

RECEIVED

NOV 20 2008

WATER RESOURCES
WESTERN REGION

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
NOTICE OF CHANGE IN WATER RIGHT OWNERSHIP

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

1. Please list the water right number(s) and/or adjudication claim number(s) (if any) for each water right to be changed. List just the adjudication claim number if there is no corresponding water right record on file with the department. Indicate, by checking in the space provided (under the "split" heading), if the change in ownership is limited to a portion of a water right in which case IDWR will produce new water right number(s) for the split(s).

Water Right No(s)	Adjudication Claim No(s)	Split(s)	Water Right No(s)	Adjudication Claim No(s)	Split(s)
PD 67-14411	(10-20-08)				
PD 67-00727	(10-20-08)				
PD 67-14276	(10-20-08)				
PD 67-14274	(10-20-08)				

2. The following **REQUIRED** information must be submitted with this form:

- A. The appropriate **FILING FEE**. See instructions for fee amounts.
- B. A copy of the most recent **DEED, TITLE POLICY, CONTRACT OF SALE** or other legal document indicating your ownership of the property and water right(s) or claim(s) in question, **WITH ATTACHED LEGAL DESCRIPTION**.
- C. Either of the following (if necessary to clarify division of water rights or other complex property descriptions):
PLAT OF PROPERTY or **SURVEY MAP** clearly showing the location of the point(s) of diversion and place of use of your water right(s) and/or adjudication claim(s) (these are on file with the county Planning and Zoning or Recorder's Office).
- OR**
- D. If your water right(s) and/or adjudication claim(s) is for ten or more acres of irrigation, you must submit a USDA Farm Service Agency or equivalent **AERIAL PHOTO** with the irrigated acres outlined and point(s) of diversion clearly marked. The AERIAL PHOTO should be submitted in place of the PLAT OF PROPERTY or SURVEY MAP.

3. Name and Address of Former Owner/Claimant(s)

Sterling Trust Company FBO John M Havlina Jr
1 RA 068243

Melendean County, Texas

4. New Owner/Claimant(s)

John M Havlina Jr
Name Connector (Check one): ☐ and ☐ or ☐ and/or

New Mailing Address

3417 Crescent Rim Dr

City, State and ZIP Code

Boise, ID 83706

New Telephone Number

(208) 389-1088 Email: iamjxn@aol.com

5. Date you acquired the property

August 28, 2008

6. If the change in ownership affects the entire water right for each water right or adjudication claim number listed in line 1, then skip this line and go to line 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 (you may copy this page, if 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 will not be split, skip this area and proceed to line 7)		
Water Use	Diversion Rate or Volume (cubic feet per second or acre-feet per annum)	Description (acres, number and type of stock, homes, etc)
Water Right and/or Adjudication Claim Number		
Irrigation		
Stock		
Domestic		
Other		
Totals		
Water Right and/or Adjudication Claim Number		
Irrigation		
Stock		
Domestic		
Other		
Totals		
Water Right and/or Adjudication Claim Number		
Irrigation		
Stock		
Domestic		
Other		
Totals		

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.

7. Signature(s) of New Owner(s) or Claimant(s)

John M. Havel Jr.

(title if applicable)

(title if applicable)

IT IS IMPORTANT TO FILE THIS COMPLETED FORM AT THE APPROPRIATE IDWR OFFICE, WITH PAYMENT OF THE FILING FEE AND THE OWNERSHIP DOCUMENT(S), AS REFERRED TO IN LINE 2.

For IDWR Office Use Only:
 Received by [Signature]
 Received by [Signature]
 Processed by AJ

 Date Nov 20, 08
 Date Nov 20, 08
 Date _____

 Receipt Amt. \$100.00
 Receipt No. W032056
 WR [Signature]
Date 11-26-08

Instrument # 210395

STATE OF IDAHO, COUNTY OF WASHINGTON

9-17-2008 02:39:00 No. of Pages: 2

Recorded for : WASHINGTON COUNTY TITLE

SHARON WIDNER

Ex-Officio Recorder Deputy Fee: 6.00

Index to: DEED

Lisa McKnight

WHEN RECORDED MAIL THIS DEED TO:

John M Havlina Jr
3417 CRESCENT RIM DR
BOISE, ID 83706-2720

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Quit Claim Deed

Sterling Trust Company, Custodian FBO JOHN M HAVLINA JR IRA 068243 of the County of MCLENNAN, State of TEXAS, for and in consideration of \$10.00 in hand paid by the grantee herein named, the receipt of which is hereby acknowledged, does hereby remise, release and forever QUITCLAIM to JOHN M HAVLINA JR, whose address is 3417 CRESCENT RIM DR BOISE, ID 83706, 100% of the right, title and interest in and to the following described real property in the County of WASHINGTON, State of IDAHO, to-wit:

(SEE ATTACHED LEGAL DESCRIPTION)

COPY

TO HAVE AND TO HOLD all of the right, title and interest in and to the above-described property and premises unto the said grantee, heirs and assigns forever.

EXECUTED this 28th day of August, 2008*Michelle Williams*

Sterling Trust Company, Custodian

FBO: John M Havlina Jr # 068243

THE STATE OF TEXAS §
COUNTY OF MCLENNAN §

This instrument was acknowledged before me this 3 day of September, 2008 by Michelle Williams.

WITNESS my hand and official seal.

Margaret McVan

Notary Public in and for said County and State



Legal Description
Warranty Deed
Havlina PA Profit Sharing Plan

IN WASHINGTON COUNTY, IDAHO:

In Township 12 North, Range 5 West of the Boise Meridian:

Section 27: $W\frac{1}{2}NE\frac{1}{4}$; $NW\frac{1}{4}SE\frac{1}{4}$; That portion of the $SW\frac{1}{4}$ lying East of Monroe Creek Road.

ALSO:

Beginning at the southwest corner of the $SE\frac{1}{4}SE\frac{1}{4}$ of Section 27, thence north to Long Road extended (a private road) to the centerline; thence along said road centerline in a northeasterly direction to the intersection with the bank of a certain ditch commonly known as Verbeck-Parks Ditch; thence down and along said Verbeck-Parks Ditch in an easterly and southerly direction to its point of intersection with the south line of the $SE\frac{1}{4}SE\frac{1}{4}$ of Section 27; thence west 950 feet, more or less, to the point of beginning.



STERLING TRUST COMPANY CERTIFICATE OF RESOLUTION

I hereby certify that a meeting of the Board of Directors of Sterling Trust Company, a corporation organized and existing under and by virtue of the laws of the State of Texas, held on the 17th day of April, 2008, at which meeting a quorum was present and acting throughout, the following resolution was adopted and is in full force and effect:

"RESOLVED, that any of the following: Paul E. Skretny, Chairman of the Board, CEO & President; Kelli L. Click, Vice President; Jeff A. Kelley, Vice President; Jeffrey D. Thompson, Vice President; Kristen Villas, Vice President; Gregory W. Snyder, Vice President; Anthony G. Carl, Assistant Vice President; Vicky Smith, Assistant Vice President & Controller; Karen A. Sonnenberg, Assistant Vice President; Will Driskell, Assistant Vice President; Hope Gonzales, Assistant Vice President; Charles Ives, Assistant Vice President; Jesse Acosta, Camron Berger, Sharon Hrabal, Scott Hall, Margaret McVan, Tineca Wells, Michelle Williams and Natalie Kilgo are hereby authorized and empowered to transfer, endorse, sell, assign and deliver all shares of stocks, bonds, debentures, proxies or other securities or documents related to real estate transactions or viatical and life settlement agreements now or hereafter standing in the name of or owned in trust or custodial capacity by this Corporation and to make, execute and deliver any and all written instruments necessary or proper to effectuate the authority hereby conferred."

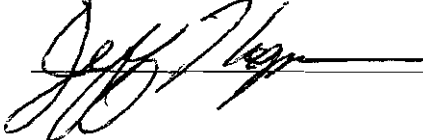
I further certify that the authority conferred above is not inconsistent with the charter or by-laws of the Corporation and that the following is a true and correct list of the Officers of this Corporation as of this date:

Paul E. Skretny	- Chairman of the Board, CEO and President	Charles Ives	- Assistant Vice President
Jeff A. Kelley	- Chief Operating Officer	Anthony G. Carl	- Assistant Vice President
Michele B. Maruri	- Vice President, Chief Financial Officer & Secretary	Karen A. Sonnenberg	- Assistant Vice President
Kelli Click	- Vice President	Will Driskell	- Assistant Vice President
Jeffrey D. Thompson	- Vice President	Vicky D. Smith	- Assistant Vice President and Controller
Kristen Villas	- Vice President	Hope Gonzales	- Assistant Vice President
Gregory W. Snyder	- Vice President		

I hereby certify that the above resolution is in full force and effect this 28 day of August, 2008, and that the signatures on Exhibit A are true and accurate signatures of the persons authorized to sign on behalf of Sterling Trust Company.


