

5-29-2012

American Bank v. Wadsworth Golf Construction Co Clerk's Record v. 10 Dckt. 39415

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**SUPREME COURT
OF THE
STATE OF IDAHO**

AMERICAN BANK,

Plaintiffs-Cross Defendant-Appellant,

v.

WADSWORTH GOLF CONSTRUCTION COMPANY OF,
THE SOUTHWEST, etal.,

Defendant-Cross Defendant-Respondent-
Cross-Appellant,

and

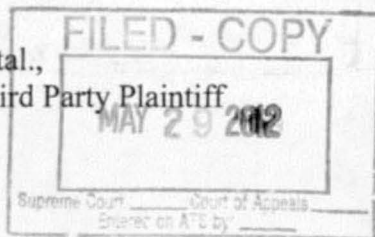
TAYLOR ENGINEERING, INC., etal.,

Defendant-Third Party Plaintiff

and

BRN DEVELOPMENT, INC., etal,

Defendants-Cross-Defendants,



*Appealed from the District Court of the First Judicial District of
the State of Idaho, in and for the County of Kootenai.*

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39415

VOL. 10A

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CLERK, DISTRICT COURT
Patty Bayley
DEPUTY

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11 *Attorneys for Defendants Wadsworth Golf
12 Construction Company of the Southwest,
13 The Turf Corporation, and Precision Irrigation, Inc.*

14 IN THE DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT
15 OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF KOOTENAI

16 AMERICAN BANK, a Montana banking corporation,
17
18 Plaintiff,
19 vs.

20 NO. CV-09-2619
21 AFFIDAVIT OF EDWARD J.
22 ANSON

23 BRN DEVELOPMENT, INC., an Idaho corporation,
24 BRN INVESTMENTS, LLC, an Idaho limited liability
25 company, LAKE VIEW AG, a Liechtenstein company,
26 BRN-LAKE VIEW JOINT VENTURE, an Idaho
27 general partnership, ROBERT LEVIN, Trustee for the
28 ROLAND M. CASATI FAMILY TRUST, dated June
5, 2008, RYKER YOUNG, Trustee for the RYKER
YOUNG REVOCABLE TRUST, MARSHALL
CHESROWN a single man, IDAHO ROOFING
SPECIALIST, LLC, an Idaho limited liability
company, THORCO, INC., an Idaho corporation,
CONSOLIDATED SUPPLY COMPANY, an Oregon
corporation, INTERSTATE CONCRETE & ASPHALT
COMPANY, an Idaho corporation, CONCRETE
FINISHING, INC., an Arizona corporation,
WADSWORTH GOLF CONSTRUCTION
COMPANY OF THE SOUTHWEST, a Delaware
corporation, THE TURF CORPORATION, an Idaho
corporation, POLIN & YOUNG CONSTRUCTION,
INC., an Idaho corporation, TAYLOR
ENGINEERING, INC., a Washington corporation,
PRECISION IRRIGATION, INC., an Arizona

1 corporation and SPOKANE WILBERT VAULT CO., a
2 Washington corporation, d/b/a WILBERT PRECAST,

3 Defendants,

4 And

5 TAYLOR ENGINERRING, INC., a Washington
6 corporation,

7 Third-Party Plaintiff,

8 v.

9 ACI NORTHWEST, INC., an Idaho corporation;
10 STRATA, INC., an Idaho corporation; and
11 SUNDANCE INVESTMENTS, LLP, a limited liability
12 partnership,

13 Third-Party Defendants,

14 And

15 ACI NORTHWEST, INC., an Idaho corporation,

16 Cross-Claimant,

17 v.

18 AMERICAN BANK, a Montana banking corporation,
19 BRN DEVELOPMENT, INC., an Idaho corporation,
20 BRN INVESTMENTS, LLC, an Idaho limited liability
21 company, LAKE VIEW AG, a Liechtenstein company,
22 BRN-LAKE VIEW JOINT VENTURE, an Idaho
23 general partnership, ROBERT LEVIN, Trustee for the
24 ROLAND M. CASATI FAMILY TRUST, dated June
25 5, 2008, RYKER YOUNG, Trustee for the RYKER
26 YOUNG REVOCABLE TRUST, MARSHALL
27 CHESROWN a single man, THORCO, INC., an Idaho
28 corporation, CONSOLIDATED SUPPLY COMPANY,
an Oregon corporation, THE TURF CORPORATION,
an Idaho corporation, WADSWORTH GOLF
CONSTRUCTION COMPANY OF THE
SOUTHWEST, a Delaware corporation, POLIN &
YOUNG CONSTRUCTION, INC., an Idaho
corporation, TAYLOR ENGINEERING, INC., a
Washington corporation, and PRECISION
IRRIGATION, INC., an Arizona corporation,

Cross Claim Defendants.

1 STATE OF IDAHO)
):SS
2 COUNTY OF KOOTENAI)

3 EDWARD J. ANSON, being first duly sworn, on oath, deposes and says:

4 That I am the attorney for Defendants Wadsworth Golf Construction Company of the
5 Southwest, The Turf Corporation, and Precision Irrigation, Inc.
6

7 That I make this affidavit upon my personal knowledge.

8 That attached hereto as Exhibit 1 is a true and correct copy of pages 13 and 14 of the
9 deposition of Kyle Capps taken in this matter on March 8, 2010.
10

11 That attached hereto as Exhibit 2 is a true and correct copy of Exhibit 1 to the deposition
12 of Steven Harrell taken in this action on November 18, 2009.

13 That attached hereto as Exhibit 3 is a true and correct copy of pages 25-26 of the
14 deposition of Kyle Capps taken in this matter on March 8, 2010.
15

16 That attached hereto as Exhibit 4 is a true and correct copy of pages 27-28 of the
17 deposition of Kyle Capps taken in this matter on March 8, 2010.

18 That attached hereto as Exhibit 5 is a true and correct copy of Exhibit 4 to the deposition
19 of Steven Harrell taken in this action on November 18, 2009.

20 That attached hereto as Exhibit 6 is a true and correct copy of page 123 of the deposition
21 of Kyle Capps taken in this matter on March 8, 2010.
22

23 That attached hereto as Exhibit 7 is a true and correct copy of pages 30-31 of the
24 deposition of Kyle Capps taken in this matter on March 8, 2010.

25 That attached hereto as Exhibit 8 is a true and correct copy of pages 113-114 of the
26 deposition of Kyle Capps taken in this matter on March 8, 2010.
27
28

1 That attached hereto as Exhibit 9 is a true and correct copy of Exhibits 77 and 78 of the
2 deposition of Kyle Capps taken in this matter on March 8, 2010.

3 That attached hereto as Exhibit 10 is a true and correct copy of pages 39-44 of the
4 deposition of Kyle Capps taken in this matter on March 8, 2010.

5 That attached hereto as Exhibit 11 is a true and correct copy of Exhibit 75, pages
6 BRN510-BRN516 of the deposition of Kyle Capps taken in this matter on March 8, 2010.

7 That attached hereto as Exhibit 12 is a true and correct copy of pages 46-54 of the
8 deposition of Kyle Capps taken in this matter on March 8, 2010.

9 That attached hereto as Exhibit 13 is a true and correct copy of Exhibit 75, pages
10 BRN521 and BRN525-BRN530 of the deposition of Kyle Capps taken in this matter on March
11 8, 2010.

12 That attached hereto as Exhibit 14 is a true and correct copy of pages 130-131 of the
13 deposition of Kyle Capps taken in this matter on March 8, 2010.

14 That attached hereto as Exhibit 15 is a true and correct copy of Exhibit 66 to the
15 deposition of Steven Harrell taken in this action on November 18, 2009.

16 That attached hereto as Exhibit 16 is a true and correct copy of Exhibit 63 pages 373-379
17 to the deposition of Steven Harrell taken in this action on November 18, 2009; pages 54-64 of
18 the deposition of Kyle Capps and Exhibit 75 page 537 of the deposition of Kyle Capps taken in
19 this matter on March 8, 2010.

20 That attached hereto as Exhibit 17 is a true and correct copy of BRN Development Rule
21 30(b)(6) deposition pages 10, 11, and 165-167.

22 That attached hereto as Exhibit 18 is a true and correct copy of pages 132-134 of the
23 deposition of Leon Royer taken in this matter on September 8, 2010.

1 That attached hereto as Exhibit 19 is a true and correct copy of Exhibit 63 at 380-385 to
2 the deposition of Steven Harrell taken in this action on November 18, 2009.

3 That attached hereto as Exhibit 20 is a true and correct copy of Exhibit 75 at 539 of the
4 deposition of Kyle Capps taken in this matter on March 8, 2010.

5 That attached hereto as Exhibit 21 is a true and correct copy of Exhibit 63 pages 396-412
6 to the deposition of Steven Harrell taken in this action on November 18, 2009.

7 That attached hereto as Exhibit 22 is a true and correct copy of Exhibit 75 page 541 of the
8 deposition of Kyle Capps taken in this matter on March 8, 2010.

9 That attached hereto as Exhibit 23 is a true and correct copy of Exhibit 63 pages 413-425
10 to the deposition of Steven Harrell taken in this action on November 18, 2009.

11 That attached hereto as Exhibit 24 is a true and correct copy of pages 70-75 of the
12 deposition of Kyle Capps taken in this matter on March 8, 2010.

13 That attached hereto as Exhibit 25 is a true and correct copy of Exhibit 75 page 543 and
14 Exhibit 76 page 4 of the deposition of Kyle Capps taken in this matter on March 8, 2010.

15 That attached hereto as Exhibit 26 is a true and correct copy of Exhibit 63 pages 426-437
16 to the deposition of Steven Harrell taken in this action on November 18, 2009.

17 That attached hereto as Exhibit 27 is a true and correct copy of page 78; and Exhibit 75
18 page 545 of the deposition of Kyle Capps taken in this matter on March 8, 2010.

19 That attached hereto as Exhibit 28 is a true and correct copy of Exhibit 63 pages 438-450
20 to the deposition of Steven Harrell taken in this action on November 18, 2009.

21 That attached hereto as Exhibit 29 is a true and correct copy of pages 83 and 84 of the
22 deposition of Kyle Capps taken in this matter on March 8, 2010.

1 That attached hereto as Exhibit 30 is a true and correct copy of Exhibit 75 page 545 of the
2 deposition of Kyle Capps taken in this matter on March 8, 2010.

3 That attached hereto as Exhibit 31 is a true and correct copy of Exhibit 63 pages 451-465
4 to the deposition of Steven Harrell taken in this action on November 18, 2009.

5 That attached hereto as Exhibit 32 is a true and correct copy of Exhibit 76 page 8 of the
6 deposition of Kyle Capps taken in this matter on March 8, 2010.

7 That attached hereto as Exhibit 33 is a true and correct copy of Exhibit 63 pages 466-479
8 to the deposition of Steven Harrell taken in this action on November 18, 2009.

9 That attached hereto as Exhibit 34 is a true and correct copy of Exhibit 76 page 11 of the
10 deposition of Kyle Capps taken in this matter on March 8, 2010.

11 That attached hereto as Exhibit 35 is a true and correct copy of Exhibit 63 pages 494-499
12 to the deposition of Steven Harrell taken in this action on November 18, 2009.

13 That attached hereto as Exhibit 36 is a true and correct copy of pages 90-95 of the
14 deposition of Kyle Capps taken in this matter on March 8, 2010.

15 That attached hereto as Exhibit 37 is a true and correct copy of Exhibit 63 pages 500-531
16 to the deposition of Steven Harrell taken in this action on November 18, 2009.

17 That attached hereto as Exhibit 38 is a true and correct copy of Exhibit 76 page 12;
18 Exhibit 75 page 551; and pages 95-102 of the deposition of Kyle Capps taken in this matter on
19 March 8, 2010.

20 That attached hereto as Exhibit 39 is a true and correct copy of Exhibit 63 at 532-537 to
21 the deposition of Steven Harrell taken in this action on November 18, 2009.

22 That attached hereto as Exhibit 40 is a true and correct copy of Exhibit 75 page 553 of the
23 deposition of Kyle Capps taken in this matter on March 8, 2010.

1 That attached hereto as Exhibit 41 is a true and correct copy of Exhibit 63 pages 538-545
2 to the deposition of Steven Harrell taken in this action on November 18, 2009.

3 That attached hereto as Exhibit 42 is a true and correct copy of Exhibit 75 page 555 of the
4 deposition of Kyle Capps taken in this matter on March 8, 2010.

5 That attached hereto as Exhibit 43 is a true and correct copy of Exhibit 63 pages 546-560
6 to the deposition of Steven Harrell taken in this action on November 18, 2009.

7 That attached hereto as Exhibit 44 is a true and correct copy of Exhibit 75 page 557 of the
8 deposition of Kyle Capps taken in this matter on March 8, 2010.

9 That attached hereto as Exhibit 45 is a true and correct copy of Exhibit 76 page 16 of the
10 deposition of Kyle Capps taken in this matter on March 8, 2010.

11 That attached hereto as Exhibit 46 is a true and correct copy of Exhibit 75 page 559 of the
12 deposition of Kyle Capps taken in this matter on March 8, 2010.

13 That attached hereto as Exhibit 47 is a true and correct copy of Exhibit 63 pages 566-571
14 to the deposition of Steven Harrell taken in this action on November 18, 2009.

15 That attached hereto as Exhibit 48 is a true and correct copy of Exhibit 75 page 561 of the
16 deposition of Kyle Capps taken in this matter on March 8, 2010.

17 That attached hereto as Exhibit 49 is a true and correct copy of Exhibit 63 pages 598-603
18 and page 639 to the deposition of Steven Harrell taken in this action on November 18, 2009.

19 That attached hereto as Exhibit 50 is a true and correct copy of Exhibit 75 page 563 of the
20 deposition of Kyle Capps taken in this matter on March 8, 2010.

21 That attached hereto as Exhibit 51 is a true and correct copy of Exhibit 63 pages 640-645
22 to the deposition of Steven Harrell taken in this action on November 18, 2009.

1 That attached hereto as Exhibit 52 is a true and correct copy of pages 107-108 of the
2 deposition of Kyle Capps taken in this matter on March 8, 2010.

3 That attached hereto as Exhibit 53 is a true and correct copy of Exhibit 63 pages 646-654
4 to the deposition of Steven Harrell taken in this action on November 18, 2009.
5

6 That attached hereto as Exhibit 54 is a true and correct copy of Exhibit 63 pages 655-659
7 to the deposition of Steven Harrell taken in this action on November 18, 2009.

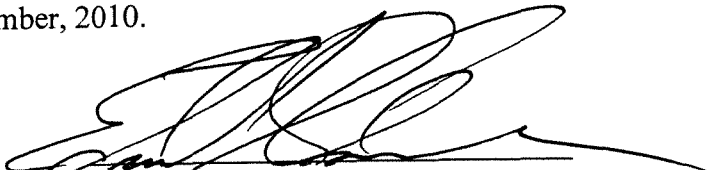
8 That attached hereto as Exhibit 55 is a true and correct copy of Exhibit 63 pages 660-670
9 to the deposition of Steven Harrell taken in this action on November 18, 2009.
10

11 That attached hereto as Exhibit 56 is a true and correct copy of page 111 and page 116 of
12 the deposition of Kyle Capps taken in this matter on March 8, 2010.

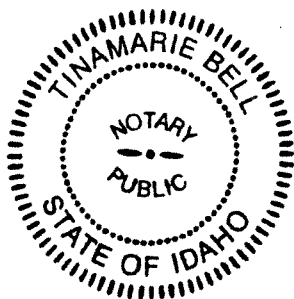
13 That attached hereto as Exhibit 57 is a true and correct copy of pages 115-117 of the
14 deposition of Kyle Capps taken in this matter on March 8, 2010.

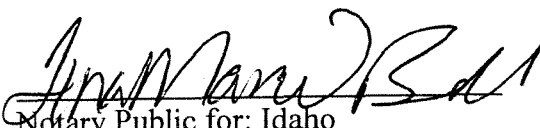
15 That attached hereto as Exhibit 58 is a true and correct copy of Exhibit 156 to the Rule
16 30(b)(6) Deposition of BRN-Lake View Joint Venture taken on June 22, 2010.
17

18 DATED this 12th day of November, 2010.

19
20 
21 EDWARD J. ANSON
22

23 SUBSCRIBED AND SWORN to before me this 12th day of November, 2010.



29 
Notary Public for: Idaho
Residing at: Hayden, ID
My Commission expires: 3/1/2016

CERTIFICATE OF SERVICE

I certify that on this 12th day of November, 2010, I caused a true and correct copy of AFFIDAVIT OF EDWARD J. ANSON to be forwarded, with all required charges prepaid, by the method(s) indicated below, to the following person(s):

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Elizabeth A. Tellessen Hand Delivered
Winston & Cashatt Overnight Mail
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Attorney for Plaintiff

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(Transnation)*

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Tina Marie Bell



EXHIBIT 1

EXHIBIT 1

2130

1 Q. The Black Rock North Golf Course. When
2 did Black Rock Development first contemplate
3 building a golf course?

4 A. I don't know for sure when Black Rock
5 North Development -- or Black Rock first decided.
6 But my first knowledge of it was probably in 2004.

7 Q. Okay. Did you have any involvement in the
8 existing, or the older golf course, which I believe
9 is referred to as the Club at Black Rock?

10 A. Yes.

11 Q. And what was your involvement with that?

12 A. A similar involvement. I started -- I was
13 hired there as a golf course superintendent
14 originally and participated in the construction and
15 development, grow-in, the maintenance of the
16 original golf course, and the home residential
17 development associated with that.

18 Q. Okay. In the -- I'd like to refer you to
19 Exhibit 1 of the Stephen Harrell deposition.
20 Exhibit 1 is entitled Invitation to Bidders.

