigation diversion, water delivery systems, fencing, and related improvements) located in Camas County, Idaho with access from State Highway 20 as is more particularly described in the attached Exhibit A, including all of Seller's right, title and interest, if any, in and to (i) the tangible personal property located on such land, but excluding any personal property owned by any tenant; (ii) all leases relating to such land in effect at the Closing, including any security deposits and prepaid rent; (iii) all assignable permits and licenses relating to such land; and (iv) all assignable intangible property, if any, used in connection with the occupancy and operation of such land ("Ranch").

B. Two separate water rights with the same quarter-quarter section point of diversion and place of use benefit the Ranch: (i) 37-313 in the amount of 5.6 CFS for irrigation of 240 acres during the period April 1 - November 1 with priority date of 5-1-1888 and decreed 12-13-1909 per IDWR Adjudication Claim Report and (ii) 37-314 in the amount of 1.8 CFS for irrigation of 240 acres during the period April 1 - November 1 with priority date of 6-10-1900 and decreed 12-13-1909 per IDWR Adjudication Claim Report (collectively, the "Water Rights").

C. On or about March 23, 2004, Terrazas and Weseloh entered into a purchase and sale agreement to acquire the Ranch and the Water Rights from Judith Ann Erdman for a purchase price of \$720,000 ("2004 PSA") and opened escrow in connection therewith.

D. On or about May 12, 2004, Terrazas and Weseloh assigned 60% of their interest in the 2004 PSA and related deposits to Anchor.

E. On or about June 14, 2004, Terrazas, Weseloh, and Anchor took title to the Ranch and the Water Rights as co-tenants with the following respective undivided interests: Weseloh 16%, Terrazas 24%, and Anchor 60% (Terrazas, Weseloh, and Anchor are, collectively, the "Co-Tenants").

F. On or about March 8, 2006, Terrazas and Weseloh paid \$3,547.88 to Anchor in reconciliation of co-tenancy revenue and expenses as of February 23, 2006 pursuant to a written accounting provided by Anchor as of that date. As of the execution of this Agreement, each of

Agreement Relating to Willow Creek Ranch
WC PSA 5-3-06 (2)

Anchor _____ Terrazas _____ Weseloh _____ Gary McStay _____ Mari McStay _____ John Newell _____ Kelly Newell _____

the Co-tenants acknowledges it has no current claims for reimbursement of co-tenancy revenue or expenses.

G. Certain disputes have arisen and currently exist between Terrazas/Weseloh, on the one hand, and Anchor, on the other hand, with respect to the Ranch and Water Rights, including but not limited to the investment goals, development plans, holding period, right to buy out the other party, their respective partition rights, and whether a court ordered partition would result in a division of the Ranch among the co-tenants or a court ordered sale of the Ranch and division of the net proceeds ("Co-Tenant Disputes").

H. On or about February 17, 2006, Anchor filed a lawsuit in the District Court of the Fifth District Court of the State of Idaho in and for the County of Camas naming Terrazas and Weseloh, among others, as defendants and seeking, among other things, a judicial partition of the Ranch (Case No. CV-06-04) ("Litigation").

I. Terrazas, Weseloh, and Anchor desire to terminate their co-tenancy and to reconcile any and all amounts owed to each other relating to the Ranch and the Water Rights as of Closing (as hereinafter defined).

J. Anchor desires to sell all of its interest in the Ranch and the Water Rights on the terms set forth hereinafter.

K. Terrazas/Weseloh desire to acquire a specific portion of the Ranch consisting of 320 acres, more or less, as is more particularly described in the attached Exhibit B ("Terrazas/Weseloh 320-Acre Parcel") and 83.33% of the Water Rights on the terms set forth hereinafter.

L. The Newells desire to acquire a specific portion of the Ranch consisting of 80 acres, more or less, as is more particularly described in the attached Exhibit C ("Newell 80-Acre Parcel") and 0.00% of the Water Rights on the terms set forth hereinafter.

M. The McStays desire to acquire a specific portion of the Ranch consisting of 79.6 acres, more or less, as is more particularly described in the attached Exhibit D ("McStay 80-Acre Parcel") and 16.67% of the Water Rights on the terms set forth hereinafter.