Michele B. Maruri, Secretary

ATTEST



(SEE REVERSE SIDE)



A UNITED WESTERN BANCORP INC. COMPANY

Mailing Address: P.O. Box 2526, Waco, TX 76702-2526
Street Address: 7901 Fish Pond Road, Waco, TX 76710
Telephone: 254.399.5200
Fax: 254.751.0872
Web Address: www.SterlingTrustCompany.com

AUG 29, 2008

JOHN M HAVLINA JR (TERM)
3417 CRESCENT RIM DR
BOISE, ID 83706-2720

RE: IRA 068243

Enclosed you will find the proper authorization to effect the transfer of ownership to you for the following investments:

Asset	# of units/shares
168 ACRES +/- MONROE CREEK RD	1.0000

If the ownership **can** be transferred, please sign, have your signature guaranteed, provide any applicable transfer fees and forward directly to the respective transfer agent given or bankruptcy trustee/court appointed trustee (if applicable). Please **DO NOT** return the forms to Sterling Trust Company, as we will not provide further follow up on this matter. Please note that funds received 90 days or more after the account is closed will be forwarded to you; however there will be a \$25.00 fee per check issued. Therefore, it is imperative that the change of ownership be handled in a timely manner. In the event you should require us to do so, please forward a check payable to "Sterling Trust Company" with a letter of instruction.

If the ownership **can not** be transferred for any reason, please simply retain this information for you records.

A final statement will be sent to you in the near future which will reflect any values that will be reported to the Internal Revenue Service due to this distribution. Please look over this information carefully and report (in writing) any discrepancies. Corrections made after Form 1099-R has been filed with the Internal Revenue Service will be assessed a \$50.00 fee.

We would like to take this time to thank you for your past business and to invite you to utilize our firm for any future retirement needs. If you should have any questions, please feel free to contact us via e-mail at IRAtterms@matrixbancorp.com, via facsimile at (254)751-0872 or via phone at (254)751-1505, option 2.

Sincerely,
Sterling Trust Company
Operations Department

ENDORSEMENT

Attached to Policy No. J 1577002

Issued by

FIRST AMERICAN TITLE INSURANCE COMPANY

Said policy is hereby amended by adding as a named insured therein

STERLING TRUST COMPANY, Custodian, FBO
John M. Havllina, Jr. IRA Account Number 68243 .

This endorsement does not extend the coverage of said policy to any later date than the date of said policy, nor does it impose any liability on the Company for loss or damage resulting from (1) failure of such added insured to acquire an insured estate or interest in said land, or (2) any defect, lien or encumbrance attaching by reason of the acquisition of an estate or interest in the land by such added insured.

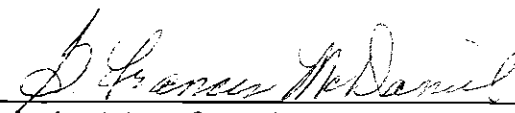
The total liability of the Company under said policy and any endorsements therein shall not exceed, in the aggregate, the face amount of said policy and costs which the Company is obligated under the conditions and stipulations thereof to pay.

This endorsement is made a part of said policy and is subject to the schedules, conditions and stipulations therein, except as modified by the provisions hereof.

DATED: September 22, 2004, at 9:55 p.m.

FEE: \$35.00

FIRST AMERICAN TITLE INSURANCE COMPANY

By 
Assistant Secretary



POLICY OF TITLE INSURANCE



ISSUED BY

First American Title Insurance Company

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title, as insured, but only to the extent provided in the Conditions and Stipulations.

CERTIFIED TO BE A TRUE AND CORRECT
COPY OF THE ORIGINAL

Issuing Agent:
WASHINGTON COUNTY TITLE CO.

G. Frances McDaniel

By: G. Frances McDaniel

G. Frances McDaniel

First American Title Insurance Company

BY

Gary L. Keruett

PRESIDENT

ATTEST

Mark A. Ammer

SECRETARY

1577002

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the Insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

CONDITIONS AND STIPULATIONS

1. DEFINITION OF TERMS.

The following terms when used in this policy mean:

- (a) "insured": the insured named in Schedule A, and, subject to any rights or defenses the Company would have had against the named insured, those who succeed to the interest of the named insured by operation of law as distinguished from purchase including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate or fiduciary successors.
- (b) "insured claimant": an insured claiming loss or damage.
- (c) "knowledge" or "known": actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land.
- (d) "land": the land described or referred to in Schedule (A), and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule (A), nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.
- (e) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.
- (f) "public records": records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge. With respect to Section 1(a)(iv) of the Exclusions From Coverage, "public records" shall also include environmental protection liens filed in the records of the clerk of the United States district court for the district in which the land is located.
- (g) "unmarketability of the title": an alleged or apparent matter affecting the title to the land, not excluded or excepted from coverage, which would entitle a purchaser of the estate or interest described in Schedule A to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE AFTER CONVEYANCE OF TITLE.

The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser from the insured, or only so long as the insured shall have liability by reason of covenants of warranty

by this policy which constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of the insured claimant to provide the required proof of loss or damage, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of loss or damage.

In addition, the insured claimant may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the insured claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the insured claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the insured claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY.

In case of a claim under this policy, the Company shall have the following additional options:

- (a) To Pay or Tender Payment of the Amount of Insurance.

To pay or tender payment of the amount of insurance under this policy together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations to the insured under this policy, other than to make the payment required, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the

for any loss or damage caused thereby.

- (b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title as insured.

- (c) The Company shall not be liable for loss or damage to any insured for liability voluntarily assumed by the insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY.

All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto.

11. LIABILITY NONCUMULATIVE.

It is expressly understood that the Amount of Insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken in Schedule B or to which the insured has agreed, assumed, or taken subject, or which is hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy to the insured owner.

12. PAYMENT OF LOSS.

- (a) No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

- (b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within 30 days thereafter.

13. SUBROGATION UPON PAYMENT OR SETTLEMENT.

- (a) The Company's Right of Subrogation.

Whenever the Company shall have settled and paid a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant. The Company shall be subrogated to and be entitled to all rights and remedies which the insured claimant would have had against any person or property in respect to the claim

SCHEDULE A

File No.: T201-396

Policy No. J1577002

Amount of Insurance \$260,000.00

Premium \$1085.00

Date of Policy: January 4, 2002

1. Name of Insured:

HAVLINA PA PROFIT SHARING PLAN

2. The estate or interest in the land which is covered by the policy is:

FEE SIMPLE

3. Title to the estate or interest in the land is vested in:

HAVLINA PA PROFIT SHARING PLAN

4. The land referred to in this policy is described as follows:

IN WASHINGTON COUNTY, IDAHO:

In Township 12 North, Range 5 West of the Boise Meridian:

Section 27: W $\frac{1}{2}$ NE $\frac{1}{4}$; NW $\frac{1}{4}$ SE $\frac{1}{4}$; That portion of the SW $\frac{1}{4}$ lying East of Monroe Creek Road.

ALSO:

Beginning at the southwest corner of the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 27, thence north to Long Road extended (a private road) to the centerline; thence along said road centerline in a northeasterly direction to the intersection with the bank of a certain ditch commonly known as Verbeck-Parks Ditch; thence down and along said Verbeck-Parks Ditch in an easterly and southerly direction to its point of intersection with the south line of the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 27; thence west 950 feet, more or less, to the point of beginning.

SCHEDULE B

File No. T201-396

Policy No. J 1577002

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

PART 1 Section I

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

SECTION 2

- 7. General taxes for 2002 an accruing line not yet due or payable.**

Continued

File No. T201-396

Policy No. J 1577002

8. Liens, levies and assessments, if any, of Monroe Creek Irrigation District and the rights, powers and easements of said district as by law provided. The effects, if any, of the Monroe Creek Irrigation District vs Dan Dickerson et al.
9. Easements for irrigation or drainage ditches, canals or roads; water rights, mineral rights, claims or title to water.
10. Easement granted to Idaho Power Company, recorded May 12, 1939 in Book 59 of Deeds, Page 135. Parcel 1
11. Easement granted to Idaho Power Company, recorded October 27, 1982 in Book 101 of Deeds, page 799. Parcel 1
12. Easement granted to Idaho Power Company, dated March 22, 1949, recorded in Book 71 of Deeds, page 213. Parcel 1
13. Recital contained in Deeds granted by the Federal Land Bank of Spokane recorded in Book 53 Deeds, page 50 and 386, records of Washington County, Idaho, as follows: Subject to any and all easements, rights of way for railroads or highways or other servitudes and to the exceptions, provisions and reservations contained in patents from the United States of America or the State of Idaho, or deeds from railway companies. Parcel 1
14. Easement granted to Idaho Power Company, recorded April 8, 1948 in Book 69 of Deeds, page 77. Parcel 2
15. Easement granted to Idaho Power Company, recorded December 27, 1974 in Book 97 of Deeds, page 150.
16. Easement granted to Idaho Power Company, recorded December 13, 1978 in Book 99 of Deeds, page 774.