21 A. Uh-huh.

22 Q. Did you prepare Exhibit 1?

23 A. (Viewing documents.) I don't recall if it
24 was me or our engineer that prepared this page.

25 Q. Okay. That page is dated June 15, 2006.

1 **Were you involved in the planning of the Black Rock**
2 **North Golf Course prior to June of 2006?**

3 A. Yes.

4 **Q. And, again, when would that have started?**

5 A. I don't know specifically, but probably in
6 2004.

7 **Q. Okay.**

8 A. For sure by 2005, because we were having
9 hearings to get the project approved.

10 **Q. In connection with this lawsuit, Wadsworth**
11 **Golf tendered or requested production of documents**
12 **from Black Rock Development.**

13 A. Uh-huh.

14 **Q. Did you play a part in producing the**
15 **documents that were produced?**

16 A. Yes.

17 **Q. And what part did you play in that?**

18 A. I -- I reviewed all of our paper files. I
19 reviewed my electronic files, e-mails to and from
20 various Wadsworth employees throughout the course of
21 the project. I reviewed the pay applications and
22 lien releases in the accounting files, and kind of
23 went through some past employees' files, who no
24 longer work here, who may have worked on this
25 project at times, from an administrative standpoint.

EXHIBIT 2

EXHIBIT 2

I. INVITATION TO BIDDERS

DATE: June 15, 2006

PROJECT NAME: 18 Hole Golf Course Construction Project at Black Rock North

SEALED BIDS are solicited by Black Rock Development, Inc. (Owner)

NATURE OF THE PROJECT: This project includes the mass construction of 18 golf holes, practice green with associated construction haul roads and storm drainage, three PVC lined ponds, golf course irrigation, golf course planting and erosion control. The project site is across from the existing Club at Black Rock on Loff's Bay Road in Kootenai County, ID. Major work is summarized below:

- Construction of golf holes #2 thru #7 with Construction Haul Roads A, R, and Q on the "Panhandle" Site including mass grading and fine grading of the golf holes, irrigation, planting, storm drainage and erosion control.
- Excavation, embankment, PVC lining, earth cover and storm drainage structures for three ponds.
- Construction of golf holes #1, #8, #9, #10 thru #18 with Construction Haul Roads I and B and on the "Main" Site including mass grading and fine grading of the golf holes, irrigation, planting, storm drainage and erosion control.
- Erosion control of all disturbed areas including but not limited to silt fence, riprap outlets/ditches, seeding, mulching, gravel entrances, sediment ponds and straw bales.

BIDS will be received by Taylor Engineering, Inc., 106 West Mission Avenue, Spokane, Washington 99201 until the closing date and time listed below. A public bid opening will not be held. Black Rock Development, Inc. will review the bids and select a Contractor. A Mandatory Pre-bid Meeting will be held for all Prime Contractors on June 23, 2006 at 9:00 a.m. PDT at the Worley Fire District Station #6 located ¼ mile past the main entrance to the Club at Black Rock on Loff's Bay Road in Kootenai County, ID.

CLOSING DATE / TIME:

July 7, 2006

10:00 A.M.

→ EACH PROPOSAL SHALL BE SEALED in an opaque envelope, which has been clearly marked in the upper left corner with the words "Bid Proposal By", followed by the name and address of the bidder. In the lower left corner of the envelope, the bidder shall fill in the bid opening date, closing time, and name of the project.

NO BIDDER may withdraw its bid after the time set for the opening thereof, unless the award of the contract is delayed for a period exceeding sixty (60) calendar days. However, the Owner may reject any or all bids. A Notice of Award will be sent to the apparent successful bidder, who within five (5) working days must enter into a contract with the Owner.

BONDS: A Bid Bond will not be required on the project. Performance and Payment Bonds in the amount of one hundred percent of the contract amount will be required. See Instructions to Bidders.

EXHIBIT 3

EXHIBIT 3

1 A. That is the end of the period when we
2 would accept bids. We won't accept bids after that
3 time.

4 Q. Okay. And then how long after that time
5 would you have accepted a bid?

6 A. I don't know that we had a specific time
7 frame. We -- we accepted the bids and reviewed them
8 and compared the bids, and after review, we would
9 then contact the person that we were interested in
10 contracting with, and I don't have a time frame for
11 that specifically.

12 Q. I believe Mr. Harrell has told me that at
13 one time, Wadsworth was submitting a bid on what
14 would generally be considered, I guess, the entire
15 project, and then later it was changed where there
16 were, in essence, two portions, which ultimately ACI
17 prepared one portion and Wadsworth the other. Do
18 you have any knowledge of what I am referring to?

19 A. Yes.

20 Q. Could you explain to me that, then?

21 A. Yes. In the initial bid Wadsworth
22 submitted included all of the mass excavation, which
23 is the heavy earth moving, as well as the -- and
24 then shaping and finishing, irrigation and drainage
25 and actual golf course construction. On this

1 particular project, we had mass excavation outside
 2 of the golf course boundaries that needed to be done
 3 in conjunction with the golf course to balance the
 4 dirt. So what Mr. Harrell is referring to is, they
 5 submitted a bid for the mass excavation and the golf
 6 course, but ultimately, ACI was contracted for the
 7 mass excavation, and did development and the golf
 8 course together to combine the work, and basically
 9 it was the most efficient way to do it, the mass
 10 excavation.

11 **Q. You used a phrase in your response. You**
 12 **stated "to balance the dirt."**

13 A. Correct.

14 **Q. Could you describe what that means?**

15 A. Well, basically when you go to a -- a
 16 construction project, you try to make -- get the
 17 amount of material excavate equal the amount of
 18 material you place in embankment so that you're not
 19 exporting or importing material. The material
 20 leaving the project or material coming into the
 21 project is more expensive than just moving dirt
 22 internally, and -- and taking their excess cuts and
 23 placing them in fill areas and balancing the site.

24 **Q. Okay. Was there -- was more material**
 25 **removed from the golf course and placed on the**

EXHIBIT 4

EXHIBIT 4

1 remainder of the project site, or was it the other
 2 way around? Was there any relationship between
 3 material removed from the golf course to other parts
 4 of the project?

5 A. I would say the one place -- there was one
 6 place that the material was moved from the golf
 7 course to residential, and that would be on the
 8 driving range. There was a significant amount of
 9 cut to get the driving range where we wanted it.
 10 And the material that was cut off the driving range
 11 was placed in lot and road fills adjacent to the
 12 driving range.

13 Q. Okay. I'd like to direct your attention
 14 to Exhibit 4 of the Harrell deposition.

15 A. (Viewing documents.)

16 Q. And Exhibit 4 is a three-page document
 17 entitled "Conditional Letter of Intent."

18 A. Uh-huh.

19 Q. Do you recognize Exhibit 4?

20 A. Yes.

21 Q. Exhibit 4, on the first page, has a typed
 22 date of September 18, 2006. Do you see that?

23 A. Uh-huh.

24 MR. LAYMAN: Just answer yes or no.

25 THE WITNESS: Yes.

1 Q. (By Mr. Anson) And the third page appears
2 to bear your signature, and below your signature a
3 handwritten date of October 10, 2006. Do you see
4 that?

5 A. Yes.

6 Q. Could you explain the two different dates
7 to me?

8 A. I would assume that the 9-18-06 was when
9 this was originally drafted and printed, and then
10 the 10-10 was probably when it was signed and
11 executed.

12 Q. Would you have sent Exhibit 4 to Mr.
13 Harrell on or about September 18, 2006?

14 A. I would think so, yes.

15 Q. Would you have signed it at that time?

16 A. Typically no, we did not sign it first. I
17 would have had Mr. Harrell sign it.

18 Q. Would it be your recollection, then, that
19 at some point in time, after September 18, 2006, Mr.
20 Harrell signed Exhibit 4 and sent it to you, and
21 then at that time you signed it?

22 A. That would be my recollection, yes.

23 Q. Do you know whether Wadsworth commenced
24 work on the project after the execution of the
25 conditional letter of intent?

EXHIBIT 5

EXHIBIT 5



09-18-06

Steve Harrell
Wadsworth Golf Construction Co.
600 N. 195th Ave.
Buckeye, AZ 85326

RE: **BLACK ROCK NORTH GOLF COURSE CONSTRUCTION**
BRN Development, Inc.'s Job: 06-5040 (Contract #: 065040_C0002)

"Conditional Letter of Intent"

Dear Mr. Harrell,

This letter is to inform you that it is the intention of *BRN Development, Inc.* to enter into an agreement with *Wadsworth Golf Construction Company* to perform the following work on the referenced project for a lump sum contracted amount not to exceed: \$10,643,465.00 (Ten million, six hundred forty-three thousand, four hundred sixty-five dollars and 0/100), taxes inclusive.

Scope of work Includes:

Schedule A (General Superintendence and Site Preparation):

- Mobilization, permits and bonds for golf course work only
- ~~Construction facilities and temporary controls~~
- ~~Demolition and removal of existing structures~~
- Temporary traffic control for golf work only
- Clearing, grubbing and site preparation as modified

Schedule B (Mass Grading, Site Storm Drainage and Erosion Control)

- Mass Grading—Main Site, Complete per modified scope of work
- Mass Grading—Panhandle Site, Complete as modified
- ~~Construction Haul Road Surfacing (6" Ballast)~~
- ~~Site Storm Drainage, Complete~~
- Three Site Ponds—30 mil PVC Liner, Complete
- Erosion Control per modified scope

Schedule C (18 Hole Golf Course Construction)

Golf Course Supervision and Coordination

Initial

BRN Development, Inc.
P.O. Box 3070
Coeur d'Alene, Idaho 83816
208.665.2005 phone 208.416.0327 fax
www.blackrockdevelopment.com

LOI

Wadsworth Golf Construction Co.
BRN Development, Inc.
Job 06-5040

-2-

**Sand Cap & Topsoil Management
Golf Course Rough Shaping**

**Golf Course Drainage
Greens Construction
Tee Construction
Bunker Construction
Cart Path Construction
Golf Course Finish Shaping and Contouring
Rock Picking
Seed Bed Preparation
Soil Amendment/Fertilizer
Grassing Per Plans
Rock Retaining Walls
Golf Course Irrigation System, Complete
Golf Course Irrigation Pumping Facility**

Scope of work Excludes:

No exclusions specified

In order to memorialize our understanding, a standard BRN Development, Inc. Contract Agreement will be prepared and issued to your firm for your execution under separate cover.

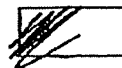
BRN Development, Inc.'s commitment to contract is further contingent upon your firm providing the following:

1. Certificate of Insurance for General Liability, Automobile, Excess Liability and Worker's Compensation coverage (see attached sample Certificate). Please have your insurance company issue a certificate accompanied by "Endorsement Page." Endorsement Page should list *BRN Development, Inc.* as additional insureds, reference BRN Development, Inc.'s Job: 06-5040 (Contract #: 065040_C0002)
2. Contractor agrees to defend, indemnify, and hold harmless the Owner from any and all claims, demands, losses, and liabilities to or by third parties arising from, resulting from, or connected with services performed or to be performed under this Contract by Contractor, its agents, employees, and subcontractors and suppliers of any tier, even though such claims may prove to be false, groundless or fraudulent, to the fullest extent permitted by law and subject to the limits provided below.

Contractor's duty to indemnify Owner shall not apply to liability for damages arising out of bodily injury to persons or damage to property caused by or resulting from the sole negligence of Owner or its agents or employees. Contractor's duty to indemnify Owner for liability for damages arising out of bodily injury to persons or damage to property caused by or resulting from the concurrent negligence of (a) Owner or its agents or employees, and (b)

BRN Development, inc.
P.O. Box 3070
Coeur d'Alene, Idaho 83816
208.665.2005 phone 208.416.0327 fax
www.blackrockdevelopment.com

Initial



LOI
Wadsworth Golf Construction Co.
BRN Development, Inc.
Job 06-5040

Contractor or its agents, employees, and subcontractors and suppliers of any tier shall apply only to the extent of negligence of Contractor or its agents, employees, and subcontractors and suppliers of any tier.

The indemnification obligation under this Contract shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for any third party under workers' compensation acts; provided Contractor's waiver of immunity by the provisions of this paragraph extends only to claims against Contractor by Owner, and does not include, or extend to, any claims by Contractor's employees directly against Contractor.

Contractor's duty to indemnify Owner for liabilities or losses other than for bodily injury to persons or damage to property shall apply only to the extent the liability or loss was caused by Contractor or its agents, employees, subcontractors or suppliers of any tier.

Defense cost recovery shall include all fees (of attorneys and experts), and costs and expenses incurred in good faith. In addition, Owner shall be entitled to recover compensation for all of its in-house expenses (including materials and labor) consumed in its defense.

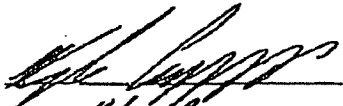
Please be advised that your firm will not be allowed to commence any work on the jobsite until these Certificates of Insurance, properly completed, have been furnished to BRN Development, Inc.

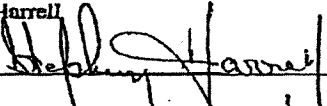
Consider this as Notice to Proceed including preparatory activities such as shop drawings and submittals, material ordering and procurement.

Please indicate your acceptance of this Letter of Intent by signing at the space provided below and return to our office immediately. We are looking forward to working with your firm on this project.

Sincerely,
BRN Development, Inc.

Accepted and Agreed:


Name: Kyle Coops
Title: VP Site Development
Date: 10-10-06

Steve Harrell
by: 
Print Name: Stephen Harrell
Title: President
Date: _____

BRN Development, inc.
P.O. Box 3070
Coeur d'Alene, Idaho 83816
208.665.2005 phone 208.416.0327 fax
www.blackrockdevelopment.com

Initial


EXHIBIT 6

EXHIBIT 6

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1 contact, at Wadsworth Golf, Steve Harrell?

2 A. Yes.

3 Q. Was he your exclusive contact in terms of
4 negotiating and executing the letter of intent or
5 any later agreements?

6 A. I believe so, yes. Steve -- I dealt with
7 Steve mainly on the contract stuff.

8 Q. Okay. Did you have any discussion with
9 him about Exhibit 79 when it came back marked up?
10 Did you agree to the terms, or was there a later
11 agreement regarding these changes, or did you agree
12 to them; do you recall?

13 A. I don't recall.

14 Q. Okay. And would it be your testimony that
15 then Exhibit 4 was the letter of intent that
16 governed the relationship between the parties until
17 a final agreement was signed?

18 A. Yes.

19 Q. And we have looked at Exhibit 66. That's
20 the final agreement that was signed; is that right,
21 sir?

22 A. Yes.

23 Q. Now, Exhibit 66, if we look at that, on
24 the second page under paragraph 4, it says, "The
25 following exhibits are attached and incorporated by

EXHIBIT 7

EXHIBIT 7

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1 to today?

2 A. No.

3 Q. You have not reviewed the deposition
4 exhibits of Mr. Harrell?

5 A. I have reviewed the deposition of Mr.
6 Harrell and some of the exhibits, but not the
7 exhibits in detail, no.

8 Q. How would you characterize the work
9 performed by Wadsworth during October, November and
10 December of 2006?

11 A. It was mainly supervisory, I would say, on
12 the -- for the mass excavation, the primary function
13 on site at that time. They did start some shaping
14 on holes numbers 6 and 7 at some point, and minimal
15 shaping on two golf holes before we got rained out.
16 But basically, Lance was working with the dirt
17 contractor, ACI Construction, on laying out holes,
18 making sure their grading was putting material in
19 the proper places for him, so that he didn't get
20 left moving a lot of dirt he shouldn't have after
21 they were done. So he was laying out golf holes and
22 working with ACI to make sure that mass excavation
23 meet their needs.

24 Q. And these work reports, operations
25 reports, seem to have some other individuals, an

1 **Alberto Lopez and a Victor Espinoza.**

2 A. Uh-huh.

3 **Q. Are you familiar with those gentlemen?**

4 A. Not specifically, no.

5 **Q. What's involved in laying out the golf**
 6 **hole and staking a golf hole?**

7 A. There's a variety of ways to do it, but
 8 the most common way in the industry and the way
 9 Wadsworth did it, is they stake the center line of
 10 the golf hole. The -- the owner stakes the -- the
 11 angle point for the tee, the fairway and the green,
 12 and off of those fixed points, the contractor comes
 13 in and lays out the golf course. Typically they go
 14 right down centerline on hundred-foot stations, and
 15 then they pull off at 90-degree angles to feature.

16 So if they have a mound at station 265,
 17 they would pull over however many feet and put a
 18 stake for the top of mound to fill it ten feet. And
 19 bunkers, greens, all of the features are kind of
 20 laid out off of that. The greens, they go out like
 21 a clock and go from the center point on the clock
 22 dial a distance every -- every degree, you know,
 23 with the clock, they go a distance to where the
 24 green edge should be to get the right square
 25 footage.

EXHIBIT 8

EXHIBIT 8

1 Those operation reports are not included with
 2 Exhibit 77, but Exhibit 71 to the Steve Harrell
 3 deposition has the copies of those operation reports
 4 from October 17, 2006 -- oh, it does -- through
 5 February 5, 2007. So it does cover the period.

6 And then Exhibit 77 also references five
 7 photographs, which I will represent to you are
 8 cumulatively depicted on Exhibit 78. And I will say
 9 that I had my staff scan these, so the copy quality
 10 is not very good. There are better copies of this
 11 if necessary.

12 Have you had a chance to read Exhibit 77?

13 A. Yes.

14 Q. And have you had a chance to look at the
 15 pictures?

16 A. Yes.

17 Q. Exhibit 77 references work that Wadsworth
 18 contends was performed prior to February 5, 2007,
 19 with photographs of some of that work. Do you agree
 20 or disagree with the factual assertions set forth in
 21 Exhibit 77?

22 MR. LAYMAN: I'm going to object to the
 23 form of the question.

24 Q. (By Mr. Anson) Well, you go ahead and try
 25 to answer it, and then maybe re-form it.

1 A. You asked if I agree or disagree with the
2 assertions in this letter?

3 Q. Generally. Do you generally agree or
4 disagree with the assertions -- the assertions as it
5 pertains to the work Wadsworth performed during that
6 period of time.