N. The purchase and sale of the Terrazas/Weseloh 320-Acre Parcel, the Newell 80-Acre Parcel, and the McStay 80-Acre Parcel are collectively, the "Transactions."

O. Terrazas/Weseloh, the Newells, and the McStays are, collectively, the "Buyers."

P. The Parties desire to document their respective agreements and rights and obligations thereunder with respect to the Ranch and the Water Rights all as is set forth with particularity hereinafter.

NOW, THEREFORE, in consideration of the foregoing, of the covenants, conditions, representations, warranties, and undertakings set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, and each of them, agree as follows:

1. **Recitals.** Each of the foregoing paragraphs is incorporated herein by reference and constitutes a material part of this Agreement.

2. **Termination of Co-Tenancy.** Effective upon the Closing (as hereinafter defined), the Co-Tenants terminate their co-tenancy relating to the Ranch and the Water Rights.

3. **Partition of Ranch and Sale of Ranch Parcels and Water Rights.** The Seller agrees to partition the Ranch into the following three (3) parcels and to sell such parcels and the Water Rights to the Buyers at the prices ("Purchase Price(s)") set forth in this paragraph and on the other terms set forth in this Agreement, and the Buyers agree to purchase such parcels and the Water Rights (as applicable) at such prices and on such terms:

a. Terrazas/Weseloh agree to purchase the Terrazas/Weseloh 320-Acre Parcel and 83.33% of the Water Rights for a Purchase Price of \$240,000

b. The Newells agree to purchase the Newell 80-Acre Parcel for a Purchase Price of \$160,000

c. The McStays agree to purchase the McStay 80-Acre Parcel and 16.67% of the Water Rights for a Purchase Price of \$199,000.

4. **Allocation of Land and Purchase Prices to the Co-Tenants.**

a. Terrazas and Weseloh collectively, prior to the transactions contemplated herein, currently own an undivided 40% of the Ranch, which based upon acreage alone and an assumed partition in kind would equate to 192 acres upon partition, and an undivided 40% of the Water Rights. Anchor, prior to the transactions contemplated herein, currently owns an undivided 60% of the Ranch, which based upon acreage alone and an assumed partition in kind would equate to 288 acres upon partition, and an undivided 60% of the Water Rights. The allocations set forth in this paragraph are based on the sale by Anchor of all of its undivided 60% interest to the respective Buyers.

b. Terrazas and Weseloh shall receive 192 acres of the Ranch and 40% of the Water Rights based on their current collective 40% undivided interest and an additional 128 acres of the Ranch and 43.33% of the Water Rights based on their Purchase Price of \$240,000 and their consent to the partition of the Ranch and to the sales to the other Buyers (for a total of

320 acres (the Terrazas/Weseloh 320-Acre Parcel) and 83.33% of the Water Rights). Terrazas and Weseloh are not entitled to any portion of the Purchase Prices.

c. Anchor shall receive all of the Purchase Prices (subject to the charges and prorations set forth in this Agreement) in total gross amount of \$599,000 in exchange for its consent to the partition of the Ranch and the sale of all of its undivided 60% interest in the Ranch and the Water Rights.

5. **Earnest Money Deposits.** Within two (2) business days of the complete execution of this Agreement by the Parties, the Buyers shall pay the following earnest money deposits ("Deposits") to the Title Company for deposit into Escrow (as hereinafter defined).

- a. Terrazas/Weseloh - \$3,000
- b. The Newells - \$2,000
- c. The McStays - \$2,000

6. **Payment of Purchase Prices.** Each of the Deposits shall be credited to the respective Purchase Prices, and each of the Buyers shall pay their respective balances at the Closing.

7. **Water Rights.**

a. The Parties acknowledge and agree that upon the closing of the Transactions, the Newells shall have no right to any portion of the Water Rights.

b. The Parties acknowledge and agree that upon the closing of the Transactions, the McStays are entitled to 16.67% of the Water Rights (subject to their responsibility to deliver such water at their own cost from the current Place of Diversion to the McStay 80-Acre Parcel).

c. The Parties acknowledge and agree that upon the closing of the Transactions, Terrazas/Weseloh are entitled to 83.33% of the Water Rights.

d. The Parties agree to execute such further instruments as are reasonably required by the IDWR and/or the Title Company to evidence and document the above allocation of the Water Rights.