Washington County Title Co.

35 West Idaho St.
Weiser, ID 83672
Title Insurance

(208) 414-1455
Fax (208) 414-1487
Escrow Service

ATTENTION: Account Services
Sterling Trust Company, Custodian
FBO: JOHN M. HAVLINA, JR.
7901 Fish Pond Rd.
Waco, TX 76710

In re Mr. Havlina's account, we have enclosed the following:

Copy of your September 30, 2004 letter

Original Warranty Deed conveying the real estate to Sterling, as custodian

Copy of Owner's Title Insurance Policy #J 1577002, which we have certified to be a true and correct copy of the original

Endorsement to the Title Insurance Policy naming Sterling Trust Company, Custodian, as an additional insured.

We will contact Mr. Havlina to request that he send the original title policy to you. Please let us know if you require anything further.

Yours truly,

WASHINGTON COUNTY TITLE CO.



Clarence R. Stark

enc.



Mailing Address: P.O. Box 2526, Waco, Texas 76702-2526
Street Address: 7901 Fish Pond Road, Waco, Texas 76710
Telephone: (254) 751-1505 Fax: (254) 751-0872
www.sterling-trust.com

MVSL/150801/SUDT11

September 30, 2004

JOHN M HAVLINA JR
3417 CRESCENT RIM DR
BOISE, ID 83706

Re: Request for Original Documents for 168 ACRES +/- MONROE CREEK RD 150801
FBO: JOHN M HAVLINA JR STC A/C#:02/068243

Dear Note Servicing Agent,

This notice is being sent to obtain certain documents to complete the records for the transfer-in or rollover of the investment which is pending for the above referenced account at the accountholder's direction. As disclosed in the processing checklist, Sterling Trust Company ("Sterling"), must hold the Original Documents with regards to the transfer-in or rollover of 168 ACRES +/- MONROE CREEK RD. The assignment of the Note/Deed of Trust or Real Property Deed **must be recorded** and registered as:

Sterling Trust Company, Custodian
FBO: JOHN M HAVLINA JR STC A/C#:02/068243
7901 Fish Pond Rd
Waco, TX 76710
Attn: Account Services

According to Sterling's records, we still need the following documents:

Warranty Deed - Original Required, Copy Received
Title Policy - Original Required

Though Sterling may have been provided with a photocopy of the document(s), Sterling's regulatory agency requires that Sterling hold the original document(s) for safekeeping.

This request must be satisfied in order for your account to maintain its "qualified status." Please have the Original Documents forwarded to Sterling at the address shown above.

Thank you for your assistance in this matter. If you have any questions, please contact Chris Del Castillo at 800-955-3434, Ext. 712 or via e-mail at cdelcastillo@matrixbancorp.com.

Sincerely,

Sterling Trust Company
Account Services

Cc: Accountholder
Accountholder's Designated Representative (if any)



P.O. Box 1008
Caldwell, Idaho 83606

Phone: 208.454.2991
Fax: 208.459.1273
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Residential



Commercial



Transitional



Estate



Litigation

Jess Payne, SRA, CGA
Certified General Appraiser

Shirl Bobst, LRA
Licensed Real Estate Appraiser

Janet Hale, RT
Associate Appraiser

December 5, 2003

Mr. Jack Havlina
3417 Crescent Rim Drive
Boise, Idaho 83706

Re: Our File No. 31113017
Restricted Scope Appraisal Assignment
on 168+- Acres located on Monroe Creek Road,
Weiser, Idaho

Dear Mr. Havlina:

In accordance with your request, I have personally inspected the above-referenced property for the purpose of determining the most probable market value for pension plan purposes, as of November 14, 2003.

SUMMARIZED AREA AND PROPERTY COMMENTS

The Subject property is located 9+- miles north of Weiser and 1.5+- miles south of Mann's Creek Reservoir. A location and plat map are included in the Addenda for better visualization of the area. Houses are interspersed on varying sized acreage tracts. Access is average via two lane Monroe Creek Road and Long Road. The topography varies and is level and gradual to steep sloping areas. A creek also intersects a portion of the property.

The Subject property has two tax parcels identified as follows and also in the Addenda to this Report. One parcel contains 135+- acres and the other 33+- acres. There is a mixture of grass land, some irrigable crop land, and an unused pond (which needs repair). Further descriptions are provided by the category classification noted on the tax assessments found in the Addenda to the Report. The Subject is a rural acreage and four potential land splits may be available, though verification from

the county would be required to ascertain for certain. The property's Highest and Best Use is it's current use and is appraised accordingly. It is reported that 50+- acres is in a conservation type program, in which the land is taken out of production for a certain period of time. There may be some value consequence due to restrictions on the property if it were to be sold, but it appears as though the impact would be rather minor and no special consideration is deemed warranted.

<u>TAX PARCEL NO</u>	<u>ASSESSMENT</u>	<u>ACREAGE</u>
RP12N05W270610	\$46,020	135+- Acres
RP12N05W278450	\$24,440	33+- Acres

I am not qualified to detect hazardous waste and toxic materials and I cannot confirm as to the presence or lack of any such condition. Please refer to the Assumptions and Limiting Conditions in this report. Environmental impact studies would be required to ascertain for certain.

For purposes of this appraisal, market value is defined as follows:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is consummation of a sale as of a specified date and passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and each acting in what he considers his own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Jess Payne, SRA
Certified General Appraiser

In accordance with a prior agreement between the client and appraiser, this report is the result of a limited scope appraisal process in that certain allowable departures from specific guidelines of the Uniform Standards of Professional Appraisal Practice were invoked. The value is reported in a restricted appraisal format. This is a written report prepared under the Standards Rule 1-2f (used to be 2-2c) of a complete or limited appraisal performed under Standard 1 (USPAP, 1999 Edition, Definition Section, Effective 3-31-99). **This report contains statements of the appraiser's findings with virtually no explanation of the data, reasoning and analysis** used to develop the opinion value. All of the data, reasoning and analysis in support of the appraiser's findings are retained in the appraiser's work file.

This appraisal has been prepared for my client, Mr. Jack Havlina. The purpose of this appraisal is for use in pension plan purposes. This appraisal **may not be used or relied upon** by anyone other than the client for any purposes whatsoever without the express written consent of the appraiser. This Report is performed in the Restricted Scope format at my client requested.

The Sales Comparison Approach and the methodology used can be found following. However, due to the restricted nature of this Report, the comparable data and adjustments will not be shown, but are retained in my work file.

SALES COMPARISON APPROACH SUMMARY

It is assumed in this approach that there exists a market for the type of property being appraised and that data on recent sales of similar, competitive properties in the market are "arms length" transactions, indicating a most probable sale price that the Subject property would bring as of the valuation date. Although individual sales often deviate from a situation where both buyer and seller are knowledgeable market participants, it is assumed that a sufficient number of sales should tend to reflect investor patterns of prices (and thus values) in that particular market.

The following process is typically undertaken in order to develop an informed opinion of a property's value using the Sales Comparison Approach:

1. Search of sales, listing or offerings of similar properties.
2. Confirm the prices as to terms, reason for purchase, and if a bona fide sale.
3. Compare the sale property's attributes with those of the

property being appraised.

4. Analyze all the differences as to their probable effect on the sale price.
5. Form an opinion of the relative value of the property under appraisal as compared with the sale price of each similar property.

Some of the economic units of comparison which may be utilized in this approach are Overall Rate (OAR), Gross Annual Income Multipliers (GAIM or GIM), Effective Gross Income Multipliers (EGIM); some of the physical units of comparison are price per square foot of building area, price per unit, price per room, etc., with bare land the price per square foot or price per acre is generally used.

The reader is again reminded that Idaho is a non-disclosure state and obviously, recollection of details and anticipation often fade with time; as such it is not always possible to obtain exact details from a respective transaction.

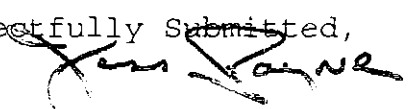
Based upon the prior agreement with my client, a single approach to value was used and the Sales Comparison Approach was utilized in the valuation of the Subject property.

After my investigation and analysis and after considering all those factors which effect value, it is my opinion that the most probable Market Value for the Subject property as of November 14, 2003, is as follows:

LAND: 135 acres @ \$1,000/Acre	\$135,000
LAND: 33 acres @ \$1,200/Acre	\$ 39,600
TOTAL VALUE ESTIMATE	\$174,600

A self-contained or more comprehensive appraisal could be completed upon request. All pertinent data is retained in my files.