7 A. In general, yes.

8 Q. Yes, you agree?

9 A. In general, I would agree with this.
10 There do appear to be some things in here that I
11 would have to look at further to know exactly, like
12 who put in the silt fence in some of these photos.
13 I know Wadsworth had a limited amount of their own
14 stuff to protect, but I know erosion control is
15 specifically excluded from their contract
16 responsibilities, so I would question whether that
17 erosion control stuff was -- and I know they did do
18 some installation, but I don't know whether that was
19 ACI or theirs without further investigating this.

20 Q. And the photographs attached as Exhibit
21 78, the letter represents they were taken during
22 November of 2002. Do you have any information --

23 A. 2000 -- November what?

24 Q. Okay. Let me rephrase that. November of
25 2006. Do you have any information that would

EXHIBIT 9

EXHIBIT 9

WITHERSPOON, KELLEY, DAVENPORT & TOOLE
A PROFESSIONAL SERVICE CORPORATION
ATTORNEYS & COUNSELORS

COEUR D'ALENE OFFICE

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DENNIS M. DAVIS**
MARK A. ELLINGSEN**
JOEL P. HAZEL*
JENNIFER M. SIMPSON**
JASON S. WISN**

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MICHAEL D. CURRIN
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MARY E. CLARKE**
TIMOTHY M. LAWLER
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DAVID M. KRUTSON
JOJO M. MCCORMACK*
MICHAEL L. LOFT**
ROSE P. WHITE
RICHARD L. MOUNT
ANDREW J. SCHULTZ**
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RETIRED
JOHN E. HEATH, JR.
ALLAN H. TOOLE

OF COUNSEL
STANLEY R. SCHULTZ
DONALD J. LUKES

July 16, 2009

Elizabeth A. Tellessen
Winston & Cashatt
Bank of American Financial Center
601 W. Riverside, Suite 1900
Spokane, Washington 99201-0695

*Re: American Bank. BRN Development, et al
Kootenai County District Court # CV09-2619*

Dear Ms. Tellessen:

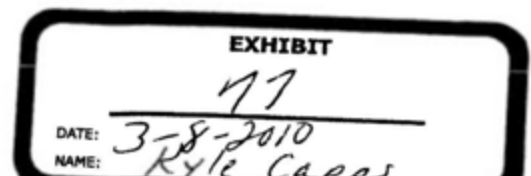
Wadsworth Golf Construction Company of the Southwest ("Wadsworth") in its answer, counterclaim and crossclaims, as well as in its claim of lien asserted that it commenced the furnishing of labor and materials to the Black Rock North project on or about October 28, 2006. The operations reports of Wadsworth indicate that the first Wadsworth personnel were first on the property working with ACI on October 17, 2006.

During the October 17, 2006 to February 5, 2007 (being the day prior to the recording of the American Bank mortgage) Wadsworth worked on:

Layout No. 7 tees and fairway
Layout at No. 7 green
Layout at No. 2 tees
Layout at No. 5 green
Layout at No. 6 tees and fairway
Layout at No. 6 fairway
Layout at No. 6 green
Layout at No. 1 tees and lake

**Admitted in Idaho only
*Also admitted in Washington
*Also admitted in Idaho
*Also admitted in Oregon
*Also admitted in Montana
** Also admitted in California
*Also admitted in Utah
*Also admitted in New York

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Elizabeth A. Tellessen
July 16, 2009
Page 2

Layout at No. 4 green
Layout at No. 3 green
Layout at Nos. 3 and 6
Layout at Nos. 3 and 6 greens
Layout at No. 1
Layout at No. 3 fairway
Layout at Nos. 1 and 8 lakes
Layout at No. 5 tees
Shaping at No. 7 tees
Shaping at No. 7 fairway
Shaping at No. 7 green
Shaping at No. 4 tees
Shaping at No. 3 green
Shaping at No. 6 fairway
Dewatering basin at No. 7
Boxing No. 6 green
Silt fence and erosion control at No. 3 green
Tree clearing
Grade checking for earth moving on golf holes 4, 6 and 7
Earth moving for holes 4, 5, 6, and 7
Clearing holes 2 and 5
Erosion control

Enclosed are copies of the Wadsworth Operations Report for that period of time.

Also enclosed are five photographs taken during November 2006, which depict:

1. The number 3 green during rough shaping.
2. Layout stakes for number 4 tee complex;
3. Installation of silt fence;
4. Corrosion fabric installed to protect slope to the right of number 4 fairway; and
5. Silt fence installed between the number 6 and 7 fairways.

Elizabeth A. Tellessen
July 16, 2009
Page 3

On the basis of Idaho Code § 45-506, Wadsworth claims a lien priority date of October 17, 2006. As I believe all of you are aware, the Wadsworth claim includes amounts owing to its subcontractors and materialmen, being Concrete Finishing, Interstate Concrete & Asphalt, The Turf Corporation and Precision Irrigation as well as other materialmen who have not filed liens.

Sincerely,

WITHERSPOON, KELLEY, DAVENPORT
& TOOLE, P.S.

By: 

Edward J. Anson

Cc: Barry W. Davidson [w/enc.]
Richard Stacey [w/enc.]
William D. Hyslop [w/enc.]
Christopher Gabbert [w/enc.]
John R. Layman [w/enc.]
Richard D. Campbell [w/enc.]
Charles B. Lempeis [w/enc.]
Randall A. Peterman [w/enc.]

Enclosures

EJA/akg

Q:\CLIENTS-EJA\Wadsworth Golf Construction Co. (WGCC) 91619-1\Correspondence\userflis ltr 06-01-09 re Polia sep suit.doc



2157

EXHIBIT

78

DATE: 3-11-2010
NAME: KYLE CARP

3



4



2158



EXHIBIT 10

EXHIBIT 10

2160

1 A. Correct. That's the first one. Yeah, if
2 you look at Wadsworth's summary, their amount billed
3 plus their retainage equals the gross billed, which
4 is what we show as the amount we paid, but we have
5 over here the amount that was billed as retention.
6 So it's just a -- this software does it that way. I
7 don't know why.

8 Q. Okay. Now I'd like to direct your
9 attention to Exhibit 63 of the Harrell deposition.

10 A. (Viewing documents.)

11 Q. I will represent to you that Mr. Harrell
12 testified that Exhibit 63 cumulatively are all of
13 the applications for payments made by Wadsworth to
14 Black Rock Development.

15 A. Okay.

16 Q. The documents that Black Rock Development
17 has produced, both to American Bank and to
18 Wadsworth, include some of the documents set forth
19 in Exhibit 63, but not all of them. Do you have any
20 explanation for that?

21 A. No, I don't know why.

22 Q. Do you recognize the first page of Exhibit
23 63?

24 A. Yes.

25 Q. Can you tell me what it is.

1 A. That appears to be the first invoice from
2 Wadsworth for work at Black Rock North Development.

3 Q. Okay.

4 A. And it's pay application 217-01.

5 Q. And then I'd like you to look at the
6 second page of your Exhibit 75.

7 A. Uh-huh.

8 Q. Can you explain the second page, which is
9 Bates number 510.

10 A. Yes. That's a copy of the check for
11 payment to Wadsworth for this invoice, for invoice
12 number 1.

13 Q. And it has an invoice amount of 42,500,
14 and then there is column that says Balance and
15 38,250.

16 A. Uh-huh.

17 Q. The check would have been in the amount of
18 38,250; is that correct?

19 A. Correct. Correct.

20 Q. And would you turn to the next page of
21 Exhibit 75, being BRN 511.

22 A. Uh-huh.

23 Q. And I'd like you to compare that to the
24 first page of Exhibit 63.

25 A. (Viewing documents.) Okay.

1 Q. And how do -- how do the two pages
2 compare?

3 A. It looks like this same invoice, that
4 there is a stamp on ours for the coding for this
5 particular invoice.

6 Q. Do you recall or do you know whose
7 handwriting is on your copy, which would be Exhibit
8 75, Bates number 0511?

9 A. Whose handwriting is on there?

10 Q. Yes.

11 A. On the stamp?

12 Q. On the stamp.

13 A. That's looks like Alicia Berg. There's
14 "AB" initials down in the lower left of that stamp.

15 Q. Okay.

16 A. And then there's also a date, and my
17 initials on the lower right, as well as Roger
18 Nelson's initials, who was my supervisor.

19 Q. Why did you initial this page 511?

20 A. Because I had reviewed the amounts that
21 were billed and found them to be adequate and
22 approved the invoice for submission to the
23 accounting department for payment.

24 Q. Okay. And let's turn to the next page of
25 each exhibits. So on Exhibit 75, we're on Bates

1 number 512, and on Exhibit 63, we're on Bates number
 2 359. They're identical as well, correct?

3 A. Correct.

4 Q. And then the next page of each is likewise
 5 identical?

6 A. Yes.

7 Q. As is the next page. Now, the -- the next
 8 page after that, which is Exhibit 75, is BRN 515, is
 9 a copy of something. Could you explain page BRN 515
 10 to me.

11 A. Yes. Basically, in Timberline, our
 12 accounting software tracking this project, various
 13 parts of the bill were coded to different job
 14 categories within that. So, these three stamps tell
 15 where the amounts billed should be coded in our
 16 Timberline software. Because there was \$15,000 --
 17 or \$13,500 paid for site preparation, which is a
 18 category in our accounting software; there was
 19 \$9,000 paid on clearing and grubbing, which is a
 20 different category. So, these stamps are just to
 21 segregate the total amount paid into the correct
 22 categories within our accounting software.

23 Q. What would be the third category?

24 A. The third one looks like -- I don't know
 25 for sure, abbreviation O/S-Contr/General. General

1 contracting or supervision or something. I'd have
 2 to look --

3 Q. Sure.

4 A. -- to know exactly what that description
 5 of that code is.

6 Q. Now, if you would turn to the next page of
 7 Exhibit 75, so you're on BRN 516.

8 A. Uh-huh.

9 Q. And that's identical to Exhibit 63, Bates
 10 number 362; is it not?

11 A. Correct.

12 Q. Do you recall reviewing BRN 516?

13 A. Not until the last couple of weeks, no.

14 Q. Now, would Black Rock have received BRN
 15 516 when it received the first application and
 16 certification for payment, which is BRN 511?

17 A. Yes, I would assume so.

18 Q. And you approved that first application;
 19 is that correct?

20 A. Correct. I approved the invoice amounts
 21 within it, correct.

22 Q. Is it true that the application you
 23 approved consisted of the application page, being
 24 page 511, then three pages of a continuation sheet
 25 numbered 512, 513 and 514, and then page 516 being

1 the Conditional Waiver and Release on Progress
 2 Payment, is that what constituted the first
 3 application?

4 A. That's what constituted the first
 5 application, but I'm not sure that that was your
 6 question when you started out.

7 Q. Neither am I. Did you have any
 8 discussions with anyone at Black Rock concerning the
 9 Conditional Waiver and Release on Progress Payment?

10 A. Not --

11 MR. LAYMAN: At that time or any time?

12 Q. (By Mr. Anson) At that time.

13 A. At that time? No.

14 MR. PETERMAN: At -- at what time?

15 Q. (By Mr. Anson) At the time of the receipt
 16 of the first application.

17 MR. PETERMAN: Which is page -- the
 18 Exhibit 75, page --

19 THE WITNESS: 516.

20 MR. PETERMAN: Okay.

21 Q. (By Mr. Anson) Right, but page 516 --

22 A. Is the waiver.

23 Q. -- came in with the application sheet, did
 24 it not, that's page 511?

25 A. Yes, I believe so.

EXHIBIT 11

EXHIBIT 11

Wadsworth Golf Construction Co

BRN DEVELOPMENT, INC.
COEUR D'ALENE, ID 83816

2094

DATE	INVOICE NO.	DESCRIPTION	INVOICE AMOUNT	DEDUCTION	BALANCE	
11-01-06	217-01	G. Course & Irrigat <i>lion loader - ok expensed</i>	42500.00		38250.00	
CHECK DATE	12-08-06	CHECK NUMBER	2094	TOTALS	42500.00	38250.00

BRN
0510

SENT TO ACCOUNTING

APPLICATION AND CERTIFICATION FOR PAYMENT

AIA DOCUMENT G702

NOV 22 2006

TO OWNER: Black Rock Development, Inc.
912 Northwest Boulevard
P O Box 3070
Coeur D'Alene 83816

PROJECT: Black Rock North Golf Course
Coeur d'Alene, ID

APPLICATION NO: 217-01

Distribution to:

Table with columns for Distribution to: OWNER, ARCHITECT, CONTRACTOR. Includes handwritten 'X' and 'KC COPIED'.

FROM CONTRACTOR: Wadsworth Golf Construction Co.
600 N. 195th Avenue
Buckeye, AZ 85326

VIA ARCHITECT: Tom Weiskopf Signature Design
7580 E. Gray Road
Scottsdale, AZ 85254

PERIOD TO: 10/31/2006
APPLICATION DATE: 10/31/2006

PROJECT NOS: 217

CONTRACT FOR: Golf Course and Irrigation System Construction

CONTRACT DATE: 9/29/2006

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached.

Table with 2 columns: Description and Amount. Rows include: 1. ORIGINAL CONTRACT SUM (\$9,712,668.00), 2. Net change by Change Orders (\$0.00), 3. CONTRACT SUM TO DATE (\$9,712,668.00), 4. TOTAL COMPLETED & STORED TO DATE (\$42,500.00), 5. RETAINAGE (a. 10% of Completed Work \$4,250.00, b. 0% of Stored Material \$0.00), 6. TOTAL EARNED LESS RETAINAGE (\$38,250.00), 7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (\$0.00), 8. CURRENT PAYMENT DUE (\$38,250.00), 9. BALANCE TO FINISH, INCLUDING RETAINAGE (\$9,674,418.00).

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: Stephen Harrell
By: Stephen Harrell
Date: 10/31/06
State of: Arizona
County of: Maricopa
Subscribed and sworn to before me this 31st day of October, 2006
Notary Public: Susan J. Steiner
My Commission Expires: 27-Sep-09



ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED: \$

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)
ARCHITECT:

By: Date:

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under the Contract.

THE AMERICAN INSTITUTE OF ARCHITECTS, 1735 NEW YORK AVE., SUITE 400, WASHINGTON, DC 20002-4242

CHANGE ORDER SUMMARY table with columns: CHANGE ORDER SUMMARY, ADDITIONS, DEDUCTIONS. Rows: Total changes approved in previous months by Owner, Total approved this Month, TOTALS, NET CHANGES by Change Order.

AIA DOCUMENT G702 - APPLICATION AND CERTIFICATION FOR PAYMENT - 1992 EDITION - AIA® - © 1992

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Table with 2 columns: Description and Amount. Rows: AMOUNT BILLED (42,500.00), AMOUNT PAID (38,250.00), Contract.

2169

BRN 0511

Handwritten notes: RECEIVED, 2006, 11/10/06

Handwritten notes: 1595.10, 065040-0002

Handwritten notes: 11-20-06, RAN

CONTINUATION SHEET

AIA DOCUMENT G703

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing Contractor's signed certification is attached.

APPLICATION NO: 217-01

APPLICATION DATE: 10/31/06

PERIOD TO: 10/31/06

In tabulations below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for line items may apply.

CONTRACTORS PROJECT NO: 217

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G		H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD		TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G + C)		
1	Mobilization	\$ 264,338.00	\$0.00	\$15,000.00	\$0.00	\$15,000.00	6%	\$249,338.00	\$1,500.00
2	Traffic Control	\$ 10,000.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$10,000.00	\$0.00
3	Clearing / Grubbing / Site Prep	\$ 10,000.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$10,000.00	\$0.00
4	Mass Grading - Main Site	\$ 45,000.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$45,000.00	\$0.00
5	Mass Grading - Panhandle Site	\$ 30,000.00	\$0.00	\$10,000.00	\$0.00	\$10,000.00	33%	\$20,000.00	\$1,000.00
6	Lake Construction	\$ 231,465.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$231,465.00	\$0.00
7	Erosion Control	\$ 279,075.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$279,075.00	\$0.00
8	Supervision / Administration	\$ 196,000.00	\$0.00	\$7,500.00	\$0.00	\$7,500.00	4%	\$188,500.00	\$750.00
9	Sand Cap Fairways	\$ 1,104,520.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$1,104,520.00	\$0.00
10	Topsoil Roughs	\$ 142,450.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$142,450.00	\$0.00
11	Topsoil Native Areas	\$ 72,100.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$72,100.00	\$0.00
12	Rough Shaping	\$ 297,060.00	\$0.00	\$10,000.00	\$0.00	\$10,000.00	3%	\$287,060.00	\$1,000.00
	Drainage								
13	4" Perforated Pipe - Fwys	\$ 340,200.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$340,200.00	\$0.00
14	4" Solid Pipe	\$ 120,395.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$120,395.00	\$0.00

2170

CONTINUATION SHEET

AIA DOCUMENT G703

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing Contractor's signed certification is attached.

In tabulations below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO: 217-01

APPLICATION DATE: 10/31/06

PERIOD TO: 10/31/06

CONTRACTORS PROJECT NO: 217

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G		H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE)	
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD E		TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G + C)			
15	6" Solid Pipe	\$ 11,115.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$11,115.00	\$0.00	
16	8" Solid Pipe	\$ 4,020.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$4,020.00	\$0.00	
17	10" Solid Pipe	\$ 1,827.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$1,827.00	\$0.00	
18	12" Drain Inlets	\$ 73,470.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$73,470.00	\$0.00	
Feature Construction										
19	Green Construction	\$ 642,709.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$642,709.00	\$0.00	
20	Tee Construction	\$ 314,543.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$314,543.00	\$0.00	
21	Bunker Construction	\$ 388,355.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$388,355.00	\$0.00	
Cart Path										
22	Subgrade Prep & Backfill	\$ 62,750.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$62,750.00	\$0.00	
23	8' Wide Concrete	\$ 725,893.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$725,893.00	\$0.00	
24	10' Wide Concrete	\$ 25,680.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$25,680.00	\$0.00	
25	12' Wide Concrete	\$ 91,226.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$91,226.00	\$0.00	
26	Concrete Wideouts	\$ 22,851.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$22,851.00	\$0.00	
27	Concrete Curb	\$ 63,525.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$63,525.00	\$0.00	
28	Finish Shaping & Contouring	\$ 212,990.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$212,990.00	\$0.00	
29	Rockpicking	\$ 46,700.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$46,700.00	\$0.00	
30	Seedbed Preparation	\$ 320,045.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$320,045.00	\$0.00	
31	Soil Amendments / Fertilizer	\$ 45,401.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$45,401.00	\$0.00	
Grassing										

2171

CONTINUATION SHEET

AIA DOCUMENT G703

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing

Contractor's signed certification is attached.