8. **Income Taxes.** Each of the Co-Tenants confirms and acknowledges that it is responsible for its percentage share of any income taxes payable relating to the Transactions and agrees to indemnify and hold the other Co-Tenants harmless from any liability for such taxes.

9. **Survey and Survey Costs.**

a. The McStays have had the McStay 80-Acre Parcel surveyed by Benchmark Associates, P.A., which survey marked the corners of such parcel. In April 2006,

Terrazas/Weseloh had an opportunity to inspect such corner markers and a copy of the survey ("McStay 80-Acre Survey") and hereby accept such corner markers as accurate and approve the McStay 80-Acre Survey.

b. The cost of the McStay 80-Acre Survey shall be paid at Closing by the Parties in the following percentages:

- i. Anchor - 50%
- ii. The McStays - 50%

10. [Deleted]

[This space is intentionally left blank due to the deletion of proposed Paragraph 10]

11. **No Inspection or Financing Contingencies.** There are no inspection and/or financing contingencies to the Transactions.

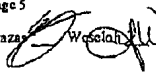
12. **Dismissal of Litigation.** Anchor represents and warrants to the other Parties that it will cause the Litigation to be dismissed with prejudice within five (5) business days of Closing (as hereinafter defined) and that it will deliver conformed copies of the court's entered Order of Dismissal to such other Parties without delay.

13. **No Seller Representations or Warranties.** The Seller makes no representations or warranties regarding the Ranch and/or the Water Rights except for the statutory warranties in the Warranty Deeds and all improvements are sold "As Is."

14. **Escrow, Closing Agent and Title Company.** Sun Valley Title, Hailey office, shall be the Escrow, Closing Agent, and Title Company ("Title Company").

5

Agreement Relating to Willow Creek Ranch
WCPSA 5-10-06 rev to page 5

Anchor _____ Terrazas  _____ Weseloh  _____ Gary McStay _____ Mari McStay  _____ John Newell _____ Kelly Newell _____

15. Closing.

- a. The closing shall take place on or before May 16, 2006 ("Closing Date").
- b. Each of the Parties represents and warrants to the others that it will
 - i. provide all contractually required deliverables, in recordable form if applicable, and such other executed instruments that the Title Company reasonably requests to the Title Company prior to the Closing Date and
 - ii. deposit sufficient immediately available funds as required for closing and as set forth in the Settlement Statements prior to the Closing Date.
- c. The Closing shall be deemed to have occurred when Title Company has properly recorded the Warranty Deeds and other required instruments and has disbursed the net proceeds to Anchor.
- d. Neither any Buyer nor Seller has any right or any obligation whatsoever to extend the Closing Date.

16. Liquidated Damages.

- a. If the Closing does not occur as a result of a default of one or more of the Buyers, Seller's sole and exclusive remedy shall be to terminate this Agreement by giving written notice thereof to Buyers, whereupon the Deposit(s) of such Buyer(s) shall be paid to Anchor as liquidated damages, as its sole and exclusive remedy on account of such default hereunder by such Buyer(s). The Deposit(s) of any non-defaulting Buyer(s) shall be returned to such Buyer(s).
- b. The Parties acknowledge and agree that Seller's actual damages in the event of Buyers' default would be extremely difficult or impracticable to determine. After negotiation, the Parties have agreed that, considering all the circumstances existing on the date of this Agreement, the amount of the Deposit(s) is a reasonable estimate of the damages that Seller would incur in such event. The payment of the Deposit(s) to Seller as liquidated damages under the circumstances provided for herein is not intended as a forfeiture or penalty.
- c. By placing their initials on this page below, each Party specifically confirms the accuracy of the statements made above, the reasonableness of the amount of liquidated damages agreed upon, and the fact that each Party had the opportunity to be represented by counsel to explain the consequences of this liquidated damages provision.

17. Title and Deeds.

a. Terrazas/Weseloh have approved the Preliminary Title Report for their parcel from Twin Falls Title & Escrow Company dated April 10, 2006 (C060051) and the exceptions listed therein except for exception Item 10 relating to the existing mortgage, which Seller shall cause to be removed prior to or at Closing ("Permitted Exception")

b. The Newels have approved the Preliminary Title Report for their parcel from Twin Falls Title & Escrow Company dated April 10, 2006 (C060050) and the exceptions listed therein except for exception Item 9 relating to the existing mortgage, which Seller shall cause to be removed prior to or at Closing. ("Permitted Exception")

c. Neither Terrazas/Weseloh nor the Newels is required to accept any other exceptions to title other than the Permitted Exceptions

d. Seller must convey free and marketable tile to each of the Buyers

e. Seller shall convey the three parcels of the Ranch [and Water Rights as applicable] in Warranty Deeds with no special exceptions ("Deeds").