Respectfully Submitted,


Jess Payne, SRA
Certified General Appraiser

CERTIFICATION

I, Jess Payne, SEA, certify that, to the best of my knowledge and belief:

- the statements of fact, to the best of my knowledge and belief, which are contained in this restricted report are true and correct.
- the reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analysis, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- my compensation is not contingent upon the report of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of stipulated result, or the occurrence of a subsequent event. This appraisal assignment was not based on; a requested minimal valuation; or a specific valuation; or the approval of a loan.
- my analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have made a personal inspection of the property that is the subject of this report.
- no one, other than Jess Payne, SRA, provided significant professional assistance to the person signing this report.
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representative.
- as of the date of this report, I Jess Payne, SRA, has completed the requirements under the continuing education program of the Appraisal Institute.



Jess Payne, SRA
Certified General Appraiser

195022

Approved by:
Initials _____



Warranty Deed



FOR VALUE RECEIVED, JOHN M. HAVLINA, JR., as Trustee of the HAVLINA PA PROFIT SHARING PLAN, the Grantor, does hereby, grant, bargain, sell and convey unto STERLING TRUST COMPANY, Custodian, FBO John M. Havlina, Jr. IRA Account Number 68243, the Grantee, whose address is 7901 Fish Pond Road, Waco, TX 76710, the following described real estate situated in Washington County, State of Idaho, to-wit:

DB1-01

See Legal Description Attached:

TO HAVE AND TO HOLD the said premises, with their appurtenances unto the said Grantee, its successors and assigns forever. And the said Grantor does hereby covenant to and with the said Grantee, that it is the owner in fee simple of said premises; that said premises are free from all incumbrances, and that it will warrant and defend the same from all lawful claims whatsoever.

DATED this 27 day of July, 2004.

HAVLINA PA PROFIT SHARING PLAN

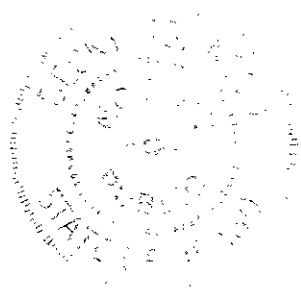
John M. Havlina, Jr., Trustee

STATE OF IDAHO)
County of Ada) : SS

On this 27th day of July, 2004, before me, the undersigned, a Notary Public in and for said State, personally appeared JOHN M. HAVLINA, JR. known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same in his capacity as Trustee of the Havlina PA Profit Sharing Plan..

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

Notary Public for Idaho
Residing at: Boise
Commission expires: 10/13/04



Instrument # 195022

WEISER, WASHINGTON, IDAHO

2004-09-22 09:55:00 No. of Pages: 2

Recorded for : WASHINGTON COUNTY TITLE

SHARON WIDNER

Ex-Officio Recorder Deputy

Index to: DEED

Fee: 6.00

68243

150801

Legal Description
Warranty Deed
Havlina PA Profit Sharing Plan

IN WASHINGTON COUNTY, IDAHO:

In Township 12 North, Range 5 West of the Boise Meridian:

Section 27: $W\frac{1}{2}NE\frac{1}{4}$; $NW\frac{1}{4}SE\frac{1}{4}$; That portion of the $SW\frac{1}{4}$ lying East of Monroe Creek Road.

ALSO:

Beginning at the southwest corner of the $SE\frac{1}{4}SE\frac{1}{4}$ of Section 27, thence north to Long Road extended (a private road) to the centerline; thence along said road centerline in a northeasterly direction to the intersection with the bank of a certain ditch commonly known as Verbeck-Parks Ditch; thence down and along said Verbeck-Parks Ditch in an easterly and southerly direction to its point of intersection with the south line of the $SE\frac{1}{4}SE\frac{1}{4}$ of Section 27; thence west 950 feet, more or less, to the point of beginning.



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Licensed Real Estate Appraiser

Janet Hale, LRA
Licensed Real Estate Appraiser

November 10, 2007

Mr. John M. Havlina
3213 Crescent Rim Drive
Boise, Idaho 83706

Dear Mr. Havlina:

In accordance with your request, I have inspected the below referenced property and conducted market investigations, gathered pertinent data and performed analyses necessary for an appraisal of the following property, under the following valuation scenarios and assumptions:

IDENTIFICATION OF PROPERTY, REFERENCES AND CONTACTS

Location: NNA Monroe Creek Road,
Weiser, Idaho

Property Type: Two tax parcels involving
recreational/agricultural
use.

Status: Cropped and Natural

Client Contact: Jess Payne
Jess Payne Appraisal Service
208-454-2991

File Reference: 71017049

10/8/07

10/8/07

4
Altman

VALUATION TYPES, EFFECTIVE DATES, PREMISE AND CONDITIONS

Intended User: John M. Havlina and accountant/trustee acting together to make a sole decision for estate trust purposes.

Intended Use: Estate Trust Purposes (see engagement letter)

Value Type(s): Current Market Value

Relevant Property Characteristics: Fee Simple

Scenario: "As Is" as of the effective date

Effective Date of Value Opinion: November 7, 2007

Date of Report: November 10, 2007

Report Option: Restricted Use Appraisal Report

Assignment Conditions: No hypothetical condition, jurisdictional exceptions, supplemental standards, were recognized. See "special comments" and irrigation section on Page 8 regarding extraordinary assumptions.

Assignment Scope: A restricted appraisal was requested. I selected the Sales Comparison Approach as the sole approach. Due diligence was exercised in the selection and analysis of the data involved. All relevant data and analysis resides in my work file as required by USPAP. See engagement Letter.

This Appraisal has been prepared for my client, John M. Havlina and accountant/trustee. The purpose of this appraisal is for use in establishing a current market value estimate for estate purposes. This appraisal **may not be used or relied upon** by anyone other than the client for any purposes whatsoever without the express written consent of the appraiser.

Based upon the prior agreement with my client, a single approach to value was used and the Sales Comparison Approach was utilized in the valuation of the Subject property. The Sales Comparison Approach and the methodology used can be found following. However, due to the restricted nature of this Report, the comparable data and adjustments will not be shown, but are retained in my work file.

IRS Statement- (as applicable)

All appraisals performed for returns filed after February 16, 2007 should include the newest version of Form 8283. If this appraisal is to be used in connection with: a tax return or claim for a refund, or a substantial gross valuation misstatement (resulting from this appraisal) may subject the appraiser to a penalty under Section 6695A of the Internal Revenue Code.

Note: nothing contained herein is to be considered the rendering of legal or tax advice, and user is responsible for obtaining such advice from their own professional advisors. My valuations are based on the conditions specified herein and should be read in their entirety.

SUMMARY OF APPRAISAL ISSUES

The following paragraphs highlight critical valuation issues and assumptions. The reader is advised to become familiar with these issues prior to finalizing any decisions regarding the Subject property.

RESTRICTED SCOPE FORMAT

Per the requirements and guidelines set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), there are three levels of detail in the reporting of an appraisal. As set forth in Advisory Opinion AO-11, which provides explanation of Standards Rule 2-2, the following report comparison chart is offered for the client's edification:

STANDARDS RULES 2-2 AND 8-2 REPORT COMPARISON CHART: The essential difference among the three options is in the use and application of the terms "describe," "summarize," and "state." "Describe" is used to connote a comprehensive level of detail in the presentation of information. "Summarize" is used to connote a more concise presentation of information. "State" is used to connote the minimal presentation of information.