In tabulations below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO: 217-01

APPLICATION DATE: 10/31/06

PERIOD TO: 10/31/06

CONTRACTORS PROJECT NO: 217

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G TOTAL COMPLETED AND STORED TO DATE (D+E+F)	H % (G + C)	I BALANCE TO FINISH (C - G)	J RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD					
32	Tee Grassing	\$ 17,214.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$17,214.00	\$0.00
33	Green Grassing	\$ 15,242.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$15,242.00	\$0.00
34	Fairway Grassing	\$ 129,551.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$129,551.00	\$0.00
35	Rough Grassing	\$ 51,185.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$51,185.00	\$0.00
36	Native Grassing	\$ 174,930.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$174,930.00	\$0.00
37	Sodding	\$ 380,500.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$380,500.00	\$0.00
38	Rock Retaining Walls	\$ 133,488.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$133,488.00	\$0.00
39	Irrigation System	\$ 2,405,035.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$2,405,035.00	\$0.00
40	Pump Station	\$ 209,820.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$209,820.00	\$0.00
GRAND TOTALS		\$ 9,712,668.00	\$0.00	\$42,500.00 (\$4,250.00) \$38,250.00	\$0.00	\$42,500.00	0.44%	\$9,670,168.00	\$4,250.00

Users may obtain validation of this document by requesting of the licensee a completed AIA Document D401 - Certification of Document's Authenticity

2172

BRN
0514

Contract 065040-0001	
COMPANY BRN Dent.	AREA Site prep.
PROJECT 06-5040	CODE 50.300.300
	AMOUNT BILLED 15,000.00
	AMOUNT PAID 13,500.00
ACCT. ab 1595 50	

Contract 065040-0001	
COMPANY BRN Dent.	AREA Clear/Grub
PROJECT 06-5040	CODE 50.300.301
	AMOUNT BILLED 10,000.00
	AMOUNT PAID 9,000.00
ACCT. ab	

Contract 065040-0001	
COMPANY BRN Dent.	AREA O/S-Contr-Gen.
PROJECT 06-5040	CODE 50.100.900
	AMOUNT BILLED 17,500.00
	AMOUNT PAID 15,750.00
ACCT. ab	

**CONDITIONAL WAIVER AND RELEASE ON PROGRESS PAYMENT
(Pursuant to A.R.S. § 33-1008)**

Project: Black Rock Development, Inc.
Job No: 217

On receipt by the undersigned of a check from Black Rock Development, Inc
(Maker of Check)
in the sum of \$38250.00 payable to Wadsworth Golf Construction Company
(Amount of Check) *(Payee or Payees of Check)*

and when the check has been properly endorsed and has been paid by the bank on which it was drawn, this document becomes effective to release any mechanics' lien, any state or federal statutory bond right, and private bond right, any claim for payment and any rights under any similar ordinance, rule or statute related to claim or payment rights for persons in the undersigned's position that the undersigned has on the job of Black Rock North Golf Course

(Owner)

located at Black Rock North Golf Course in Coeur d'Alene, ID *Job Description*) to the following extent. This release covers a progress payment for all labor, services, equipment or materials furnished to the jobsite or to Black Rock North Golf Course *Person with whom Undersigned Contracted*) through October 31, 2006 only and does not cover any retention, pending modifications and changes *(Date)* or items furnished after that date. Before any recipient of this document relies on it, that person should verify evidence of payment to the undersigned.

The undersigned warrants that he either has already paid or will use the monies he receives from this progress payment to promptly pay in full all of his laborers, subcontractors, materialmen and suppliers for all work, materials, equipment or services provided for or to the above referenced project up to the date of this waiver.

DATED: October 31, 2006

Wadsworth Golf Construction Company

(Company Name)

BY: _____

Stephen Harrell

President

(Title)

BRN
0516

EXHIBIT 12

EXHIBIT 12

1 for zero dollars on a construction -- a golf course
2 construction project.

3 Q. Do you recall what, if anything, you did
4 when you received page 517?

5 A. No, I don't recall, honestly.

6 Q. Does it have your initials at the top?

7 A. Yes. Yes. That was an easy one to review
8 and approve.

9 MR. LAYMAN: Stayed within budget on that
10 one.

11 THE WITNESS: Yeah.

12 Q. (By Mr. Anson) And the next three pages,
13 numbered 518, 519 and 520, were they attached to
14 page 517?

15 A. Yes.

16 Q. The next page of Exhibit 63, numbered 363,
17 is an application number 217-02.

18 A. Uh-huh.

19 Q. And it is in a total amount of
20 \$177,862.50. I may be subject to being -- okay,
21 here it is.

22 In Exhibit 75, page 524, there appears to
23 be the same application, but then two pages prior to
24 that, being page 522, there is an application number
25 217-02-R in the amount of 117,000. It appears there

1 is a revision of this application. Do you have any
2 knowledge of the application numbered 217-02 and the
3 application numbered 217-02-R?

4 A. I'd have to review the changes to the
5 invoice, but that was -- that's pretty standard.
6 When they would submit a pay application, if I
7 thought they were billing for more of the work than
8 they had done or something that they had not
9 completed yet in excessive amount, I would ask them
10 to revise it. So, if you want to give me a few
11 minutes, I can probably look --

12 Q. Yes.

13 A. -- through here and see what we changed,
14 although we've only got page 1 of 217-02-R. Oh, no
15 we don't. There it is.

16 MR. ANSON: Well, why don't we take a
17 five-minute break.

18 (Recess taken from 11:10 a.m. to 11:17
19 a.m.)

20 Q. (By Mr. Anson) Mr. Capps, before we took
21 our brief break, we were looking at applications
22 217-02 and 217-02-R, which are set forth on page 522
23 and 524 of Exhibit 75, and there's actually another
24 copy of 217-02-R as page 525. Were you able to
25 refresh your memory as to the changes, if there are

1 **changes, to these applications?**

2 A. Yes. 217-02 was the originally-submitted
3 pay request from Wadsworth, and in that pay
4 application, they requested \$175,350 for
5 mobilization for that period.

6 When I reviewed that, considering it was
7 the end of the year, December 31st, and they weren't
8 bringing in equipment, and I didn't feel like they
9 were -- you know, 175 would have taken them to 190
10 out of 264 total billed for the project for
11 mobilization, and they hadn't even moved half their
12 stuff in that first fall starting. So, I told them
13 they were billing too much for mobilization, and so
14 we -- we agreed on the reduced amount in 217-02-R,
15 which is 108,000 for mobilization instead of
16 175,350.

17 **MR. PETERMAN:** And that's in Exhibit 75
18 page?

19 **THE WITNESS:** Yeah. Page -- well, it's
20 pages -- it looks like it's page 524 -- well, let's
21 see. I was looking at 217-02-R as pages 525 through
22 528 of BRN.

23 **MR. PETERMAN:** Thank you.

24 **THE WITNESS:** Uh-huh. And I was reviewing
25 the 217-02 pay request from Wadsworth's production,

1 which is -- I think it's Exhibit 63, page 363, 64,
2 65 and 66.

3 Q. (By Mr. Anson) You mentioned
4 mobilization.

5 A. Uh-huh.

6 Q. And you had some dollar amounts for
7 mobilization during your earlier testimony.

8 A. Uh-huh.

9 Q. Could you direct me to the page that has
10 those dollar amounts?

11 A. Yes. Basically, every invoice has that,
12 but -- but the one I am looking at right now is BRN
13 526.

14 Q. Which is a list of numbers.

15 A. Exactly. Which is the breakdown for the -
16 - the bill. The -- the first page of an invoice is
17 -- as shown on BRN 525, is a summary sheet that list
18 the owner, the contractor, the date of the
19 application, the project, the architect, et cetera,
20 and then has the total invoice amount in summary on
21 the left-hand side. This is followed by three
22 additional pages, which are broken down by category
23 and item of work, to make up the summary page. So,
24 the three -- pages 526, 527 and 528 are the
25 explanation for page 525.

1 Q. Okay. And pages 526, 527 and 528, they
2 would have applied to the revised application
3 217-02-R?

4 A. Correct.

5 Q. And it shows 108,000 for mobilization for
6 the period covered by the application?

7 A. Correct. That's the revised invoice.

8 Q. Where did you get the original amount of
9 mobilization?

10 A. From 217-02 in Wadsworth's exhibit number
11 63, page 364.

12 Q. Okay. That's 175. Now, your records do
13 not have Exhibit 63, page 364, do they?

14 A. These records?

15 MR. PETERMAN: Exhibit 75?

16 Q. (By Mr. Anson) Yeah. Exhibit 75 does not
17 contain the page 364 or 365 or 366.

18 A. That's -- that's correct. Only the cover
19 sheet for the original application.

20 Q. Okay. And let's go to page 530 of Exhibit
21 75.

22 A. (Viewing documents.) Okay.

23 Q. And what is page 530?

24 A. It appears to be a Conditional Waiver and
25 Release on Progress of Payment supplied to us by

1 Wadsworth.

2 Q. And is this part of application 217-02-R?

3 A. Yes. It appears it is, yeah.

4 Q. And did you review that when you reviewed
5 application 217-02-R?

6 A. No.

7 Q. When you received 217-02 originally --

8 A. Uh-huh.

9 Q. -- I am assuming it had an Exhibit 63,
10 pages 369, 370 and 371 attached to it.

11 A. (Viewing documents.) Okay.

12 Q. Is that a fair assumption?

13 A. Let me take a look here. You said 368 and
14 69, 70, 71 and 72?

15 Q. No, not 72. Just 369, 370, 371.

16 A. Yes.

17 Q. And then when it was revised -- or excuse
18 me. When it was revised, that's when it had pages
19 369 and 370.

20 A. Correct.

21 Q. And 371. And those you reviewed at the
22 time you reviewed the revised second application.

23 A. Correct.

24 Q. But you did not review page 372, the
25 Conditional Waiver and Release on Progress Payment.

1 A. Correct.

2 Q. Why did you not review it?

3 A. When we received invoices for payment, my
4 focus was to go through the line items of the work
5 and make sure the amounts billed for were correct
6 and basically review their percentage of completion
7 on what items of work they had requested payment
8 for.

9 Typically I counted on Danette Harrington,
10 my administrative assistant, and the accounting
11 department to make sure the lien release was
12 attached and met their needs.

13 Accounting was our last stop for
14 everything, and nothing was to be paid without a
15 lien release. So if it didn't have it or the
16 amounts were wrong or any of that kind of stuff, so
17 they were the catchall to make sure that the -- that
18 we had the right amounts and a lien release before
19 they issued payment.

20 And I didn't spend time reviewing the
21 format of the lien waiver. I would usually look and
22 see if it was attached. If I noticed it wasn't
23 attached, I would leave a note to Danette saying,
24 "No lien waiver."

25 But really she and accounting took care of

1 the -- making sure that the lien waiver was attached
2 and the amounts matched the invoice amount. I -- I
3 took care of making sure that the invoice was
4 correct for the amount of work that had been doing
5 in the time period.

6 Q. Okay. And then, just to tie things
7 together, if we go back to the first page of Exhibit
8 75, we show the gross amount of \$130,275, and we
9 show \$13,027.50 in retainage. I don't understand
10 how we get to the 130,000. Is that anywhere set
11 forth on Exhibit -- or page 368 or -- excuse me --
12 we'll use your revised one -- page 522?

13 A. (Viewing documents.) Did you say that
14 that was shown on this first page? The -- I guess
15 what amount are you looking for?

16 Q. What I'm looking for -- and I think maybe
17 I just figured it out. What I'm looking for is why
18 the amount of 130,275, which you show as the gross
19 amount paid, does not appear on the first page of
20 application 217-02-R.

21 A. Well, because of the format of this
22 particular summary right here, it goes: Total
23 contract amount, the entire total completed and
24 stored to date, which would be the current month,
25 plus the previous month's billing.

1 Q. Okay.

2 A. Less the percent of retainage, equals the
3 total amount earned less retainage. But that's
4 between multiple pay applications. So you subtract
5 out the previous payments made, that is the balance
6 due.

7 Q. Who would do that at Black Rock? Who
8 would -- who would figure out that the gross amount
9 of revised application number 2 was \$130,275? Is
10 that something you would figure out?

11 A. Yeah. Yeah. Typically, I would review
12 this and figure out what the amount of the bill was
13 for. This is -- I think because it's revised, it's
14 confusing, and I don't recall that it's normally
15 that hard to find this month's total number.

16 Q. Okay.

17 A. But I'd have to compare it to another pay
18 application to be sure.

19 Q. Let's look at Exhibit 63, page 373.

20 A. (Viewing documents.) Okay.

21 Q. And this would be the third application
22 for payment?

23 A. Uh-huh.

24 MR. LAYMAN: Is that a yes, Kyle?

25 THE WITNESS: Yes. Well, this is actually

EXHIBIT 13

EXHIBIT 13

Wadsworth Golf Construction Co

DATE	INVOICE NO.	DESCRIPTION	INVOICE AMOUNT	DEDUCTION	BALANCE
12-31-06	217-02R	Project 217	130275.00		117247.50
		<i>lien waiver attached</i>			
CHECK DATE	1-24-07	CHECK NUMBER	2133	TOTALS	
			130275.00		117247.50

1/3/07 5:00pm
on new cash flow
1/4/07

APPLICATION AND CERTIFICATION FOR PAYMENT

AIA DOCUMENT G702

TO OWNER: Black Rock Development, Inc. 912 Northwest Boulevard P O Box 3070 Coeur D'Alene 83816	PROJECT: Black Rock North Golf Course Coeur d'Alene, ID	APPLICATION NO: 217-02-R	Distribution to: <input checked="" type="checkbox"/> OWNER <input type="checkbox"/> ARCHITECT <input type="checkbox"/> CONTRACTOR
FROM CONTRACTOR: Wadsworth Golf Construction Co. 600 N. 195th Avenue Buckeye, AZ 85326	VIA ARCHITECT: Tom Weiskopf Signature Design 7580 E. Gray Road Scottsdale, AZ 85254	PERIOD TO: 12/31/2006 APPLICATION DATE: 12/31/2006	
CONTRACT FOR: Golf Course and Irrigation System Construction		PROJECT NOS: 217	
		CONTRACT DATE: 9/29/2006	

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached.

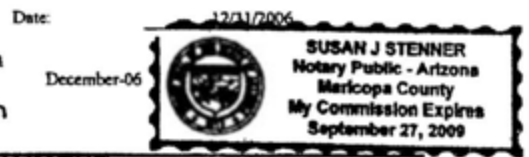
1. ORIGINAL CONTRACT SUM	\$	9,712,668.00
2. Net change by Change Orders	\$	0.00
3. CONTRACT SUM TO DATE (Line 1 + 2)	\$	9,712,668.00
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703)	\$	172,775.00
5. RETAINAGE:		
a. 10 % of Completed Work (Column D + E on G703)	\$	17,277.50
b. 0 % of Stored Material (Column F on G703)	\$	
Total Retainage (Lines 5a + 5b or Total in Column I of G703)	\$	17,277.50
6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total)	\$	155,497.50
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)	\$	38,250.00
8. CURRENT PAYMENT DUE	\$	117,247.50
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6)	\$	9,557,170.50

2187

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner		
Total approved this Month	\$0.00	\$0.00
TOTALS	\$0.00	\$0.00
NET CHANGES by Change Order	\$0.00	

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: *Stephen Hartell*
By: *Stephen Hartell*
State of: Arizona County of: Maricopa
Subscribed and sworn to before me this 31 th day of December-06
Notary Public: *Susan J Stenner*
My Commission expires: 27-Sep-09



ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$ _____

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)
ARCHITECT: _____ Date: _____

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

SENT TO ACCOUNTING

JAN 09 2007

COPIED *AS*



CONTINUATION SHEET

AIA DOCUMENT G703

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing

Contractor's signed certification is attached.

In tabulations below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO: 217-02-R

APPLICATION DATE: 12/31/06

PERIOD TO: 12/31/06

CONTRACTORS PROJECT NO: 217

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G TOTAL COMPLETED AND STORED TO DATE (D+E+F)	H % (G + C)	I BALANCE TO FINISH (C - G)	J RETAINAGE (IF VARIABLE RATE)	
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD						
1	Mobilization	\$ 264,338.00	\$15,000.00	\$108,000.00	\$0.00	\$123,000.00	47%	\$141,338.00	\$12,300.00	50 300 300
2	Traffic Control	\$ 10,000.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$10,000.00	\$0.00	
3	Clearing / Grubbing / Site Prep	\$ 10,000.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$10,000.00	\$0.00	
4	Mass Grading - Main Site	\$ 45,000.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$45,000.00	\$0.00	
5	Mass Grading - Panhandle Site	\$ 30,000.00	\$10,000.00	\$0.00	\$0.00	\$10,000.00	33%	\$20,000.00	\$1,000.00	50 300 300
6	Lake Construction	\$ 231,465.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$231,465.00	\$0.00	
7	Erosion Control	\$ 279,075.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$279,075.00	\$0.00	
8	Supervision / Administration	\$ 196,000.00	\$7,500.00	\$10,000.00	\$0.00	\$17,500.00	9%	\$178,500.00	\$1,750.00	50 100 900
9	Sand Cap Fairways	\$ 1,104,520.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$1,104,520.00	\$0.00	
10	Topsoil Roughs	\$ 142,450.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$142,450.00	\$0.00	
11	Topsoil Native Areas	\$ 72,100.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$72,100.00	\$0.00	
12	Rough Shaping	\$ 297,060.00	\$10,000.00	\$12,275.00	\$0.00	\$22,275.00	7%	\$274,785.00	\$2,227.50	50 100 900
	Drainage									
13	4" Perforated Pipe - Fwys	\$ 340,200.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$340,200.00	\$0.00	
14	4" Solid Pipe	\$ 120,395.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$120,395.00	\$0.00	

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CONTINUATION SHEET

ALA DOCUMENT G703

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing Contractor's signed certification is attached.