18. **Possession.** At Closing, Seller shall deliver possession of the three (3) parcels to the Buyers, subject to the Permitted Exceptions.

19. **Title Insurance.** Seller shall provide each of the respective Buyers a standard owner's title insurance in the amounts set forth below ("Title Policies"). The cost of each owner policy shall be charged to and paid by the Co-Tenant(s) set forth below. Each Buyer shall pay the incremental cost of any lender policy and/or extended owner coverage for such Buyer.

a. \$648,000 Policy for Terrazas/Weseloh on the Terrazas/Weseloh 320-Acre Parcel – 60% by Terrazas/Weseloh and 40% by Anchor

b. \$160,000 Policy for the Newells on the Newell 80-Acre Parcel – 100% by Terrazas/Weseloh

c. \$199,000 Policy for the McStays on the McStay 80-Acre Parcel – 100% by Anchor.

20. **Reconciliation of Co-Tenancy Obligations.**

a. Each of the Co-Tenants shall submit any proposed expenses from the date of the execution of this Agreement up to and including the Closing to be paid by the Co-Tenants in their respective percentages to the Title Company for distribution to the other Co-Tenants. Such proposed expenses shall be submitted for approval at least five (5) business days prior to the Closing Date ("Closing Co-Tenant Expenses").

b. Approved Closing Co-Tenant Expenses shall be included in the Settlement Statements and reconciled and paid by the Closing Agent at Closing.

c. Any co-tenant expenses other than the Other Prorations (as defined in the next paragraph) or (i) Title Insurance and (ii) Survey Costs (as defined above in this Agreement) shall be deemed waived and subject to the mutual releases set forth hereinafter.

21. Other Prorations at Closing.

a. Any documentary transfer taxes shall be borne and paid by Seller, and all recording fees shall be borne and paid by Buyer(s).

b. All Escrow fees and Closing costs shall be borne and paid one-half by Seller and one-half by Buyers as follows:

- i. Escrow fees and Closing costs relating to the Terrazas/Weseloh 320-Acre Parcel - 30% by Anchor ($50\% \times 60\%$) and 70% by Terrazas/Weseloh ($50\% + (50\% \times 40\%)$)
- ii. Escrow fees and Closing costs relating to the Newell 80-Acre Parcel - 50% by the Newells and 50% by Terrazas/Weseloh
- iii. Escrow fees and Closing costs relating to the McStay 80-Acre Parcel - 50% by the McStays and 50% by Anchor

c. Buyers shall pay their respective due diligence expenses, and each Party shall pay its own attorney's fees in connection with the negotiation, documentation and consummation of the transaction contemplated hereunder, whether or not such transaction closes.

d. General real estate taxes and special assessments relating to the Ranch payable during the year in which Closing occurs shall be prorated as of the Closing Date. If Closing shall occur before the actual taxes and special assessments payable during such year are known, the apportionment of taxes shall be upon the basis of taxes for the Ranch payable during the immediately preceding year.

e. Other costs, charges, and expenses shall be borne and paid as provided in this Agreement, or in the absence of such provision, in accordance with the custom in the county where the Ranch is located.

22. Damage, Destruction And Condemnation.

a. Casualty. Except as provided herein, Seller assumes all risk of loss or damage to the Ranch by fire or other casualty until the Deeds are properly recorded among the appropriate public records. If at any time on or prior to the Closing any material portion of the Ranch is destroyed or damaged as a result of fire or any other cause whatsoever, Seller shall promptly give written notice thereof to Buyers. In the event of such destruction or damage, any