a) Self-Contained Appraisal Report	b) Summary Appraisal Report	c) Restricted Use Appraisal Report
i. state the identity of the client and any intended users, by name or type;	i. state the identity of the client and any intended users, by name or type;	i. state the identity of the client by name or type; and state a prominent use restriction that limits use of the report to the client and warns that the appraiser's opinions and conclusions set forth in the report may not be understood properly without additional information in the appraiser's workfile;
ii. state the intended use of the appraisal;	ii. state the intended use of the appraisal;	ii. state the intended use of the appraisal;
iii. describe information sufficient to identify the real estate or personal property involved in the appraisal, including the physical and economic property characteristics relevant to the assignment;	iii. summarize information sufficient to identify the real estate or personal property involved in the appraisal, including the physical and economic property characteristics relevant to the assignment;	iii. state information sufficient to identify the real estate or personal property involved in the appraisal;
iv. state the property interest appraised;	iv. state the property interest appraised;	iv. state the property interest appraised;
v. state the type and definition of value and cite the source of the definition;	v. state the type and definition of value and cite the source of the definition;	v. state the type of value, and cite the source of its definition;
vi. state the effective date of the appraisal and the date of the report;	vi. state the effective date of the appraisal and the date of the report;	vi. state the effective date of the appraisal and the date of the report;
vii. describe the scope of work used to develop the appraisal;	vii. summarize the scope of work used to develop the appraisal;	vii. state the scope of work used to develop the appraisal;
viii. describe the information analyzed, the appraisal methods and techniques employed, and the reasoning that supports the analyses, opinions, and conclusions; exclusion of the sales comparison approach, cost approach, or income approach must be explained;	viii. summarize the information analyzed, the appraisal methods and techniques employed, and the reasoning that supports the analyses, opinions, and conclusions; exclusion of the sales comparison approach, cost approach, or income approach must be explained;	viii. state the appraisal methods and techniques employed, state the value opinion(s) and conclusion(s) reached and reference the workfile; exclusion of the sales comparison approach, cost approach, or income approach must be explained;
ix. state the use of the property existing as of the date of value and the use of the real estate or personal property reflected in the appraisal; and, when an opinion of highest and best use was developed by the appraiser, describe the support and rationale for that opinion;	ix. state the use of the property existing as of the date of value and the use of the real estate or personal property reflected in the appraisal; and, when an opinion of highest and best use was developed by the appraiser, summarize the support and rationale for that opinion;	ix. state the use of the property existing as of the date of value and the use of the real estate or personal property reflected in the appraisal; and, when an opinion of highest and best use was developed by the appraiser, state that opinion;
x. clearly and conspicuously state all extraordinary assumptions and hypothetical conditions; and that their use might have affected the assignment results; and	x. clearly and conspicuously state all extraordinary assumptions and hypothetical conditions; and that their use might have affected the assignment results; and	x. clearly and conspicuously state all extraordinary assumptions and hypothetical conditions; and that their use might have affected the assignment results; and
xi. include a signed certification in accordance with Standards Rule 2-3 or 8-3.	xi. include a signed certification in accordance with Standards Rule 2-3 or 8-3.	xi. include a signed certification in accordance with Standards Rule 2-3 or 8-3.

Comments have not been included in this chart

The essential difference among the three reporting options is in the use and application of the terms "describe", "summarize" and "state". Describe is used to connote a comprehensive level of detail in the presentation of information. Summarize is used to connote a more concise presentation of information and support. State is used to connote the minimal presentation of information without support or explanation.

As this is a Restricted Scope Appraisal Report, virtually all data relied upon, analyses undertaken and explanation of the valuation methods employed are either stated or are retained in my office files - only the relevant conclusions of our analysis are set forth in the appraisal document. **Consistent with prevailing appraisal practices, the reader is advised that Restricted Appraisal reports are intended only for use by the client who ordered the report, and the report is not to be provided to or relied upon by third parties.** Providing this report to any other user, particularly those not familiar with the subject project in specific, and the appraisal of similar properties in general, could be misleading to such users, and I must advise against such a practice. The information relied upon for the formulation of my value conclusions is available to develop a more complete appraisal on the Subject property, and for an additional fee.

INDICATED EXPOSURE AND MARKETING TIME

Upon analysis of comparable sales, I believe that a marketing time of 12+/- months would be appropriate, given professional marketing and exposure.

PROPERTY HISTORY

The Subject has been owned by my client for over 5 years, precluding the need for further investigation. Not reported as having been listed per our MLS system.

ENVIRONMENTAL ASSUMPTION

Per my physical inspection, I saw no apparent conditions such as environmental conditions that would render the property less valuable. However, I am not qualified to detect hazardous waste and toxic materials and I cannot confirm as to the presence or lack of any such condition. I can merely state that I did not note any obvious problems based upon a cursory inspection. Please refer to the Assumptions and Limiting Conditions in this report.

HIGHEST AND BEST USE

Current use until market demand dictates a change for rural acreage homesites, and assuming county approvals could be obtained.

MARKET VALUE DEFINED

Market value is defined as follows:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is consummation of a sale as of a specified date and passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and each acting in what he considers his own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

SALES COMPARISON APPROACH SUMMARY

It is assumed in this approach that there exists a market for the type of property being appraised and that data on recent sales of similar, competitive properties in the market are "arms length" transactions, indicating a most probable sale price that the Subject property would bring as of the valuation date. Although individual sales often deviate from a situation where both buyer and seller are knowledgeable market participants, it is assumed that a sufficient number of sales should tend to reflect investor patterns of prices (and thus values) in that particular market.

The following process is typically undertaken in order to develop an informed opinion of a property's value using the Sales Comparison Approach:

1. Search of sales, listing or offerings of similar properties.
2. Confirm the prices as to terms, reason for purchase, and if a bona fide sale.
3. Compare the sale property's attributes with those of the property being appraised.
4. Analyze all the differences as to their probable effect on the sale price.
5. Form an opinion of the relative value of the property under appraisal as compared with the sale price of each similar property.

Some of the economic units of comparison which may be utilized in this approach are Overall Rate (OAR), Gross Annual Income Multipliers (GAIM or GIM), Effective Gross Income Multipliers (EGIM); some of the physical units of comparison are price per square foot of building area, price per unit, price per room, etc.

The reader is again reminded that Idaho is a non-disclosure state and obviously, recollection of details and anticipation often fade with time; as such it is not always possible to obtain exact details from a respective transaction.

The most applicable approach to value was used (the Sales Comparison) in the valuation of the Subject property. I have utilized a price per acre, which is considered credible, as the comparables adequately support this unit of comparison. The Sales Approach is the most relevant approach to value for this type of property. The Income nor Cost Approaches were considered.

Physical Summation

Total Size of land: Per County records there is a total of two tax parcels totaling 168.21.

Irrigation: I was informed that any prior water rights from Monroe Creek have been readjudicated. Therefore, no water rights are recognized.

Soil Description: Bottom ground and hillside.

Zoning: Agriculture

Topography/Shape: Moderate to steep slope, and irregular in configuration. See aerial map.

Special Comments: In most cases the county recognizes four potential land splits for every original parcel (1979). However, a review/research by the county would be required to ascertain the subjects potential.

It was reported that 50+/- acres was placed in a temporary conservation type program but is apparently near the end of its term and could be removed for a nominal fee (assume this to be correct, as per owner). No special consideration is deemed necessary.

Area Summary: The Subject Property is located 9+/- miles north of Weiser and 1.5+/- miles south of Mann Creek Reservoir. Monroe Creek is a part of the larger Weiser River watershed with varying flows depending on weather and time of year. Most of the area is hilly topography with more moderate sloping land along the creek bottoms. The Subject Property begins at Monroe Creek and Long Road. In this particular area there are a

number of residential houses and farms on varying tracts of land. Long Road is a narrow county road that provides access to the Subjects easterly sector. The Subjects history goes back to the first settlers that were attracted to the bottom lands in the mid 1800's, most of which engaged in raising stock. Today, irrigation for the subject area is hit and miss and not monitored. Residents in the area are still farming/ranching or using the properties for hobby farm use, and commute to work. The area is largely recreational and agricultural in nature.

TAX INQUIRY SUMMARY

<u>Parcel Number</u>	<u>Description</u>	<u>Assessment</u>	<u>Acreage</u>
RP12N05W270600T	Irrigated Ag	\$36,450	57.00
	Non-Irrigated Ag	\$ 9,790	59.00
	Dry Grazing	\$ 590	18.00
	Waste	\$ 0	1.21
		<u>\$46,830</u>	<u>135.21</u>
RP12N05W277560T	Irrigated Ag	\$23,000	29.00
	Dry Grazing	\$ 100	3.00
	Waste	\$ 0	1.00
	Improvement on Land	<u>\$ 1,110</u>	
		<u>\$24,210</u>	<u>33.00</u>

Note: Assessor should be informed that water rights are no longer available.

The prices per acre for comparable land sales ranges from \$1,000 to as much as \$3,000+/- per acre, depending on parcel size, etc... Active listings range from \$1,500 to \$3,300 per acre but activity has moderated from the time period between 2005 to mid 2006. Only sold sales were given weight. After analyzing and adjusting for the differences and weighing the resulting value indicators, a final blended value estimate for the entire 168.21 acres of **\$1,500 per acre** was concluded.

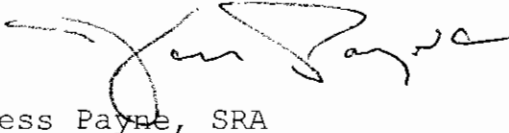
After my investigation, and analysis, and after considering all those factors which effect value by the Sales Comparison Approach, it is my opinion that the most probable Current Market

Value for the Subject, as of November 7, 2007 is concluded at \$1,500 per acre;

\$1,500 per Acre @ 168.21 gross Acres = \$252,315 Rounded to \$252,500

A self-contained or more comprehensive appraisal could be completed upon request.