APPLICATION NO: 217-02-R

APPLICATION DATE: 12/31/06

PERIOD TO: 12/31/06

In tabulations below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for line items may apply.

CONTRACTORS PROJECT NO: 217

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G		H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD		TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G + C)		
15	6" Solid Pipe	\$ 11,115.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$11,115.00	\$0.00
16	8" Solid Pipe	\$ 4,020.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$4,020.00	\$0.00
17	10" Solid Pipe	\$ 1,827.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$1,827.00	\$0.00
18	12" Drain Inlets	\$ 73,470.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$73,470.00	\$0.00
	Feature Construction								
19	Green Construction	\$ 642,709.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$642,709.00	\$0.00
20	Tee Construction	\$ 314,543.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$314,543.00	\$0.00
21	Bunker Construction	\$ 388,355.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$388,355.00	\$0.00
	Cart Path								
22	Subgrade Prep & Backfill	\$ 62,750.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$62,750.00	\$0.00
23	8' Wide Concrete	\$ 725,893.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$725,893.00	\$0.00
24	10' Wide Concrete	\$ 25,680.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$25,680.00	\$0.00
25	12' Wide Concrete	\$ 91,226.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$91,226.00	\$0.00
26	Concrete Wideouts	\$ 22,851.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$22,851.00	\$0.00
27	Concrete Curb	\$ 63,525.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$63,525.00	\$0.00
28	Finish Shaping & Contouring	\$ 212,990.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$212,990.00	\$0.00
29	Rockpicking	\$ 46,700.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$46,700.00	\$0.00
30	Seedbed Preparation	\$ 320,045.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$320,045.00	\$0.00
31	Soil Amendments / Fertilizer	\$ 45,401.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$45,401.00	\$0.00
	Grassing								

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CONTINUATION SHEET

AIA DOCUMENT G703

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing

Contractor's signed certification is attached.

In tabulations below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO: 217-02-R

APPLICATION DATE: 12/31/06

PERIOD TO: 12/31/06

CONTRACTORS PROJECT NO: 217

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G		H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD		TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G + C)		
32	Tee Grassing	\$ 17,214.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$17,214.00	\$0.00
33	Green Grassing	\$ 15,242.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$15,242.00	\$0.00
34	Fairway Grassing	\$ 129,551.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$129,551.00	\$0.00
35	Rough Grassing	\$ 51,185.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$51,185.00	\$0.00
36	Native Grassing	\$ 174,930.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$174,930.00	\$0.00
37	Sodding	\$ 380,500.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$380,500.00	\$0.00
38	Rock Retaining Walls	\$ 133,488.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$133,488.00	\$0.00
39	Irrigation System	\$ 2,405,035.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$2,405,035.00	\$0.00
40	Pump Station	\$ 209,820.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$209,820.00	\$0.00
GRAND TOTALS		\$ 9,712,668.00	\$42,500.00	\$130,275.00 (\$13,027.50) \$117,247.50	\$0.00	\$172,775.00	1.78%	\$9,539,893.00	\$17,277.50

Users may obtain validation of this document by requesting of the license a completed AIA Document D401 - Certification of Document's Authenticity

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BRN
0528

Contract 065040-0002	
COMPANY BRN Dent.	AREA
PROJECT 06-5040	CODE 50.300.300
	AMOUNT BILLED 108,000.00
	AMOUNT PAID 97,200.00
ACCT. ab	

Contract 065040-0002	
COMPANY BRN Dent.	AREA
PROJECT 06-5040	CODE 50.300.300
	AMOUNT BILLED
	AMOUNT PAID
ACCT. ab	

Contract 065040-0002	
COMPANY BRN Dent.	AREA
PROJECT 06-5040	CODE 50.100.900
	AMOUNT BILLED 22,275.00
	AMOUNT PAID 20,047.50
ACCT. ab	

BRN
0529

**CONDITIONAL WAIVER AND RELEASE ON PROGRESS PAYMENT
(Pursuant to A.R.S. § 33-1008)**

Project: Ridge Creek Golf Course
Job No: 217

On receipt by the undersigned of a check from Black Rock Development, Inc
(Maker of Check)
in the sum of \$117,247.50 payable to Wadsworth Golf Construction Company
(Amount of Check) *(Payee or Payees of Check)*

and when the check has been properly endorsed and has been paid by the bank on which it was drawn, this document becomes effective to release any mechanics' lien, any state or federal statutory bond right, and private bond right, any claim for payment and any rights under any similar ordinance, rule or statute related to claim or payment rights for persons in the undersigned's position that the undersigned has on the job of Black Rock North Golf Course

(Owner)

located at Black Rock North Golf Course in Coeur D' Alene, ID(job Description) to the following extent. This release covers a progress payment for all labor, services, equipment or materials furnished to that jobsite or to Black Rock North Golf Course Person with whom Undersigned Contracted) through December 31, 2006 only and does not cover any retention, pending modifications and changes (Date) or items furnished after that date. Before any recipient of this document relies on it, that person should verify evidence of payment to the undersigned.

The undersigned warrants that he either has already paid or will use the monies he receives from this progress payment to promptly pay in full all of his laborers, subcontractors, materialmen and suppliers for all work, materials, equipment or services provided for or to the above referenced project up to the date of this waiver.

DATED: December 31, 2006

Wadsworth Golf Construction Company
(Company Name)

BY: 

Stephen Harrell

President

(Title)

BRN
0530

EXHIBIT 14

EXHIBIT 14

1 two-page Contract Qualifications & Clarifications
2 dated December 13, 2006, and a two-page memo dated
3 August 20, 2008 from Bruce Church to Kyle Capps was
4 marked Exhibit 80 for identification.)

5 Q. (By Mr. Peterman) Handing you what has
6 been marked as Exhibit 80, if I understand your
7 testimony now, sir, you entered into -- BRN entered
8 into a contract with Wadsworth, on about October
9 10th or thereafter, that was really just represented
10 by the letter of intent, which is Exhibit 4; is that
11 correct?

12 A. Correct.

13 Q. And then the final contract, which is
14 Exhibit 66, was executed sometime after January 27,
15 2007; is that correct?

16 A. Correct.

17 Q. Now, I have handed you what's been marked
18 as Exhibit 80. This is a letter to you from Stephen
19 Harrell regarding contract adjustments.

20 A. Uh-huh.

21 Q. Would it be fair to say, sir, that between
22 that date of October 10 or shortly thereafter, and
23 January 27 or shortly thereafter, there was a
24 certain amount of give and take between the parties
25 regarding the terms of the contract that would

1 eventually be signed?

2 A. Yes.

3 Q. And those culminated in Exhibit 66.

4 A. Correct.

5 Q. And they were subject to negotiation; is
6 that correct?

7 A. Yes.

8 Q. To your knowledge, did Wadsworth Golf run
9 it by its attorney as a part of this process?

10 A. I have no idea.

11 Q. Now, I want to make sure I understand your
12 prior testimony that you made to Mr. Anson. Could I
13 have you go to your Exhibit 75, please.

14 A. (Viewing documents.)

15 Q. It looks like this (indicating).

16 A. Oh, that guy. Okay.

17 Q. Now, if I understand your testimony, from
18 page 1 of Exhibit 75, there are a total of 26
19 different draw requests that were made of BRN by
20 Wadsworth Golf.

21 A. Yeah. It looks like 25.

22 Q. Okay. 25 or 26.

23 A. Yeah.

24 Q. Okay. And do I understand your testimony
25 to be that when you got a draw request, you required

EXHIBIT 15

EXHIBIT 15



CONTRACT AGREEMENT

THIS CONTRACT IS MADE AND ENTERED INTO BY AND BETWEEN:

Owner: BRN Development, Inc.
Address: P.O. Box 3070
Coeur d' Alene, ID 83816

Contact: Kyle Capps, CGCS
Telephone: (208) 665-5815
Fax: (208) 665-5844

Subcontractor: Wadsworth Golf Construction Company
Address: 600 N. 195th Ave.
Buckeye, AZ 85326

Contact: Steve Harrell
Telephone: (623) 853-9100
Fax: (623) 853-0217

A. In consideration therefore, Subcontractor agrees as follows:

1. To furnish and perform all work as described in this Contract, for the construction of:

- Owner Name: BRN Development, Inc.
- Job No.: 06-5040
- Contract No.: 065040_C0002
- Code No.: 50.300.300 (Preliminary Site Work)
50.300.301 (Clear/Grub)
50.400.411 (Storm Water/Drain)
50.200.203 (Erosion Control)
50.100.900 (O/S Contractor – General—(Golf Course Construction))

2. To be bound by all laws, government regulations, and orders, and all terms and conditions of this Contract, to the extent of the work herein contracted, which provisions are hereby incorporated by reference, and all of the terms and conditions of this Contract, including the General Conditions.

3. To provide all supervision, materials, labor, supplies, and equipment to complete all work as set forth below and in the attached Exhibits.

4. The following Exhibits are attached and incorporated by reference:

- "A", Specific Inclusions and Exclusions
- "B", Interim Lien/Claim Waiver
- "C", Pay Request Form
- "D", Substance Abuse Program Requirements
- "E", Sample Insurance Certificate and Required Limits

B. BRN Development, Inc (Owner), for full, complete, and faithful performance of this Contract, agrees to pay Wadsworth Golf Construction Company (Subcontractor) a lump sum contracted amount of:

NINE MILLION, SEVEN HUNDRED NINETY-SIX THOUSAND, NINE HUNDRED THIRTY-EIGHT DOLLARS AND NO/100 (total) (\$9,796,938.00)

Taxes are Inclusive

C. Contract is to be completed by August 29, 2008.

D. Under provisions of Section Z in attached General Conditions, a bond is required in this Contract.

IN WITNESS WHEREOF, BRN Development, Inc. and Wadsworth Golf Construction Co. have executed this Contract, effective as of this ___ day of _____, 2006.

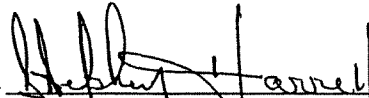
BRN DEVELOPMENT, INC.

WADSWORTH GOLF CONSTRUCTION CO.



(Authorized Signature)

Name: Marshall Chesrown
Title: President



(Authorized Signature)

Name: Steve Harrell
Title: President

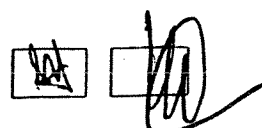
RCE- 19920

(Registration Number for Idaho)

(

000334387-U

(Sales Tax Permit Number)



A. OBLIGATIONS AND RESPONSIBILITIES

Subcontractor agrees not to assign or subcontract any portion of the performance of this Contract without the prior written consent of Owner. Subcontractor shall designate in writing all subcontractors to Owner and shall not subsequently change subcontractors without Owner's approval.

B. SUBMITTALS

Subcontractor shall submit within ten (10) days of award of Contract:

- (1). Three (3) copies of shop drawings for approval by Owner;
- (2). Three (3) copies of catalog data, brochures, material schedules, etc; and
- (3). Three (3) samples of each product as required

All submittals shall be accompanied by a letter of transmittal. Approval of the submittals by the Owner shall not relieve the subcontractor from full compliance with the Contract requirements.

C. DEVIATIONS

No deviations from the Contract plans, specifications, or approved submittals will be allowed without prior written consent of the Architect and Owner.

D. SCHEDULING

Subcontractor shall give Owner advance notice of the anticipated starting date for work. Subcontractor shall consult with Owner on development and update of a construction budget and schedule and shall make such schedule available to Owner at Owner's request. Subcontractor shall start work on the date named by Owner

shall complete the several portions and the whole of the work herein described at such times as subcontractor's schedule states. Subcontractor shall be bound by any provisions for liquidated damages and, if liquidated damages are assessed, shall pay such damages for any delay to the extent caused by Subcontractor. The preceding language shall not be construed to deprive Owner of any right to recover separate or additional damages for delay to the extent caused by Subcontractor.

Subcontractor shall plan its work to meet the Owner's schedule. It is Subcontractor's responsibility to allocate the necessary manpower, material and equipment to meet this schedule which is part of this Contract. All detailed construction activities are to be coordinated with Owner. If, in the opinion of Owner, the Subcontractor falls behind schedule, the Owner shall take such steps as may be necessary to improve its progress, and Owner may require Subcontractor to increase its labor force, the number of shifts, amount of overtime work, days of work, including Saturdays, Sundays, Holidays an/or the amount of construction plant and equipment, all without increase in Contract Price.

E. OVERTIME AND/OR SHIFT WORK

If Subcontractor is directed to perform work on an overtime basis by Owner for reasons beyond Subcontractor's control, additional compensation to Subcontractor shall be limited to the direct cost of the overtime premium and legally required fringe benefits.



Subcontractor shall submit original payment applications to Owner by 25th of the month (faxed payment applications are not acceptable). Should the 25th fall on a weekend, all payments applications shall be submitted on the Friday before. Payments shall be deposited, postage prepaid, return receipt requested, in the regular United States Mail. As a prerequisite for any payment, Subcontractor shall provide, in a form satisfactory to Owner, partial lien releases, claim waivers, and affidavits of payment from Subcontractor, and its subcontractors and suppliers of any tier, for the billed portion of Subcontractor's work. Owner may from time to time require, and Subcontractor shall promptly provide, a statement in writing setting forth what amounts, if any, are due or payable by Subcontractor to third parties for labor, fringe benefits, taxes, supplies, materials, equipment, or other proper charges against the work in connection with, or arising out of the performance of this Contract.

Subcontractor will receive payments from Owner only in amounts allowed by Owner on account of Subcontractor's work, and only to the extent of Subcontractor's interest therein, less any deduction or offsets allowed to be deducted under this Contract or by law. Subcontractor acknowledges that all payments accepted by him or which are otherwise due under this Contract shall constitute a trust fund in favor of laborers, material men, governmental authorities, and all others who are legally entitled to claim a lien on the premises covered by this Contract or otherwise file a claim against any retainage or payment bond. Subcontractor shall pay its own subcontractors and suppliers all sums owed them within in ten days of receipt of payment from or on behalf of Owner.

Unless otherwise mutually agreed, Owner shall withhold retainage from Subcontractor in the amount of five percent (5%). Owner's obligation to release retainage to Subcontractor is dependent upon proof that there are no claims, which would provide the basis of a lien against the premises or payment bond. Final payment for work under this Contract shall be made provided Subcontractor has fulfilled each of its obligations under this Contract.

If the Contract permits payment for materials delivered to the jobsite or to satisfactory storage facilities, Subcontractor may invoice for materials delivered and receive payments as outlined above; provided, however, that such stored material shall be at the risk of Subcontractor. Subcontractor shall notify Owner of the assignment of the proceeds of this Contract prior to such assignment and shall require the acceptance by Assignee of all the terms of this Contract. There shall be no retainage on stored irrigation materials or any required deposits for stored irrigation materials.

Progress payments are subject to adjustment at any time prior to final payment for errors, overpayment, or Owner's good faith determination that the remaining balance of payment may be insufficient to insure completion of work covered by this Contract or to pay lien, retainage, or claims. If Owner determines in good faith that Subcontractor is obligated to anyone else for labor, fringe benefits, taxes, supplies, materials, equipment rental or other proper charges against the work covered by this Contract, the amount of such obligation may be deducted by Owner from any payment or payments, including retainage, made under this provision. Owner shall have the right to and shall be entitled to set off against any payments to be made under this Contract amounts for any claims or other disputes which Owner has against Subcontractor which arise out of or in connection with or incident to Subcontractor's work on any other projects which Subcontractor has been engaged to perform work by Owner.

G. CHANGES TO THE WORK

Owner may, without invalidating this Contract, order in writing extra work, to be signed by Subcontractor, or changes by altering, adding to, or deducting from the work and contract price shall be adjusted



A handwritten signature in black ink, appearing to be 'JA' followed by a flourish.

accordingly. All such work shall be executed under the conditions hereof, except that any claims for extension of time caused thereby must be based upon at the time of ordering such change. Subcontractor shall make no claims for extras unless the same shall be agreed upon in writing by Owner prior to the performance of any such work. In case of any dispute over adjustment of the contract price or time, Subcontractor shall proceed with work and the dispute shall be resolved in accordance with the procedures set forth in the Disputes clause of this contract. Subcontractor acknowledges that, unless expressly stated otherwise within a written change order, any change in the contract price and time effected through a written change order shall constitute full payment and accord and satisfaction for all costs incurred, labor performed, material and equipment furnished, and any delay, acceleration, or loss of efficiency associated with the change in the work.

Failure by Subcontractor to provide timely (which shall be defined as ten (10) days after receipt of a change from Owner or discovery of the extra work) written notice and/or failure by Subcontractor to provide its timely Statement of Claim for an increase in the contract amount and/or time extension shall result in an absolute waiver of Subcontractor's claim. Owner does not waive the requirement for timely written submission of the Statement of Claim, unless Owner's waiver is unequivocal, explicit and in writing.

All change order cost estimates shall be submitted directly to Owner for review and evaluation prior to submittal to the Architect. Any and all questions by the Architect or consultants relating to Subcontractor's pricing of change orders shall be handled by Owner. If the Architect or any of its consultants attempt to review Subcontractor's change order pricing directly with the Subcontractor, Subcontractor shall refrain from such review and direct the party to the Owner.

Subcontractor shall carry on the work and adhere to the progress schedule during all disputes or disagreements with Owner. No work shall be delayed or postponed pending resolution of any disputes or agreements.

H. NATURE OF WORK

Contractor has satisfied itself as to the nature and locations of the work, the character, kind and quantity of material to be encountered, the character, kind and quantity of equipment needed, the location, conditions and other matters which in any manner effect the work of this Contract, and acknowledges that Subcontractor has had a reasonable opportunity to examine the site, and this Contract. Prior to commencing work, Subcontractor shall examine the site and any surfaces upon which work is to be performed, and shall notify Owner in writing of any conditions which might adversely effect its work; failure to do so will constitute a waiver of entitlement to any additional compensation or contract time arising out of such conditions. Such waiver shall not apply to latent or hidden conditions unknown to Subcontractor following a reasonable examination. This clause shall not be understood to relieve Subcontractor of any additional notice requirements under this Contract.