Buyer shall have the right to terminate this Agreement and to recover any Deposit paid under this Agreement by written notice to Seller within ten (10) days following the date upon which such Buyer receives Seller's written notice of the destruction or damage. If a Buyer does not elect to terminate this Agreement within said ten (10)-day period, this Agreement shall remain in full force and effect and Buyers and Seller shall proceed to Closing without any reduction or adjustment in the Purchase Price, in which case Buyers shall not be entitled to the benefits or proceeds of any insurance policies maintained by the Seller prior to the Closing

b. Condemnation. In the event, at any time on or prior to the Closing, any action or proceeding is filed, under which the Ranch, or any portion thereof, may be taken pursuant to any law, ordinance or regulation or by condemnation or the right of eminent domain, Seller shall promptly give written notice thereof (which notice shall describe the type of action being taken against the Property) to Buyers. Each Buyer shall have the right to terminate this Agreement and to recover any Deposit paid under this Agreement by written notice to Seller within ten (10) days following the date upon which such Buyer receives Seller's written notice of such action or proceeding. If Buyer does not elect to terminate this Agreement within said ten (10)-day period, this Agreement shall remain in full force and effect and Purchaser and Seller shall proceed to closing without any reduction or adjustment in the Purchase Price, except that all condemnation proceeds will be assigned to the respective Buyer(s) in accordance with the portions of the Ranch affected..

23. No Brokers. Seller and each Buyer represent to the other that it has had no dealings, negotiations, or consultations with any broker, agent, or other intermediary in connection with the sale of the Ranch. Seller and each Buyer agree that each will indemnify and hold the other free and harmless from the claims of any other broker(s), agent(s), or other intermediary(ies) claiming to have represented Seller or such Buyer, respectively, or otherwise to be entitled to compensation in connection with this Agreement or in connection with the sale of the Ranch. The mutual indemnity set forth in the preceding sentence shall survive Closing and any termination of this Agreement.

24. Recordation. The Parties agree not to record this Agreement or any memorandum hereof.

25. Assignment. Each Buyer shall have the right to assign, and Seller hereby consents to the assignment of, this Agreement to any affiliated entity.

26. Conditions to Closing.

a. No material adverse change in the condition of the Ranch.

b. No termination by any Party pursuant to the Casualty/Condemnation provisions of this Agreement.

c. Each Party shall have delivered to the Title Company all required documents and shall have deposited all funds required for Closing.

d. Title Company is prepared to issue the Title Policies.

e. Each of the Transactions must close.

27. Escrow Instructions.

a. This Agreement shall serve as the initial escrow instructions.

b. Title Company shall provide estimated settlement statements which will set forth the Purchase Price and all adjustments, including, but not limited to, prorations, adjustments, recording costs, title fees, etc. ("Settlement Statements") and copies of the forms of the Deeds to the Parties for approval at least five (5) business days prior to the Closing.

c. General Instructions to Title Company

i. Prior to Closing, you will receive in recordable form (collectively, the "Instruments"):

- (a) a Full Reconveyance of Mortgage executed by Magic Valley Bank,
- (b) the Deeds fully executed by the Seller,
- (c) a new mortgage in favor of First Bank of Idaho executed by Terrazas/Weseloh and
- (d) a new mortgage in favor of First Bank of Idaho executed by the Newells

ii. You are authorized and instructed to record the Instruments in the above order only when you

- (a) are prepared and able to issue the Title Policies and to deliver them to the respective Buyers within five (5) business days of such recordation,
- (b) are prepared to disburse all funds in accordance with the approved Settlement Statements, and
- (c) have received oral authorization from each of the Parties or its agent.

iii. You are authorized and instructed to disburse all funds in accordance with the approved Settlement Statements only when you

- (a) have duly recorded each of the Instruments with the County Recorder and

(b) have received oral authorization from each of the Parties or its agent

d. Buyers and Seller agree to execute such additional supplementary escrow instructions as may be appropriate to enable Title Company to comply with the terms of this Agreement; provided however, in the event of any inconsistency between the provisions of this Agreement and the supplementary escrow instructions, the terms of this Agreement shall control. If Buyers and Seller are unable or otherwise fail to agree to such further Supplemental Escrow Instructions, this Agreement shall constitute the escrow instructions for Title Company.