Respectfully Submitted,



Jess Payne, SRA
Certified General Appraiser

CERTIFICATION

I, Jess Payne, SRA, certify that, to the best of my knowledge and belief:

- the statements of fact, to the best of my knowledge and belief, which are contained in this restricted report are true and correct.
- the reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analysis, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- my compensation is not contingent upon the report of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of stipulated result, or the occurrence of a subsequent event. This appraisal assignment was not based on; a requested minimal valuation; or a specific valuation; or the approval of a loan.
- my analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have made a personal inspection of the property that is the subject of this report.
- no one, other than Jess Payne, SRA, provided significant professional assistance to the person signing this report.
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representative.
- I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- as of the date of this report, I Jess Payne, SRA, have completed the requirements under the continuing education program of the Appraisal Institute.


Jess Payne, SRA
Certified General Appraiser

ASSUMPTIONS AND LIMITING CONDITIONS

1. As agreed upon with the client prior to the preparation of this appraisal, this is a Restricted Use appraisal because it invokes the Departure Provision of the Uniform Standards of Professional Appraisal Practice. As such, information pertinent to the valuation has not been considered and/or the full valuation process has not been applied. Depending on the type and degree of limitation, the reliability of the value conclusion provided herein may be reduced.
2. This is a restricted report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(c) of the Uniform Standards of Professional Appraisal Practice for a restricted appraisal report. As such, it does not include discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.
3. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
4. The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
5. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
6. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
7. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
8. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
9. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.

10. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.
11. It is assumed that all required licenses, certificates of occupancy, or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.
12. Any sketch, if any, in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
13. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.
14. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, purpose foam insulation, or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is not such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.
15. Unless otherwise stated in this report, the Subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.

16. Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.
17. The distribution, if any, of the total valuation in this report between the land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
18. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with proper written qualification and only in its entirety.
19. Neither all or any part of the contents of this report (especially any conclusions as to the value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser.

ADDENDA

- 1) Subject Photos
- 2) Location Map
- 3) Plat Map
- 4) Tax Inquiry
- 5) Legal Description
- 6) Aerial Map
- 7) Engagement Letter
- 8) Appraiser Qualifications

SUBJECT PHOTOS

Client	John Havlina				
Property Address	NNA Monroe Creek Road				
City	Weiser	County	Washington	State	ID Zip Code
Client					



SUBJECT PROPERTY
Northerly View



SUBJECT PROPERTY
Northerly View

SUBJECT PHOTOS

Client	John Havlina				
Property Address	NNA Monroe Creek Road				
City	Weiser	County	Washington	State	ID Zip Code
Client					



SUBJECT PROPERTY
Northernly View



SUBJECT PROPERTY
Southernly View

SUBJECT PHOTOS

Client	John Havlina				
Property Address	NNA Monroe Creek Road				
City	Weiser	County	Washington	State	ID Zip Code
Client					



SUBJECT PROPERTY
Southernly View of Easterly Parcel



SUBJECT PROPERTY
Southwesterly View

SUBJECT PHOTOS

Client	John Havlina				
Property Address	NNA Monroe Creek Road				
City	Weiser	County	Washington	State	ID Zip Code
Client					



SUBJECT PROPERTY
Easterly View



SUBJECT PROPERTY
Easterly View

SUBJECT PHOTOS

Client	John Havlina				
Property Address	NNA Monroe Creek Road				
City	Weiser	County	Washington	State	ID Zip Code
Client					



SUBJECT PARCEL
Westerly View



SUBJECT STREET
Long Road

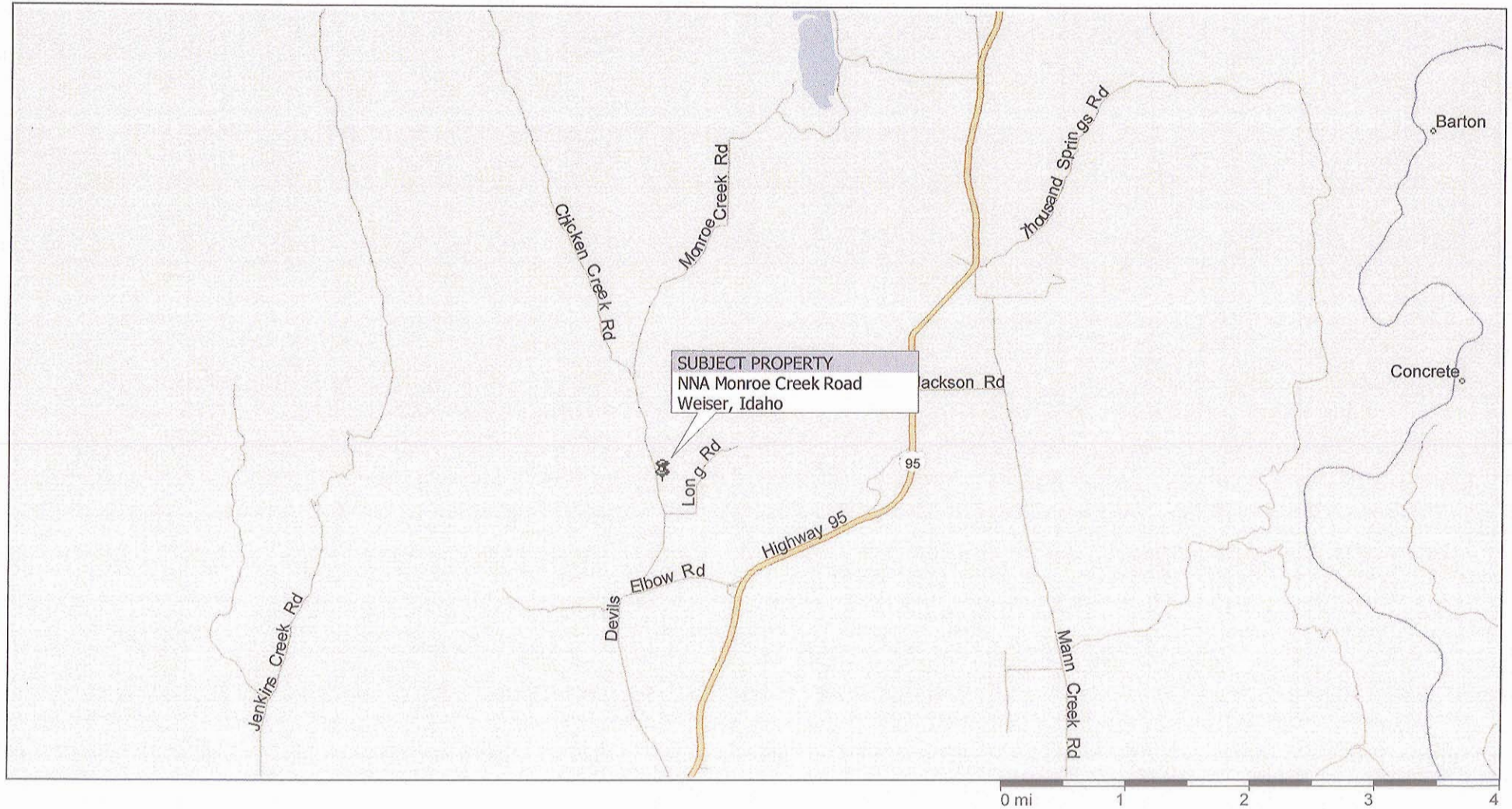
SUBJECT PHOTOS

Client	John Havlina				
Property Address	NNA Monroe Creek Road				
City	Weiser	County	Washington	State	ID Zip Code
Client					



SUBJECT STREET
Long Road

LOCATION MAP



BASED ON GOVERNMENT SURVEYS AND OFFICIAL
REPORTS ON FILE AT THE OFFICE OF THE CHIEF,
BUREAU OF VETERANS AFFAIRS, 1946. FOR
ADDITIONAL FACTS ONLY - SEE NOT CONTAINED
HEREIN.



0	5	4	3	2	1
7	6	9	10	11	12
15	17	16	13	14	18
19	20	21	22	25	24
26	29	28	27	26	29
31	30	31	34	35	36

MULTI-PHASE EXPLORATION, 2005

This plat is made solely for the purpose of assisting in locating the land and Washington County Title Co. assumes no liability for variations, if any, with actual survey.