I. REMEDIAL WORK

Cutting, patching, repairing and any other remedial work that becomes necessary as a result of Subcontractor's activities shall be either performed by or paid for by the Subcontractor whose work necessitated such repairs.

J. SUBCONTRACTOR EMPLOYER

Subcontractor has the status of "employer" as defined by the Industrial Insurance, Workers' Compensation, Unemployment Compensation, Social Security, and other similar acts of federal, state, and local government. Subcontractor shall withhold from its payroll applicable Social Security taxes, Workers' Compensation, and Unemployment Compensation contributions, and withholding taxes and pay the same; Owner shall be in no way liable as an employer of, or on account of, any employees of Subcontractor. Before final payment is made under this Contract, Subcontractor shall furnish Owner with affidavits certifying that it has paid all payroll

benefits, taxes, and trust fund obligations. Subcontractor hereby agrees to indemnify Owner for any and all liability under such laws arising from the work performed under this Contract.

Subcontractor agrees that in the event Owner is a party to a labor agreement incorporating a subcontractor clause, Subcontractor shall so be bound and such clause or conditions are incorporated and made a part of this Contract. Further, Subcontractor shall employ its workers in accordance with the wage rates, terms and conditions required of Owner for like workers.

K. SUPERVISION AND EMPLOYEES

Subcontractor shall have a competent Superintendent/Foreman on the job supervising the work, who has authority to act for Subcontractor. Subcontractor agrees to remove from the job any of his employees who are unsatisfactory to the Owner.

L. PERMITS, TAXES

Subcontractor shall obtain and pay for all permits, fees, and licenses necessary for the performance of this Contract and shall pay any and all federal, state, and local taxes, applicable to the work to be performed under this Contract. Owner shall obtain and pay for the initial building permit.

M. MATERIALS

Materials delivered by or for Subcontractor and intended to be incorporated into the construction hereunder shall remain on the jobsite and shall become property of Owner upon payment. Subcontractor may repossess any surplus material remaining at the completion of the Contract. All scaffolding, apparatus, ways works, machinery, and plans brought upon the premises by Subcontractor shall remain the property of Subcontractor. It shall be Subcontractor's responsibility to unload, store, and protect its materials, to bear the risk of loss thereof and to protect such material against loss until the work is accepted, even though title thereto may have previously passed to Owner under the preceding provisions, except that Subcontractor shall not bear that portion of such loss to the extent it arose out of the sole fault of Owner or its employees.

N. DELIVERIES

Subcontractor shall make final coordination of materials deliveries with the Owner. Subcontractor shall have a representative on-site to accept all deliveries.

O. TAKEOVER

If Subcontractor refuses or fails to supply enough properly-skilled workers or materials to maintain the schedule of work, refuses or fails to make prompt payment to subcontractors or suppliers of labor, materials or services, fails to correct, replace, or re-execute faulty or defective work done or materials furnished, disregards the law, ordinances, rules, regulations or orders of any public authority having jurisdiction, files for bankruptcy, or is guilty of a material breach of this Contract, and fails to correct the default and maintain the corrected condition within less than three (3) working days of receipt of written notice of the default, then Owner, without prejudice to any rights or remedies otherwise available to it, shall have the right to any or all of the following remedies:

(1) Supply such numbers of workers and quantity of materials, equipment, and other facilities as Owner deems necessary for the completion of Subcontractor's work, or any part thereof, which Subcontractor has failed to complete or perform after the above notice, and to charge the cost thereof to Subcontractor who shall be liable for the payment of the same including reasonable overhead and profit.

(2) Contract with one or more additional subcontractors to perform such part of Subcontractor's work as Owner shall determine to provide prompt completion of the project and charge the cost thereof to Subcontractor.

(3) Withhold payment of any monies due or to become due Subcontractor pending corrective action to the extent required and to the satisfaction of Owner.

(4) Terminate this Contract, use any materials, implements, equipment, appliances or tools furnished or belonging to Subcontractor, located at the job site, to complete Subcontractor's work and furnish those materials, equipment, and/or employ such workers as Owner deems necessary to maintain the orderly progress of the work; Subcontractor's equipment shall only be utilized when equivalent equipment is not locally available to lease and will not be supplied by a substitute Subcontractor and when procurement of substitute equipment will not delay completion of this Contract. All of the costs, including reasonable overhead, profit, and attorneys' fees, incurred by Owner in performing Subcontractor's work shall be charged to Subcontractor and Owner shall have the right to deduct such expenses from monies due or to become due Subcontractor. Subcontractor shall be liable for the payment of any expenses incurred in excess of the unpaid balance of the Contract Price.

(5) In the event of any emergency, Owner may proceed as above without notice.

Convenience Termination. Owner may, at its option, at any time and for any reason, terminate this Contract as to all or any portion of the uncompleted work. Subcontractor hereby waives any claim for damages, including without limitation, consequential damages and loss of anticipated profits, on account of such termination. Upon receipt of notice of a termination, Subcontractor shall immediately in accordance with instructions from Owner, proceed with the performance of the following duties, regardless of delay in determining or adjusting amounts due under this article:

- (1) Cease operations as specified in the notice;
- (2) Place no further orders and enter into no further subcontracts for materials, labor, services, equipment or facilities except as necessary to complete the continued portions of the Contract;
- (3) Terminate all subcontracts and orders to the extent they relate to the work terminated;
Proceed to complete the performance of the work not terminated; and;
- (4) Take actions that may be necessary or that Owner may direct for the protection or preservation of the terminated work.

Upon such termination, Subcontractor shall recover as its sole remedy, payment for the work properly performed in connection with the terminated portions of the work prior to the effective date of termination and for items properly and timely fabricated off of the site; delivered and stored in accordance with Owner's instructions.

Owner shall be credited for payments previously made to Subcontractor for the terminated portions of the work and for claims which Owner has against Subcontractor under the Contract.

P. WARRANTY

Subcontractor warrants that all work shall be executed in accordance with the Contract Documents in a workmanlike manner. Subcontractor warrants that all materials and equipment shall be new unless otherwise specified, of good quality, in conformance with the Contract Documents, and free from defective workmanship and materials. If any portion of the work is found to be not in conformance with the Contract Documents ("Defective Work"), Owner shall promptly notify Subcontractor in writing. Unless Owner provides written acceptance of the condition, Subcontractor shall promptly correct the Defective Work at its own cost and time and bear the expense of additional services required for correction of any Defective Work for which it is responsible. Failure on the part of Owner to reject inferior workmanship or to note nonconforming materials or

equipment will not be construed to imply acceptance by Owner. Nothing in this section shall be construed as a waiver of any rights or remedies Owner.

Q. LIQUIDATED DAMAGES

) If the Subcontractor fails to complete its work within the time period and number of on-site days specified in the required construction schedule due to events within its control and the delay results in Owner failing to meet the scheduled completion date for this project, Subcontractor shall pay liquidated damages to Owner in the amount of \$1000.00 for each work day that the work is delayed beyond the completion date.

(2) If, after failing to meet the scheduled completion date, the Subcontractor fails to meet its obligations under this Contract, and the Owner subsequently terminates for default, liquidated damages will continue to accrue (subject to the provisions of item (1) of this Section) until the work is completed. These liquidated damages are in addition to and Subcontractor shall be liable for the payment of any expenses incurred in excess of the unpaid balance of the Contract Price, including without limitation expenses incurred pursuant to Section O of this Contract, or any other remedy available to Owner at law or in equity.

R. UNIT PRICE

In the event this Contract contains unit price items it is understood and agreed that any quantities mentioned are approximations only and subject to change as ordered and directed by Owner.

S. MATERIAL QUALITY

Materials condemned by Owner or its Architect/Engineer as failing to conform to this Contract, worked or not, shall upon notice from Owner be immediately removed by Subcontractor. Failure of Owner to immediately condemn any work or materials as installed shall not in any way waive Owner's right to object thereto at any sequent time.

T. RESPONSIBILITY OF SUBCONTRACTOR TO ACT IN EMERGENCY

Subcontractor shall designate responsible personnel to make emergency calls. In emergencies affecting the safety of persons, work or property at the site and adjacent thereto, Subcontractor will act, without previous instructions from Owner, as the situation warrants, in accordance with Subcontractor's Safety & Health Plan. Subcontractor will notify Owner immediately thereafter of any emergency actions. Subcontractor will submit the name, address, and phone number of a responsible individual or individuals who will be available on a twenty-four (24) hour basis to handle emergency problems in connection with the work.

U. SUSPENSION OF WORK

Subcontractor will, upon written notice from Owner, suspend, delay, or interrupt all or part of the work. In such event, Subcontractor will resume the work upon written notice from Owner, and an extension of time and/or an equitable adjustment in compensation, if appropriate, will be mutually agreed upon by both parties.

V. JOB DAMAGE

Job damage caused by Subcontractor to work other than its own shall be reported immediately to Owner and Subcontractor shall be responsible for the cost of its repair.

W. NOTICE

All notices required or desired to be given relative to this Contract shall be in writing and deemed delivered twenty-four (24) hours after the written notice is sealed in an envelope and deposited, postage prepaid, return receipt requested, in the regular United States Mail or is sealed in an envelope and sent, postage prepaid, via air courier, addressed to the respective parties at the address on the first page of this Contract. The address may be changed from time to time by written notice.

X. CLEAN-UP AND SAFETY

Subcontractor shall regularly remove all refuse, waste, and debris produced by its operation. Refuse shall not be permitted to accumulate to the extent that it interferes with free access to the work site or creates a safety hazard. Avoidance of safety hazards through good housekeeping is an important part of Subcontractor's obligations. In the event of Subcontractor's failure or refusal to meet these requirements, refuse may be removed by Owner and charged against the account of Subcontractor, provided that Subcontractor has received twenty-four (24) hours prior written notice. In the event Owner determines emergency conditions exist, Owner may proceed as above without written prior notice.

Subcontractor and its subcontractors shall take all reasonably necessary safety precautions pertaining to the work and work performance, including compliance with applicable laws, ordinances, regulations and orders issued by a public authority, whether federal, state, local, OSHA or other, and any safety measures requested by Owner. Subcontractor shall at all times be responsible for providing a safe job site and be responsible for the work performance and safety of all employees, personnel, equipment and materials within Subcontractor's or its subcontractors' care, custody or control. Subcontractor and its subcontractors shall furnish all required safety equipment for their work and ensure all of their employees have and wear personal protective equipment in compliance with applicable OSHA requirements and Owner's safety rules.

Subcontractor certifies that it and its subcontractors shall maintain written Accident Prevention Plan and a job site-specific safety plan in compliance with applicable OSHA regulations. Subcontractor's Accident Prevention Plan should address Subcontractor's role and responsibilities pertaining to safety on the job site, training, and corrective action and be tailored to safety and health requirements for the work involved. Subcontractor shall have and enforce a disciplinary action schedule in the event any safety violations are discovered, which schedule should vary depending upon the severity of the violations. When requested by Owner, Subcontractor shall provide information regarding any and all safety matters to Owner.

Subcontractors shall promptly provide Owner with written notice of any safety hazard or violation found anywhere on the job site, and of any injury, which occurs on the job site.

Owner may direct Subcontractor's superintendent to remove employees not in compliance with the foregoing provisions. In the event Subcontractor does not promptly correct any safety violations, Owner may order Subcontractor to stop work until the violation is corrected, and may correct the violation and charge all costs of compliance to Subcontractor.

Subcontractor agrees to defend, indemnify and hold Owner harmless from all OSHA claims, demands, proceedings, violations, penalties, assessments or fines that arise out of or relate to Subcontractor's failure to comply with any safety related laws, ordinances, rules, regulations, orders, or obligations hereunder. Owner may charge against the sums otherwise owing to Subcontractor the amount of the fines, fees, costs, and expenses incurred by Owner due to claims, citations or fines assessed against Subcontractor or its subcontractors.

Initial

Further, Subcontractor and its vendors shall abide by all of Owner's safety programs which include:

- (1). Subcontractor shall provide Contractor or its designee a copy of all Material Safety Data Sheets.
- (2). Subcontractor shall conduct his own, or attend Black Rock weekly safety meetings. If Subcontractor elects to conduct his own safety meetings, Subcontractor shall provide weekly meeting minutes to Owner.
- (3). Owner shall provide Subcontractor with a copy of a job specific fall protection and accident prevention plan prior to proceeding with work.
- (4). Hard hats, safety glasses and work boots are to be worn at all times.

Y. SEQUENCING, BARRICADING AND TRAFFIC CONTROL

Sequencing and barricading shall provide for the complete safety of the public and all construction personnel, shall create a minimum of interference with the normal flow of pedestrians and vehicles either on or off the site.

Z. BOND

If this Contract requires Subcontractor to supply bonds for this project, then Subcontractor shall at its own expense furnish Owner, within ten (10) days of receipt of this Contract, performance and payment surety bonds, acceptable to Owner, in an amount equal to the Contract Price. The bonds shall be conditioned upon the full and faithful performance of all terms, provisions, and conditions of this Contract and upon payment for all labor, materials, equipment, and supplies used in the prosecutions of the work described herein.

Owner may require additional performance and payment bond protection if the contract price is increased. The increase in protection generally will equal one hundred percent (100%) of the increase of the contract price. Owner may secure the additional protection by directing Subcontractor to increase the penal amount of the existing bond or to obtain an additional bond.

AA. INSURANCE

Subcontractor shall, at its expense, procure and maintain insurance and required coverages on all its operations, in companies having at least an A.M. Best rating of no less than A-VII and in forms acceptable to Owner as follows:

1. Workers' Compensation and Employers Liability Insurance as required by any applicable law, regulation or statute. Employers Liability Insurance shall be provided in amount as stated on Exhibit "E," Sample Insurance Certificate and Required Limits.
 - a. Longshoreman's & Harbor Workers' Act coverage on any employees working under this jurisdiction;
 - b. Coverage for Jones Act on any maritime exposure;
 - c. Employers Liability or Stop Gap Liability in monopolistic state.
2. General Liability Insurance, either Comprehensive General Liability or Commercial General Liability on coverage forms at least as broad as ISO occurrence form CG 0001, including coverage for;
 - a. Premises and Operations.
 - b. Broad Form Property Damage (Including Completed Operations).
 - c. Explosion, Collapse, Underground Hazards.
 - d. Contractual Liability insuring obligations assumed in this Contract.
 - e. Waiver of Subrogation endorsement in favor of Subcontractor.
 - f. Personal Injury Liability.
 - g. Severability of Interest Clause.

- h. General Aggregate Limits of insurance shall apply separately to the project.
- i. "Claims Made" and "Modified Occurrence" policy forms are not acceptable.
- j. Any self-insured retention or deductible greater than \$25,000 must be declared to Subcontractor at time of bid and approved by Owner.
- k. Completed operations coverage shall be maintained for not less than two years following completion of the project.

3. General Liability Insurance Limits:

- a. Limits on the Subcontractor's General Liability for Premises/Operations and Products/Completed Operations shall be equal to or greater than the Owner's limits of \$1,000,000., as stated in Exhibit "E".
- b. If either defense costs are included in the General Aggregate limit or if the General Aggregate limit does not apply separately to this project, then the required General Aggregate limit is to be \$3,000,000. This additional limit can be provided by a \$1,000,000 umbrella liability policy.

4. Automobile Liability Insurance on a coverage form at least as broad as ISO form CA 0001, including;

- a. Coverage on all owned, non-owned, and hired automobiles;
- b. Limit of liability shall not be less than \$1,000,000 Combined Single Limit.

5. Increased Liability Limits:

If higher limits or other forms of insurance are required by Owner under Paragraph 3 above, Subcontractor will comply with such requirements by providing evidence of an umbrella or excess liability policy.

6. Certificates of Insurance:

Certificates of Insurance for insurance required under this Contract shall be furnished by Subcontractor to Owner before any work is commenced hereunder by Subcontractor. The Certificates of Insurance shall provide that there will be no cancellation or reduction of coverage without forty-five (45) days prior written notice to Owner, except for ten (10) days in the event of non-payment of premium. In the event Subcontractor does not comply with requirements of this Section, Owner, at its option, may provide insurance coverage to protect its interests and charge Subcontractor for the cost of that insurance or Owner may terminate this Contract. The required insurance shall be subject to approval of Owner, but any acceptance of insurance certificates by the Owner shall in no way limit or relieve Subcontractor of the duties and responsibilities assumed by Subcontractor in this Contract. No work shall be performed at the project site until said certificates have been furnished and approved. Payment may be withheld, at the option of Owner, until such certificates have been furnished, or if upon receipt of a cancellation notice on a policy, until withdrawal of the notice or the reinstatement of the canceled policy. Copies of insurance policies shall be furnished upon request.

7. Additional Endorsements:

- a. Under the General Liability policy, Subcontractor shall add Owner, and its officers, directors and employees, as additional insured verified by a Certificate of Insurance and receipt of the Additional Insured form CG 20 10 11 85 or equivalent.
- b. The policy shall be endorsed using form CL/00 99 01 87 to stipulate that the insurance afforded Owner and its officers, directors, and employees, as additional insureds shall apply as primary insurance. Any other insurance carried by Owner will be excess only and will not contribute with Subcontractor's insurance.
- c. The General Liability policy shall be endorsed using form CG 24 04 10 93 or equivalent to waive rights of recovery.
- d. Samples of required endorsement are included in Exhibit "E."



8. Insurance requirements for subcontractors.

Subcontractor shall ensure that all tiers of its subcontractors shall maintain insurance in like form and amounts, including the Additional Insured Requirements set forth above, and any such subcontractor will provide Owner with evidence of the required insurance prior to such subcontractor starting work.

Builders Risk Insurance:

Owner and Subcontractor waive all rights against each other and against all other subcontractors for loss or damage to the extent reimbursed by Builder's Risk or any other property or equipment insurance applicable to the work, except such rights as they may have to the proceeds of such insurance.