28. Release Among Co-Tenants.

Effective upon the Closing, and which shall be binding and survive the Closing, the Co-Tenants for themselves and for each of their successors, assigns, affiliates, principals, joint venturers, shareholders, officers, directors, partners, agents, servants, employees, heirs, distributees, beneficiaries, executors, representatives, administrators, and each of them, do hereby absolutely, fully, and forever release, relieve, waive, relinquish, and discharge the other Co-Tenants, as well as each of their respective successors, assigns, affiliates, principals, joint venturers, franchisors, shareholders, officers, directors, partners, partnerships, agents, servants, employers, employees, heirs, distributees, beneficiaries, executors, representatives, administrators, accountants, attorneys, and each of them, (hereinafter collectively, the "Releasees") from any and all claims, whether known or unknown, whether fixed or contingent, whether actual or alleged, and any and all causes of action that each of them now has, may have had, or may in the future have, against the Releasees, or any of them, arising out of or related to the Ranch, the Co-Tenant Claims, the Litigation and/or the negotiation of this Agreement, except for those obligations arising solely and expressly from this Agreement or based on events, conduct, actions or inactions occurring after the Closing ("Mutual Releases")

29. No Third Party Beneficiaries. No provision of this Agreement is intended to benefit any non-Party, and no non-Party shall have any right or cause of action hereunder.

30. Voluntary Agreement. This Agreement is freely and voluntarily entered into by each of the Parties. The Parties acknowledge and agree that each has been represented in the negotiation of this Agreement by counsel of its own choosing or has had an opportunity and ability to obtain such representation, that it has read this Agreement or had it read to it, that it understands this Agreement, and that it is fully aware of the contents and legal effects of this Agreement.

31. Binding Agreement. The provisions of this Agreement shall be binding upon, and shall obligate, extend to, and inure to the benefit of, each of the legal successors, assigns, transferees, grantees, and heirs of each of the Parties, and all persons who may assume any or all of the above-described capacities subsequent to the execution of this Agreement.

32. **Modification.** This Agreement may not be modified except by a writing signed by all Parties affected by such purported modification

33. **Severability.** In the event that any portion of this Agreement is held by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, the validity, legality, and enforceability of the remaining portions of this Agreement and the application thereof shall not in any way be affected thereby.

34. **Interpretation.**

a. Whenever in this Agreement the context may so require, the neuter gender shall be deemed to refer to and include the masculine and the feminine, the singular number shall be deemed to refer to and include the plural, and vice versa.

b. This Agreement is the result of negotiations, and no Party shall be deemed to have drafted this Agreement for purposes of construing any portion of the Agreement for or against any Party.

c. The descriptive headings in this Agreement are included for convenience of reference and are not intended to affect the meaning or construction of any of the provisions herein.

d. Any exhibit attached hereto shall be deemed to have been incorporated herein by this reference as if set forth herein at length.

35. **Attorneys' Fees and Costs.** In the event a dispute arises out of the interpretation or enforcement of the terms of this Agreement, and such dispute results in litigation and/or arbitration, the prevailing Party or Parties in such litigation and/or arbitration shall be entitled to recover from the non-prevailing Party or Parties its attorneys fees and costs reasonably incurred in connection with such litigation and/or arbitration.

36. **Governing Law and Jurisdiction.** This Agreement shall in all respects be interpreted, enforced, and governed by and under the laws of the State of Idaho without giving effect to its conflicts of law provisions. The Parties each expressly agree to the appropriateness of and consent to the venue and jurisdiction of the State of Idaho in the County of Blaine and all state and federal courts having geographical jurisdiction for such County as the exclusive forum for the purposes of any action to enforce or interpret this Agreement.

37. **Capacity to Execute.** Each of the Parties, and each person signing this Agreement, represents and warrants that it and its representative(s) executing this Agreement on its behalf each has the authority and capacity to execute this Agreement.

38. **Counterparts.** The Parties may execute this Agreement, and any modification(s) hereof, in two or more counterparts, which shall, in the aggregate, be signed by all of the Parties. Each counterpart shall be deemed an original instrument as against any Party who has signed it. A faxed copy of the signature of any of the Parties shall have the same force and effect as an original signature of such Party.

WHEREFORE, the Parties have executed this Agreement on the day and year set forth next to each of their signatures below.