2/05/2007
11:47:20

UNIFORM ASSESSMENT DEVELOPMENT
SOFTWARE SYSTEMS
PMB001
ALPHA ROLL

PAGE 2341

** PARCEL KEY **
TYPE PARCEL NO STATUS
CODE OLD PARCEL NO
MAP NUMBER

NAME/ADDRESS

LEGAL DESCRIPTION

CHT

QUANTITY UNIT

MARKET REVIEW
YEAR

194492 AFF
178984SPLT
169916CPA

PROPERTY ADDR:

TYPE: LOCATION: 5075 CAMA AREA #: 1
DEED CHANGE DATE: 2004/08/20
INSP YR: 2001

1.000 **

19,530 ***

RP 12N05W270610 A STERLING TRUST CO
047-0000 RP12N05W270600T HAVLINA, JOHN M JR CUSTODIAN
IRA ACCT # 68243
12N05WQ8 7901 FISH POND ROAD
195022 WAR WACO TX 76710
184789
170163

W1/2NE; NWSE; SW E OF MONROE
CREEK RD; S27T12R5;
135.31 ACRES;

1
3
5
19

57.000 AC
59.000 AC
18.000 AC
1.210 AC

36,450 2003
9,790 2003
590 2003
2003

PROPERTY ADDR:

TYPE: LOCATION: 5076 CAMA AREA #: 1
DEED CHANGE DATE: 2004/09/22
INSP YR: 2003

135.210 **

46,830 ***

RP 12N05W278450 A STERLING TRUST CO
047-0000 RP12N05W277560T HAVLINA, JOHN M JR CUSTODIAN
IRA ACCT # 68243
12N05WQ8 7901 FISH POND RD
195022 WAR WACO TX 76710
174030SPLT
173659
172436QT
164329CPA?

PART E1/2SE; S27T12R5;
33.47 ACRES

1
5
19
32

29.000 AC
3.000 AC
1.000 AC

23,000 2001
100 2001
2001
1,110 2001

PROPERTY ADDR:

TYPE: LOCATION: 5076 CAMA AREA #: 1
DEED CHANGE DATE: 2004/09/22
INSP YR: 2001

33.000 **

24,210 ***

RP W13D00010000 A
001-0000 RP000609
W0875
168354
168353
164062
162013
8/99

STERLING, DENNIS I
A STERLING, JUDY R
1800 E 6TH
WEISER ID 83672

PART OF BLK 1; MENDENHALL #2
(IN THE NWSE OF S29T11R5)
PARKING LOT; 11N05W297820

21
42

AC

16,800 2005
5,460 2005

PROPERTY ADDR:

U S HWY 95

83672

**

22,260 ***

195022

Legal Description
Warranty Deed
Havina PA Profit Sharing Plan

IN WASHINGTON COUNTY, IDAHO:

In Township 12 North, Range 5 West of the Boise Meridian:

Section 27: W $\frac{1}{4}$ NE $\frac{1}{4}$; NW $\frac{1}{4}$ SE $\frac{1}{4}$; That portion of the SW $\frac{1}{4}$ lying East of Monroe Creek Road.

ALSO:

Beginning at the southwest corner of the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 27, thence north to Long Road extended (a private road) to the centerline; thence along said road centerline in a northeasterly direction to the intersection with the bank of a certain ditch commonly known as Verbeck-Parks Ditch; thence down and along said Verbeck-Parks Ditch in an easterly and southerly direction to its point of intersection with the south line of the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 27; thence west 950 feet, more or less, to the point of beginning.

Aerial

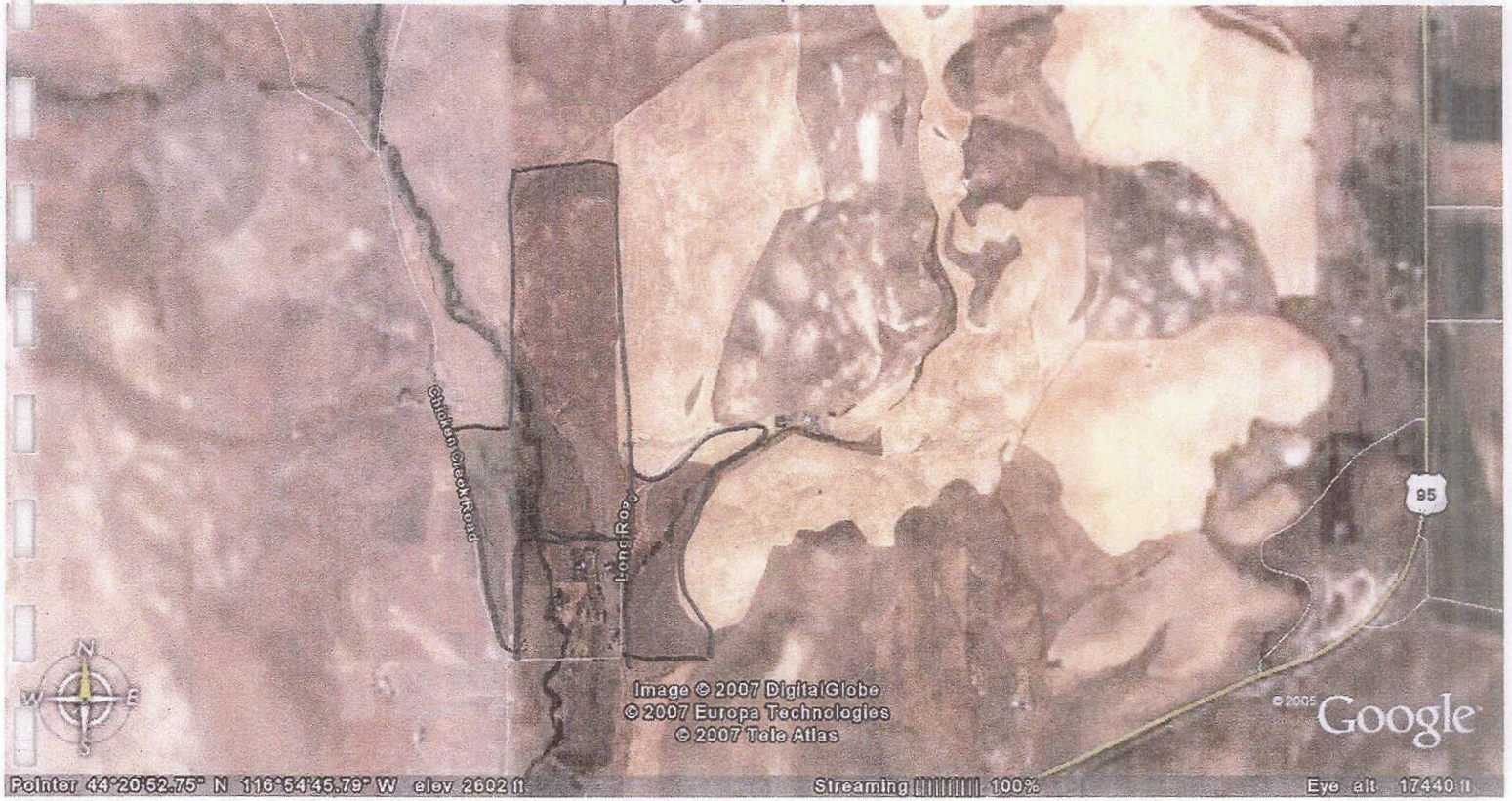


Image © 2007 DigitalGlobe
© 2007 Europa Technologies
© 2007 Tele Atlas

© 2005 Google

Pointer 44°20'52.75" N 116°54'45.79" W elev 2602 ft

Streaming 100%

Eye alt 17440 ft

JESS PAYNE APPRAISAL SERVICE

JESS PAYNE, SRA
CERTIFIED GENERAL APPRAISER

Telephone: 208-454-2991
Fax: 208-459-1273
E-Mail: erin@jpas.us

418 9th Avenue South
Caldwell, Idaho 83605
Web Site: www.jesspayneappraisalservice.com

Jack Havlina
3213 Crescent Rim Drive
Boise, Idaho 83706
P: 389-1088

REAL ESTATE APPRAISAL AND AUTHORIZATION AGREEMENT

This agreement is entered into on the 23rd of October 2007 between the appraiser Jess Payne, SRA, CGA #108 and the intended user, Jack Havlina. The use will be for asset determination.

The purpose of this Agreement is to establish a stated fee and the scope of the assignment for the purpose of determining the current market value, for the property located at NNA Monroe Creek Road, Weiser, Idaho.

Fee and Format Type

It is agreed by the parties to this contract that Jess Payne, SRA and Certified General Appraiser, will perform a Restricted appraisal for the above captioned property with a fee that will not exceed the sum of \$2,000, payable upon receipt of the Appraisal Report. The Scope of the Assignment will involve a physical inspection of the property, search and analysis of comparable sales, and a conclusion of value within a Restricted format.

Turn Around Time

The Report is anticipated to be completed within 3+/- weeks of signed engagement letter.

If Lender is not Client

My client understands that this appraisal report cannot be used for lending purposes, as the lender would need to be the client and have engaged us directly. This report cannot be forwarded to a lender or altered, as it is a legal document.

Confidentiality

Appraiser shall not provide a copy of the written Appraisal Report to, or disclose the results of the appraisal prepared in accordance with this Agreement to, any party other than Client, unless authorized, except as stipulated in the Confidentiality Section of the Ethics Rule of the Uniform Standards of Professional Appraisal Practice (USPAP).