If Builder's Risk insurance purchased by Owner provides coverage for Subcontractor for loss or damage to Subcontractor's work, Subcontractor shall be responsible for the insurance policy deductible amount, up to \$5,000, applicable to damage to Subcontractor's work and/or damage to other work caused by Subcontractor.

If Subcontractor is not covered under Builder's Risk policy of insurance or any other property or equipment insurance required by this Contract, Subcontractor shall procure and maintain, at its own expense, property and equipment insurance required for Subcontractor's work stored off the site or in transit.

If Owner has not purchased Builder's Risk or equivalent insurance including the full insurable value of Subcontractor's work, then Subcontractor shall procure such insurance at its own expense as will protect the interests of Subcontractor and its subcontractors in the work. Such insurance shall also apply to any of Owner's property in the care, custody or control of Subcontractor.

10. [Intentionally Omitted]

Hazardous Materials and Pollution Liability:

If Subcontractor or its subcontractors are either required to perform remediation of hazardous materials such as asbestos containing materials, contaminated soil etc., or if their operations create an exposure to hazardous materials, they must, in addition to the above requirements, carry a "Owner's Pollution Liability" policy with limits not less than \$1,000,000 per occurrence and not less than \$2,000,000 aggregate for Bodily Injury, Personal Injury and Property Damage, naming Owner as Additional Insured.

If Subcontractor or its subcontractors haul hazardous waste they must carry Automobile Liability Insurance with a \$1,000,000 combined single limit per occurrence for Bodily Injury and Property Damage applicable to all hazardous waste hauling vehicles and include MCS 90 endorsement and the ISO for CA 9948 (Pollution Liability Broadened coverage for Business Automobile).

12. Failure of Owner to enforce in a timely manner any of the provisions of these Insurance Requirements shall not act as a waiver to enforcement of any of these provisions at a later date in the performance of this Contract. Any exceptions to these Insurance Requirements must be delineated in the Contract documents.

BB. SUBCONTRACTORS

Any subcontractor of Subcontractor shall be bound to Subcontractor to the same extent Subcontractor is bound to Owner. This form may be used for subcontracts and when so used, the term Owner shall mean Contractor and the term Subcontractor shall mean the Subcontractor's subcontractor.



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CC. MODIFICATIONS

No modifications to, or waiver of any rights under this Contract shall be valid or binding on the parties to this Contract unless the same be in writing. Failure of Owner to insist upon strict performance of any term or condition of this Contract, or to exercise any option herein conferred on one or more instances, shall not be construed to be a waiver of such performance or portion, or of any other covenants or Contracts, on subsequent occasions, but the same shall be and remain in full force and effect.

EE. DISPUTES

(1) Claims: In the event of any dispute or claim between Owner and Subcontractor which directly or indirectly involves the work performed or to be performed by Subcontractor, Subcontractor agrees to be bound to Owner and Owner agrees to be bound to Subcontractor by any and all procedures and resulting decisions, findings, determinations, or awards made thereunder by an administrative agency, board, court of competent jurisdiction, or arbitration. Subcontractor agrees to be bound by the procedure and final determinations as specified, and agrees it will not take, or will stay or suspend, any other action with respect to such claims (including but not limited to actions commenced pursuant to the Federal Miller Act, lien statutes, or any other state bond or retainage act) and will pursue no independent litigation with respect thereto, pending final determination of any resolution procedure by Owner. The timely presentation, cooperation and participation by Subcontractor, in any determination of a dispute under this Contract, including any and all appeals under the disputes provision(s), shall be conditions precedent to pursuit of any action by Subcontractor against Owner with respect to any such claim or dispute. Subcontractor shall have full responsibility for preparation and presentation of such claims and shall bear expenses thereof including attorneys' fees.

(2) Mediation: As a condition precedent to the hearing of any trial or arbitration, the parties to this Contract shall submit any and all disputes between them to non-binding mediation with the assistance of a recognized professional mediation service. The parties shall each designate a representative with full settlement authority who will participate for at least four hours in the mediation. The parties shall bear equally all expenses, exclusive of attorneys' fees, associated with the mediation.

(3) Arbitration: If any dispute shall arise relative to interpreting this Contract that cannot be resolved through mediation, it shall be submitted in arbitration according to the then existing rules of the American Arbitration Association. Written notice of demand therefore shall be filed with the other party hereto. Each party shall appoint an arbitrator. The two (2) arbitrators shall appoint a third arbitrator. Their decision shall be a condition precedent to any right of legal action that either party may have against the other. They shall fix their own reasonable compensation and assess the costs and charge upon either or both parties. Judgment on any award may be entered in a court of competent jurisdiction. This provision shall be specifically enforceable under the laws of the state of Idaho.

FF. HOMEOWNERS' CLAIMS

Subcontractor shall participate in the investigation of a resolution of any and all claims made by a Homeowner as a result of activities performed by the Subcontractor.

GG. INDEMNIFICATION

To the fullest extent of the law, Subcontractor agrees to defend, indemnify, and hold harmless Owner, Owner's affiliates, and the officers, shareholders, directors, partners, members, managers, employees, agents, and representatives of Owner (hereafter the "Indemnified Parties"), and the record owner of the property

(hereinafter "Owner"), from and against any and all claims, demands, losses, and liabilities arising from, resulting from, or connected with services performed or to be performed under this Contract by Subcontractor, its agents, employees, and subcontractors and suppliers of any tier, including without limitation injuries to Subcontractor or Subcontractor's personnel occurring during performance of services under this Contract, even though such claims may prove to be false, groundless or fraudulent, to the fullest extent permitted by law and subject to the limits provided below.

Subcontractor's duty to indemnify Owner shall not apply to liability for damages arising out of bodily injury to persons or damage to property caused by or resulting from the sole negligence of Owner or its agents or employees. Subcontractor's duty to indemnify Owner for liability for damages arising out of bodily injury to persons or damage to property caused by or resulting from the concurrent negligence of (a) Owner or its agents or employees, and (b) Subcontractor or its agents, employees, and subcontractors and suppliers of any tier shall apply only to the extent of negligence of Subcontractor or its agents, employees, and subcontractors and suppliers of any tier.

The indemnification obligation under this Contract shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for any third party under workers' compensation acts; provided Subcontractor's waiver of immunity by the provisions of this Section extends only to claims against Subcontractor by Owner, and does not include, or extend to, any claims by Subcontractor's employees directly against Subcontractor.

Subcontractor's duty to indemnify Owner for liabilities or losses other than for bodily injury to persons or damage to property shall apply only to the extent the liability or loss was caused by Subcontractor or its agents, employees, subcontractors or suppliers of any tier.

Defense cost recovery shall include all fees (of attorneys and experts), and costs and expenses incurred in good faith. In addition, Owner shall be entitled to recover compensation for all of its in-house expenses (including materials and labor) consumed in its defense.


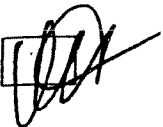
Subcontractor's indemnification and defense obligations hereunder shall extend to Claims occurring after this Agreement is terminated as well as while it is in force, and shall continue until it is finally adjudicated that any and all actions against the Indemnified Parties for such matters which are indemnified hereunder are fully and finally barred by applicable laws.

HH. FORCE MAJEURE.

Neither party shall be liable to the other for any failure of or delay in performance of any obligation under this Agreement for the period that such delay or prevention is due to acts of God or the public enemy; war, insurrection of riots, civil disorder, acts of terrorism or other hostilities; fires, explosions or serious accidents; the requirements of any government or governmental entity or authority; strikes or labor disputes; the discovery of hazardous materials that renders the site or a portion thereof unsafe to continue work or any other cause beyond Owner or Subcontractor's, as applicable, reasonable control. The parties agree to notify the other party promptly of the occurrence of any such cause and carry out this Agreement as promptly as practicable after such cause is terminated.

II. MISCELLANEOUS

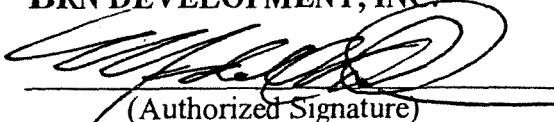
This Contract shall be considered to have been made in and shall be interpreted under the laws of the State of Idaho. The site of venue of any lawsuit arising out of this Contract or the work hereunder shall be in Kootenai County, Idaho. Any written notice required to be given to a party shall be hand-delivered or delivered to the

Initial  

address of that party indicated above. Subcontractor shall comply with all federal, state and local laws, regulations and orders prohibiting discrimination on the basis of race, religion, sex, or national origin. This Contract represents understanding of the parties and Owner assumes no responsibility for any different understanding or any representations made by any of its officers, agents, or others prior to the execution of this Contract unless expressly stated herein.

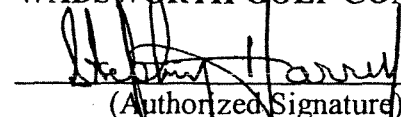
THE UNDERSIGNED HEREBY CERTIFY THAT THIS INDEMNIFICATION PROVISION WAS MUTUALLY NEGOTIATED.

BRN DEVELOPMENT, INC.



(Authorized Signature)
Name: Marshall Chesrown
Title: President

WADSWORTH GOLF CONSTRUCTION CO.



(Authorized Signature)
Name: Steve Harrell
Title: President

RCE- 19920
(Registration Number for Idaho)
(UBI Number for Washington)

000334387-U
(Sales Tax Permit Number)

EXHIBIT "A"
CONTRACT AGREEMENT
BRN DEVELOPMENT, INC. and WADSWORTH GOLF CONSTRUCTION COMPANY
INCLUSIONS AND EXCLUSIONS

General Inclusions:

The work under this Contract includes, but is not limited to the following, all labor, materials, equipment, fasteners, delivery, and coordination required to complete the scope of work outlined below per the Contract drawings and specifications:

1. One (1) set of construction drawings will be provided to Wadsworth Golf Construction Company by BRN Development, Inc. Any additional copies required thereafter by Subcontractor will be the sole responsibility of Subcontractor to obtain at Subcontractor's expense.
2. Subcontractor shall submit a site specific safety plan prior to commencement of work. Subcontractor shall provide necessary personal protection safety gear, training and methods for its own employees.
3. Subcontractor agrees to indemnify and hold harmless Owner for any and all governmental or regulatory fines, penalties, and/or assessments of any kind, including safety and environmental, arising from or in connection with their work resulting from Subcontractor being in noncompliance with governmental regulations. In the event such fines, penalties, and/or assessments are made against Owner as well as Subcontractor during the prosecution of the work itself and before Final Acceptance, Subcontractor agrees that said amounts may be withheld from any pending funds due and owing to Subcontractor, at Owner's sole discretion.
4. All work to be done in compliance with federal, state and local laws, codes, ordinances and regulations and good industry practices, Subcontractor is responsible for obtaining all code standards and including the applicable costs for this scope of work.
5. Subcontractor shall coordinate all necessary inspections with proper jurisdiction for own work.
6. Subcontractor is aware of all scheduling and site conditions.
7. Subcontractor shall provide all hoisting, scaffolding, staging, material handling and coordination required to complete own work.
8. Parking is limited to Owner designated parking area.
9. No construction company and/or product advertising will be allowed on the jobsite. This prohibition includes advertising on structures and/or fencing. Permanently affixed truck and trailer logos are permitted.
10. Subcontractor shall provide all protection of work during construction and shall protect all work and materials from loss and damage as required. Subcontractor shall also protect all work from damage during the performance of Subcontractor's work. Any damage caused by Subcontractor to work put in place must be corrected to Owner's satisfaction at Subcontractor's expense.
11. Subcontractor shall remove and dispose of all of its own **hazardous and environmentally sensitive** waste and debris in an approved and legal manner and shall comply with local agency recycling requirements.
12. Subcontractor shall provide all required coordination, design assistance, and interface with the Owner, Owner's Architect, all other trades, the general public and agencies affecting or affected by the work.
13. Subcontractor shall perform no additional work nor perform work which will result in additional work being required without first obtaining written authorization from Owner.
14. All construction shall be performed according to the most recently prescribed practice by qualified and if applicable certified workers. Any Subcontractor employees engaged in performance of the work are subject to the Owner's approval.

EXHIBIT "A"
CONTRACT AGREEMENT

BRN DEVELOPMENT, INC. and WADSWORTH GOLF CONSTRUCTION COMPANY
INCLUSIONS AND EXCLUSIONS

15. Subcontractor shall provide onsite a designated, competent, and full time Superintendent who shall represent the Subcontractor at all times and shall have authority to act for Subcontractor. Subcontractor's Superintendent shall have no other obligations or responsibilities other than the work to be performed for Owner. All directions and notices given to and by such Superintendent shall be binding on Subcontractor. Subcontractor's Superintendent shall coordinate work closely with the Owner and shall take all measures and actions to ensure proper completion of the work in accordance with the Project Schedule and as directed by the Owner. Subcontractor's Superintendent shall be made available for weekly Owner's coordination meetings. Subcontractor's Superintendent is required to have the Contract and applicable specification sections on site made available by Subcontractor's main office.
16. Subcontractor shall perform and complete its own work in accordance with Subcontractor's project schedule and shall coordinate daily activities with Owner.
17. Subcontractor shall provide one (1) copy of record documents, drawings, warranties and operations and maintenance information required for project closeout. Operation and maintenance (O/M) manuals will be the basis for the Owner training materials and shall be completed and submitted to Owner prior to receipt of final payment and retainage if any.
18. Subcontractor shall keep such full and detailed accounts as are necessary for proper financial management under this Agreement. Subcontractor shall maintain a complete set of all books and records prepared or used by Subcontractor with respect to the Project. Owner shall be afforded access to all Subcontractor's records, books, correspondence, instructions, drawings, receipts, vouchers, memoranda and similar data relating to this agreement. Subcontractor shall preserve all such records for a period of three years after the final payment or longer where required by Law.
19. **Owner change order requests:** Subcontractor shall be responsible for a **10-day** response, from the date distributed, and turn around time to Owner Change Order Requests. In the event a response is not received by Owner on or before the date specified on the Subcontractor Change Order Requests, it will indicate that Subcontractor consents to the work being performed with no change in the contract amount.
20. All pricing will include applicable State Taxes.

Specific Inclusions:

1. Schedule A (General Superintendence and Site Preparation), Job Code 50.300.300:
 - a. Mobilization and Permits - \$100,000.00
 - b. Bonds - \$164,338.00
 - c. Temporary Traffic Control - \$10,000.00
 - d. Clearing, Grubbing, and Site Preparation - \$10,000.00
2. Schedule B (Mass Grading, Site Storm Drainage and Erosion Control), Job Code 50.300.301:
 - a. Mass Grading – Main Site, Complete - \$45,000.00
 - b. Mass Grading – Panhandle Site, Complete - \$30,000.00
 - c. Lake Construction (Three Site Ponds), Complete - \$231,465.00
 - d. Erosion Control - \$279,075.00
3. Schedule C (18 Hole Golf Course Construction), Job Code 50.100.900:
 - a. Golf Course Supervision and Administration - \$196,000.00

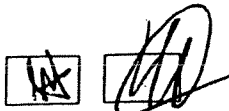


EXHIBIT "A"
CONTRACT AGREEMENT
BRN DEVELOPMENT, INC. and WADSWORTH GOLF CONSTRUCTION COMPANY
INCLUSIONS AND EXCLUSIONS

b. Sand Cap and Topsoil Management	- \$1,403,340.00
c. Golf Course Rough Shaping	- \$297,060.00
d. Golf Course Drainage	- \$551,027.00 ✓
e. Feature Construction (Greens, Tees, Bunkers)	- \$1,345,607.00 ✓
f. Cart Path Construction	- \$991,925.00 ✓
g. Golf Course Finish Shaping and Contouring	- \$212,990.00
h. Rock Picking	- \$46,700.00 ✓
i. Seed Bed Preparation	- \$320,045.00 ✓
j. Soil Amendments/Fertilizer	- \$45,401.00 ✓
k. Grassing per Plans	- \$768,622.00 ✓
l. Rock Retaining Walls	- \$133,488.00
m. Golf Course Irrigation System, Complete	- \$2,405,035.00
n. Pump Station	- \$209,820.00

TOTAL - \$9,796.938

- Prices reflect an estimate from Wadsworth Golf Company dated November 9, 2006. Please note that affected items were changed to reflect the increase in Idaho Sales Tax from 5% to 6%.
- Upon final acceptance of contract agreement, an additional Exhibit A-2 will be attached, specifying construction completion dates.

Specific Exclusions:

- See Contract Qualifications & Clarifications, attached hereto as Exhibit A-1.



Contract Qualifications & Clarifications
Wadsworth Golf Construction Company of the Southwest
Black Rock North - Kootenai County, ID

December 6, 2006

Staking & Layout

- ◆ Owner to provide tee, green, and turning point stakes with elevations. Owner's engineer will layout storm drainage lines.

Erosion Control

- ◆ Our proposal does not include the purchase of off-site rock for any of the specified erosion control measures. We have assumed this rock will be available on-site, at the adjacent pit site.
- ◆ The bioswale is not included in our proposal.

Dust Control

- ◆ Owner to provide and pay for construction water; Contractor to distribute water to our work areas.

Storm / Golf Course Drainage

- ◆ Our HDPE and solid trench drain pipe pricing is based on using double-wall, soil-tight pipe as manufactured by ADS.
- ◆ Our pricing is based on using on-site, native topsoil for bedding and backfilling of all solid drainage pipe runs that do not cross roadways.
- ◆ For solid HDPE golf course drainage pipe on the Weiskopf plans, all drain tile is four inch (4") diameter, except when six (6) or more catch basins or bunker connect. Then, drain tile is upsized two inches (2") for every six (6) features upstream.

Irrigation

Our proposal does not include consultant fees for staking, as-built data collection, as-built document finalization, or central controller programming. Any such fees are assumed to be by contract between the consultant and Owner.