Anchor, Inc.
an Idaho Corporation
By

Bruce Bothwell
Its: President

Date

Edward P. Terrazas

Date

Georgia J. Weseloh

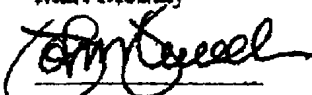
Date

Gary McStay

Date

Mari McStay

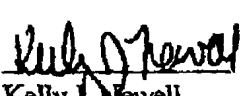
Date



John J. Newell

5/15/06

Date



Kelly J. Newell

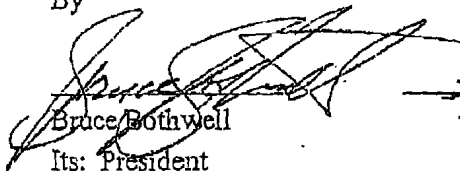
5/15/06

Date

38. **Counterparts.** The Parties may execute this Agreement, and any modification(s) hereof, in two or more counterparts, which shall, in the aggregate, be signed by all of the Parties. Each counterpart shall be deemed an original instrument as against any Party who has signed it. A faxed copy of the signature of any of the Parties shall have the same force and effect as an original signature of such Party.

WHEREFORE, the Parties have executed this Agreement on the day and year set forth next to each of their signatures below.

Anchor, Inc.
an Idaho Corporation
By

 5/4/06
Bruce Bothwell Date
Its: President

Edward P. Terrazas Date

Georgia J. Weseloh Date

Gary McStay Date

Mari McStay Date

John J. Newell Date

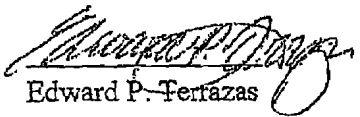
Kelly J. Newell Date

38. **Counterparts.** The Parties may execute this Agreement, and any modification(s) hereof, in two or more counterparts, which shall, in the aggregate, be signed by all of the Parties. Each counterpart shall be deemed an original instrument as against any Party who has signed it. A faxed copy of the signature of any of the Parties shall have the same force and effect as an original signature of such Party.

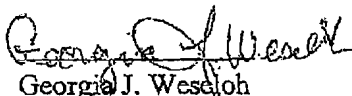
WHEREFORE, the Parties have executed this Agreement on the day and year set forth next to each of their signatures below.

Anchor, Inc.
an Idaho Corporation
By

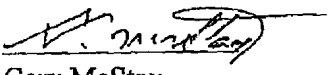
Bruce Bothwell Date
Its: President

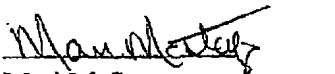
 5/3/06

Edward P. Terrazas Date

 5/3/06

Georgia J. Weseloh Date

 _____
Gary McStay Date

 5/15/06

Mari McStay Date

John J. Newell Date

Kelly J. Newell Date

Exhibit A

Legal Description of 480-Acre Willow Creek Ranch

A Parcel of land in Township 1 South, Range 16 East, Boise Principal Meridian and Baseline, Camas County, Idaho, more particularly described as follows:

The Southeast 1/4 of the Southwest 1/4, the Southwest 1/4 of the Northeast 1/4, and the West 1/2 of the Southeast 1/4 of Section 3

and

The Northwest 1/4, the West 1/2 of the Northeast 1/4, the Northeast 1/4 of the Southwest 1/4, and the Northwest 1/4 of the Southeast 1/4 of Section 10.

Exhibit B

Legal Description of Terrazas/Weseloh 320-Acre Parcel

A Parcel of land in Township 1 South, Range 16 East, Boise Principal Meridian and Baseline, Camas County, Idaho, more particularly described as follows:

The Southwest 1/4 of the Southeast 1/4 and the Southeast 1/4 of the Southwest 1/4 of Section 3

and

The Northwest 1/4 and the West 1/2 of the Northeast 1/4 of Section 10.

Exhibit C

Legal Description of Newell 80-Acre Parcel

A Parcel of land in Township 1 South, Range 16 East, Boise Principal Meridian and Baseline, Camas County, Idaho, more particularly described as follows:

The Southwest 1/4 of the Northeast 1/4 and the Northwest 1/4 of the Southeast 1/4 of Section 3.

Exhibit D

Legal Description of McStay 80-Acre Parcel

A Parcel of land in Township 1 South, Range 16 East, Boise Principal Meridian and Baseline, Camas County, Idaho, more particularly described as follows:

The Northeast 1/4 of the Southwest 1/4 and the Northwest 1/4 of the Southeast 1/4 of Section 10.