Cancellation

Client may Cancel this agreement at any time prior to Appraiser's delivery of the Appraisal Report upon written notification to Appraiser. Client shall pay Appraiser for work completed on assignment prior to Appraiser's receipt of written cancellation notice, unless otherwise agreed upon by Appraiser and Client.

Appraiser Independence

Appraiser cannot agree to provide a value opinion that is contingent on a predetermined amount. Appraiser cannot guarantee the outcome of the assignment in advance. Appraiser cannot ensure that the opinion of value developed as a result of this Assignment will serve to facilitate any specific objective of Client or others or advance any particular cause. Appraiser's opinion of value will be developed competently and with independence, impartially and objectively.

Client's Duty to Indemnify Appraiser

Client agrees to defend, indemnify and hold harmless Appraiser from any damages, losses or expenses, including Attorney's fees and litigation expenses at trial or on appeal, based on any issues relating to client misrepresentation.

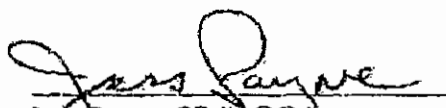
Extent of Agreement

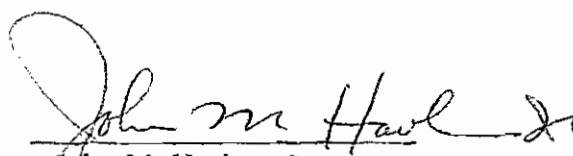
This agreement represents the entire and integrated agreement between Client and Appraiser and supersedes all prior negotiations, representations or agreements, either written or oral. This agreement may be amended only by a written instrument signed by both Client and Appraiser.

Expiration of Agreement

This agreement is valid only if signed by both Appraiser and Client.

Notes:


Jess Payne, SRA, CGA
Certified General Appraiser


John M. Havlina, Jr.

October 29, 2007

10-29-07

10-29-07
This is an amended second page of the engagement agreement faxed to me after a telephone conversation with Jess Payne in which I objected to the wording in the clause headed, "Client's Duty to Indemnify Appraiser."

JH

Jess Payne, SRA, CGA

Jess Payne Appraisal Service

Certified General Appraiser #CGA-108
418 9th Avenue South, Caldwell, Idaho 83605
Phone: (208) 454-2991 Fax: (208) 459-1273
E-Mail: appraisals@jpas.us

General Education:

- Degree from Walla Walla College, College Place, Washington, June 1978.
- Graduate work for Masters Degree on a scholarship in 1978, Walla Walla College.
- Instructor Blue Mountain Community College, Pendleton, Oregon, 1978 and 1979.
- Appraisal Institute SRA member and obtained state certification as a General Appraiser.

Appraisal Education(prior 6 years only):

- Overview of Real Estate Appraisal Principles, 2006
- Business Practices and Ethics, 2005
- Professional's Guide to the Uniform Residential Appraisal Report, 2005
- Expanding Your Range of Services, 2005
- USPAP Equivalent Course, 2005
- Feasibility, Market Value, Investment Timing: Option Value, 2005
- Effective Report Writing, Boise, Idaho, 2004
- Real Estate Investment Analysis: A Small Property Prospective, Boise, Idaho, 2004
- USPAP Update Course, Boise, Idaho, 2003
- Land Valuation Adjustments, Boise, Idaho, 2003
- Land Valuation Assignments, Boise, Idaho, 2003
- Scope of Work Seminar, Boise, Idaho, 2002
- Internet Search Strategies for Real Estate Appraisers, 2001
- Residential Property Construction, 2001
- Valuation of Detrimental Conditions in Real Estate, 2001
- Standards of Professional Practice, 2001
- FHA and the Appraisal Process, 2001
- Residential Design and Functional Utility, 2001
- Appraising from Blueprints and Specifications, 2001
- Using the GIS system in Appraising, Phoenix, Arizona, 2001

Professional Organizations:

- Member of the Appraisal Institute, SRA designation
- Affiliate Member of the Caldwell Board of Realtors
- Affiliate Member of the Nampa Board of Realtors
- Member of the Caldwell Chamber of Commerce
- Member of the Business Advisory Committee (National)

Practical Experience:

- President and Partner of J&J Development, Inc (Real Estate investment and development company)
- Owner/Operator of Jess Payne Appraisal Service, January 1990 to present.
- Independent Fee Appraiser with T. Skinner Enterprises, July 1986 through January 1990.
- Independent Fee Appraiser 1984 through July 1986, Los Angeles, California
- Bank Loan Consultant 1983 through 1985, Wells Fargo Bank, El Monte, California.
- Real Estate and Business Sales (Sales, Management and Ownership), 1980 through 1983, Scottsdale, Arizona

Independent Fee Appraising Consists of the Following Divisions:

Commercial

Transitional Land Issues
Office and Retail
Industrial
Subdivisions
Apartments
Litigation

Residential

Single Family (all types and prices)
2-4 Multi family
New Construction
Residential Acreage
Townhouses/PUD's

*Commercial and Residential Appraisers are on Staff

Business References:

Roger Eisenbarth, Vice President
Home Federal Savings and Loan
500 12th Avenue South
Nampa, Idaho 83651
208-466-4634

Richard Hachtel, SRA, CGA
Vice President/Chief Appraiser
Home Federal Savings and Loan
500 12th Avenue South
Nampa, Idaho 83651
208-468-5115

Dan Luttrell, Assistant Vice President and Manager
Washington Federal Savings and Loan
223 11th Avenue South
Nampa, Idaho 83651
208-466-8433

Norm Brown, Vice President, Sr. Commercial Lender
Farmers and Merchants Bank, A Bank of the
Cascades Company
112 2nd Street South
Nampa, Idaho 83651
208-465-6333

Brad Janoush, MAI
Commercial Real Estate Appraiser
Integra
1661 Shoreline Drive, Suite 200
Boise, Idaho 83702
208-342-2500

Gary Kames, Vice President
Intermountain Community Bank
5660 E. Franklin Road, Suite 100
Nampa, Idaho 83686
208-899-8430

JESS PAYNE APPRAISAL SERVICE

RESTRICTED APPRAISAL REPORT

DATE OF:
November 10, 2007

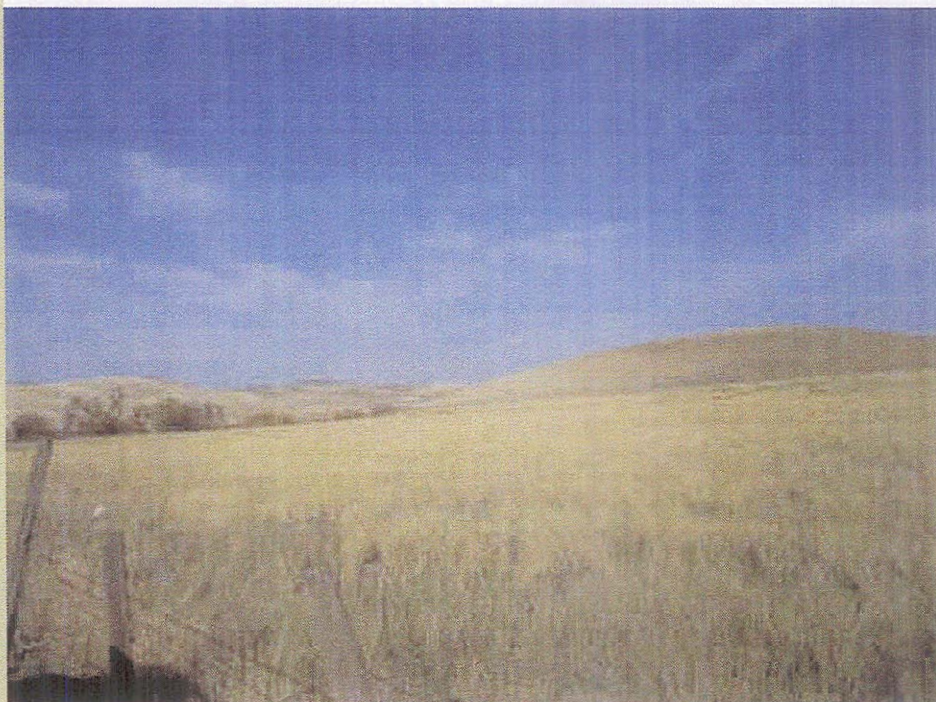
PREPARED FOR:
John M. Havlina
3213 Crescent Rim Drive
Boise, Idaho 83706

418 9th Avenue South
Caldwell, Idaho 83605

Phone: 208.454.2991
Fax: 208.459.1273
Email: appraisals@jpas.us

Jess Payne, SRA
Certified General Appraiser

JESS PAYNE APPRAISAL
SERVICE



RESTRICTED APPRAISAL REPORT ON
NNA MONROE CREEK ROAD
WEISER, WASHINGTON COUNTY, IDAHO