Cart Path Construction

- ◆ ~~Our proposal does not include cart path on golf holes #6 and #7 in the locations of the emergency fire lane.~~ *Include cart paths 8' wide w/ turnouts*

Electrical

- ◆ Owner to supply electrical power and main disconnect to main pump station to within twenty-five feet (25') of pump station location.

Trucking

- ◆ Fuel prices are unstable at this time. In the event that off-road diesel fuel prices exceed \$2.78 per gallon for an extended period of time, we reserve the right to review our pricing.

Materials Benchmarked Pricing

- ◆ The following are the cost of materials we have included in our proposal, including sales tax and freight:
 - Greens Gravel: \$ 25.44 / tn Atlas Sand & Rock
 - USGA Sand w/o Organic: \$ 34.98 / tn Atlas Sand & Rock
 - Bunker Sand ("Unipar BB202"): \$ 67.60 / tn Grass Roots Agronomics
 - ¾" Screened Bank Run Sand: \$ 14.31 /tn Interstate Concrete & Asphalt
 - 4,000 PSI Concrete w/ Fiber: \$120.00 / cy Interstate Concrete & Asphalt
 - Sod - 100% Kentucky Bluegrass: \$.286 / sf Ideal Sod

Work By Others

- ◆ Our proposal contains no allowance for preparation, management / overseeing, clean-up, or restoration of grade for work performed by subcontractors working directly for the Owner. We will work actively to coordinate our golf course construction activities with the work of others to provide for the ability of all construction to flow efficiently.

Cash Flow

- ◆ There will be significant early cash flow requirements for materials purchased and stored on-site. Due to unstable PVC resin and copper pricing, PVC pipe and wire will be benchmarked. Additional costs that may be assessed by our supplier(s) will be passed on to the Owner. We will expect no retainage to be withheld from materials stored on-site.

Proof of Financing

- ◆ We would request proof of adequate financing in place for golf course construction work prior to initiating the work.

Existing Utilities

- ◆ The cost to relocate existing utilities to allow for work to occur is excluded from our proposal. Repairs to utilities not located by Blue Stake or by the Owner's on-site personnel is also excluded.

Permits & Licenses

- ◆ Our proposal does not include the cost of permits, fees, licenses, and/or inspections necessary to execute the work. If requested, we will assist the Owner in the procurement of permits.

Quality Control

- ◆ Owner pays for all inspections and quality control testing that may be required. The cost for re-tests will be at the Contractor's expense.

Hazardous Materials

- ◆ Costs associated with pre-existing hazardous materials are excluded (see attached statement).

OMIT

Tax

- ◆ Our proposal is based on the state of Idaho sales tax rate on materials of 6.0%.

End of Qualifications & Clarifications

SA [Signature]



EXHIBIT "B"
CONDITIONAL LIEN WAIVER, RELEASE AND SUBORDINATION

Payment Amount: \$.00
For Work Through: , 2006

TO: BRN Development, Inc.
P.O. Box 3070
Coeur d' Alene, ID 83816

RE: 065040_C0002 (Black Rock North Golf Course Construction)

Upon receipt of payment of the sum of \$ _____, the undersigned waives any and all right to any lien whatever and releases all rights to lien or claim any lien against the real property associated with the above Project by the undersigned in connection with any and all work or labor performed, materials, equipment, goods, or things supplied or furnished, or any other claims or obligations owed through the date shown above, on the above-named Project.

This waiver and release does not cover rights or obligations that might accrue after the above date for additional work that may be performed. In addition, upon receipt of the payment stated above, the undersigned agrees that any lien that may be filed for work performed after said date will only have lien priority from and after the date stated above and will be subordinate to any liens or encumbrances attaching to the subject property prior to said date.

As an inducement to the above-named Owner to make the payment first described above, the undersigned further covenants and represents that it has performed the work and/or furnished the materials pursuant to and in accordance with the plans and specifications or work order in effect up through _____, 20____. The undersigned further covenants and represents that either all obligations related to labor, equipment, supplies, materials, lower tier subcontractors at all levels and consultants through the date first stated above have been fully paid, or all such obligations will be paid first out of the funds to be received before any of said funds will be applied to any other purpose and payment first described above will be sufficient to fully satisfy all such obligations.

If signed on behalf of a company, the undersigned certifies under penalty of perjury under the laws of the State of Idaho that he or she is authorized to execute the same on behalf of the company to be bound.

COMPANY: _____
By: _____
Its: _____

STATE of _____)
) ss.
County of _____)

On this _____ day of _____, 2006, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared _____, known or identified to me to be the _____ of _____, the corporation that executed the foregoing instrument and acknowledged the said instrument to be a free and voluntary act and deed of the corporation, for the uses and purposes set forth therein, and on oath stated that he is authorized to execute said instrument on behalf of said corporation.

Witness my hand and official seal hereto affixed the day and year first above written.

Notary Public in and for the State of _____
Residing at: _____
My Commission Expires: _____

SUBCONTRACTOR'S APPLICATION FOR PAYMENT

To: BRN Development, Inc.

P.O. Box 3070 (208) 665-5815
 Coeur d' Alene, ID 83816 (208) 665-5844

Job Name: Black Rock North Golf Course Construction **From:** Wadsworth Golf Construction Company

Job No.: 06-5040 600 N. 195th Ave.

Contract No.: 065040 C0002 Buckeye, AZ 85326

Address: P.O. Box 3070 **Pay Application #:** 1

City/State: Coeur d' Alene **Billing Period:** _____

PAY REQUEST CALCULATION:

	(A) Amount	(B) Amount Billed Prior Periods	(C) Amount Billed This Period	(D) Total Amount Billed to Date	(E) Total % Complete
1) Base Contract:	_____	//	_____	+	_____
Change Orders:				=	
C. O. #1	_____	//	_____	+	_____
C. O. #2	_____	//	_____	+	_____
2) Total Approved Contract:	_____	//	_____	+	_____
3) Less Retainage @			_____		_____
4) Total Earned Less Retainage:			_____		_____
5) Less Previous Net Billings:			_____		_____
CURRENT PAYMENT DUE:			_____		_____

(C4 must equal D5)

Date: _____

Authorized Signature: _____

SA

EXHIBIT "D"
SUBSTANCE ABUSE PROGRAM REQUIREMENTS

Subcontractor shall develop, implement, and maintain a Substance Abuse Program (SAP) to assure all subcontractor employees are free from drug and alcohol impairments.

Subcontractor shall provide a letter, which confirms their compliance with this requirement in the Site Specific Safety Plan, which is required by Contract General Conditions. An example letter is attached. Subcontractor shall submit the Site Specific Safety Plan for review prior to beginning work on the project.

Subcontractor's SAP shall be developed to meet or exceed the requirements of Owner's SAP. A copy of Owner's SAP will be made available upon request. Key elements of Owner's SAP include:

Mandatory Pre-Employment Testing
Reasonable Suspicion and Post-Accident Involvement Testing

Subcontractor shall pay all costs associated with developing, implementing, achieving and maintaining the SAP for their employees. These costs include, but are not limited to, transportation costs, laboratory costs, collection costs, and wages during testing.

Subcontractor shall indemnify and hold harmless Owner against any and all claims, demands, suits, or liability that may arise out of the development, implementation, achievement, and maintenance of the SAP.



EXHIBIT "D"
SUBSTANCE ABUSE PROGRAM REQUIREMENTS

09-18-06

Owner: BRN Development, Inc.
Owner Address: P.O. Box 3070
Coeur d' Alene, ID 83816

Attn: Kyle Capps

RE: 065040_C0002
(Black Rock North Golf Course Construction)

Wadsworth Golf Course Construction Company has developed and will maintain a Substance Abuse Program (SAP) to assure that all subcontractor employees are free from drug and alcohol impairments. Our SAP meets or exceeds the requirements of Owner's Substance Abuse Program and allows testing for reasonable suspicion and post-accident involvement situations.

We currently plan to place the following employees on this project and we certify that they have been tested in accordance with our SAP.

If additional employees are placed on the project, we will test them in accordance with our SAP policy.

We understand that Owner may elect to check our SAP compliance by reviewing program requirements and auditing employee test records. We will cooperate fully with this compliance check process.

Sincerely,

(Subcontractor Representative)

(Date)

EXHIBIT "D"
SUBSTANCE ABUSE PROGRAM REQUIREMENTS

09-18-06

Owner: BRN Development, Inc.
Owner Address: P.O. Box 3070
Coeur d'Alene, ID 83816

Attn: Kyle Capps

RE: 065040_C0002
(Black Rock North Golf Course Construction)

Wadsworth Golf Course Construction Company has developed and will maintain a Substance Abuse Program (SAP) to assure that all subcontractor employees are free from drug and alcohol impairments. Our SAP meets or exceeds the requirements of Owner's Substance Abuse Program and allows testing for reasonable suspicion and post-accident involvement situations.

We currently plan to place the following employees on this project and we certify that they have been tested in accordance with our SAP.

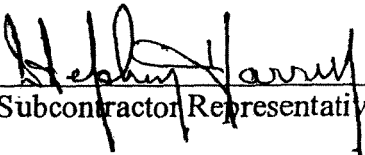
Lance Phillips

To be determined.

If additional employees are placed on the project, we will test them in accordance with our SAP policy.

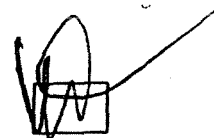
We understand that Owner may elect to check our SAP compliance by reviewing program requirements and auditing employee test records. We will cooperate fully with this compliance check process.

Sincerely,


(Subcontractor Representative)

12/4/06
(Date)





WADSWORTH GOLF CONSTRUCTION COMPANY

POLICY NO. 9
SUBSTANCE ABUSE POLICY

POLICY STATEMENT. The Company wishes to recognize the value of establishing a workforce and workplace free of substance abuse. Therefore it is in the Company's best interest to adopt and implement a Substance Abuse Policy.

OBJECTIVE. To provide a program that will identify the abusers before the workplace is made unsafe and assist the employee in overcoming the need to abuse substances which can potentially endanger the employee's health and, by impairing their own ability to perform their duties, endanger the health of their co-workers.

SCOPE. All employees, jobsites, facilities and locations of the Company's operations shall be governed by this policy. With respect to the employees, this policy shall be construed to include all time spent at or away from the workplace in the performance of their employment duties.

IMPLEMENTATION. The management of the Company shall dedicate itself to providing the necessary active leadership and support of this policy in order to develop, train and maintain a substance abuse program. In particular, a program shall be implemented which provides for a safe and efficient work environment by prohibiting the following activities:

- 1) Use, possession, manufacture, distribution, dispensation or sale of illegal drugs or alcoholic beverages on company premises or company business, in company supplied vehicles, or during working hours.
- 2) Use or possession, or any manufacture, distribution, dispensation or sale of a controlled substance or alcoholic beverages on company premises or while on company business or while in company supplied vehicles.
- 3) Storing in an automobile or other repository on company premises any controlled substance, the use of which is unauthorized.
- 4) Being under the influence of a controlled substance or alcoholic beverage on company premises or while on company business, or while in company supplied vehicles.
- 5) Any possession, use, manufacture, distribution, dispensation or sale of illegal drugs off company premises that adversely affects an employee's work performance, the safety of other employees, or the company's regard or reputation in the community.

Certificate of
DOT Drug and Alcohol Program Enrollment

Wadsworth Golf Construction Co.

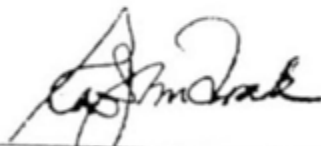
The Employer listed above has enrolled in a *Drug and Alcohol Testing Program* with Foley Services, Inc. that meets the requirements of DOT Regulation 49 CFR Parts 382 & 40.

600 No. 195th Ave.
Buckeye, AZ 85326

Program Start Date: 10/1/02

Program is current through: 10/1/07

Client Code: WAG2



Roxanne J. Swidrak
Vice President Operations

Your Single Source for DOT Compliance

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2223

Foley Services, Inc.

655 Winding Brook Drive

Glastonbury, CT 06033

QUARTERLY MAILING

Please find the issues of our *DOT Safety Regulation Update Fast-Fax™* that were published during the previous quarter. During the past quarter we discussed important regulatory issues that you should be aware of and we have offered through our *Fast-Fax Features™*, new products that are available from Foley Services, Inc.

If you would like to have issues of *DOT Safety Regulation Update Fast-Fax™* faxed to you weekly, instead of mailed quarterly, please call us at:
1-800-253-5506 ext. 286

We appreciate your business and hope that you find the information we have sent useful to you, in your position, and throughout your business.

Should you have any questions, concerns or special topics that you would like to see discussed please contact us at:
1-800-253-5506

For additional products and services offered by Foley Services, Inc., please visit us our website:

www.FoleyServices.com

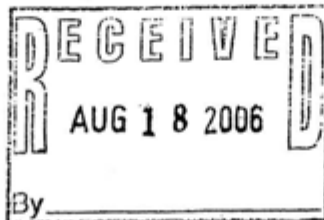


EXHIBIT "E"

ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE
(MM/DD/YY)

PRODUCER

Insurance Broker
Address
City, State, Zip

INSURED

Subcontractor Name
Address
City, State, Zip

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND, OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

INSURER A:	INSURANCE COMPANY	BEST RATING
INSURER B:	INSURANCE COMPANY	BEST RATING
INSURER C:	INSURANCE COMPANY	BEST RATING
INSURER D:	INSURANCE COMPANY	BEST RATING

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOT WITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

Insr. Ltr.	Type of Insurance	Policy Number	Policy Effective Date	Policy Expiration Date	Limits	
A	General Liability <input checked="" type="checkbox"/> Commercial General Liability <input type="checkbox"/> Claims made <input checked="" type="checkbox"/> Occur. Gen'Aggregate Limit Applies per: <input type="checkbox"/> Policy <input checked="" type="checkbox"/> Project <input type="checkbox"/> Location	Policy Number	00/00/00	00/00/00	Each Occurrence Fire Damage (any one fire) Med Exp. (any one per Personal & Adv Injury General Aggregate Products-Comp/Op Agg	\$1,000,000 \$50,000 \$5,000 \$1,000,000 \$2,000,000 \$2,000,000
B	Automobile liability <input checked="" type="checkbox"/> Any Auto <input type="checkbox"/> All Owned Autos <input type="checkbox"/> Scheduled Autos <input checked="" type="checkbox"/> Hired Autos <input checked="" type="checkbox"/> Non-Owned Autos	Policy Number	00/00/00	00/00/00	Combined Single Limit (each accident) Bodily Injury (per person) Bodily Injury (per accident) Property Damage (per accident)	\$1,000,000 \$ \$ \$
	Garage Liability <input type="checkbox"/> Any Auto	Policy Number	00/00/00	00/00/00	Auto Only- Ea Accident Other than Auto only: Each Accident Aggregate	\$ \$ \$
C	Excess Liability <input checked="" type="checkbox"/> Occur Claims Make <input type="checkbox"/> Deductible <input type="checkbox"/> Retention	Policy Number	00/00/00	00/00/00	Each Occurrence Aggregate *for subcontracts in excess of \$1M, the Excess Liability Amounts must be \$5,000,000.	\$1,000,000* \$1,000,000*
D	Workers' Compensation and Employers' Liability	Policy Number	00/00/00	00/00/00	<input checked="" type="checkbox"/> WC Statutory Limits <input type="checkbox"/> Other E.L. Each Accident E.L. Disease-EA Employee E.L. Disease-Policy Limit	\$1,000,000 \$1,000,000 \$1,000,000
	Other					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

Project Name and Number: Black Rock North Golf Course Construction (06-5040)
Job #: 065040_C0002

Owner: BRN Development, Inc is Additional Insured per attached Endorsement. Coverage is primary and Non-Contributory with any carried by Wadsworth Golf Construction Company per attached Endorsement. Waiver of Subrogation applies in favor of BRN Development, Inc. per attached Endorsement.

CERTIFICATE HOLDER

Owner: BRN Development, Inc.
Owner Address: P.O. Box 3070
Coeur d' Alene, ID 83816

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT

AUTHORIZED REPRESENTATIVE

2225

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

ADDITIONAL INSURED-OWNERS, LESSEES OR CONTRACTORS (FORM B)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

Schedule:

Owner:	BRN Development, Inc.
Job No.	065040_C0002
Owner Address:	P.O. Box 3070
	Coeur d' Alene, ID 83816

Name of Person or Organization:

**Owner: BRN Development, Inc.
and subcontractors.**

(If no entry appears above, information to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in Schedule, but only with respect to liability arising out of "your work" for that insured by or for you.

SAMPLE

NAMED INSURED: Contractor Name (policy holder)

SA

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ CAREFULLY.

BLANKET ADDITIONAL INSURED ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

WHO IS AN INSURED (Section II) is amended to include as an insured any person or organization (called additional insured) whom you are required to add as an additional insured on this policy under.

1. A written contract or agreement; or
2. An oral agreement or contact where a certificate of insurance showing that person or organization as an additional insured has been issued; but the written or oral contract or agreement must be:
 - a. currently in effect or becoming effective during the term of this policy; and
 - b. executed prior to the "bodily injury", "property damage", "personal injury", or "advertising injury".

The insurance provided to the additional insured is limited as follows:

1. That person or organization is only an additional insured with respect to liability arising out of:
 - a. Premises you own, rent, lease, or occupy; or
 - b. "Your work" for that additional insured by or for you.
2. The Limits of Insurance applicable to the additional insured are those specified in the written contract or agreement or in the Declarations for this policy, whichever is less. These Limits of Insurance are inclusive and not in addition to the Limits of Insurance shown in Declarations.

The insurance provided to the additional insured does not apply to "bodily injury", "property damage", "personal injury", or "advertising injury" arising out of an architect's, engineer's, or surveyor's rendering of or failure to render any professional services including:

1. The preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports surveys, change orders, design or specifications; and
2. Supervisory, inspection, or engineering services.

Any coverage provided hereunder shall be excess over any other valid and collectible insurance available to the additional insured whether primary, excess, contingent or on any other basis unless a contract specifically requires that this insurance be primary or you request that it apply on a primary basis.

THIS ENDORSEMENT IS A PART OF YOUR POLICY AND TAKES EFFECT ON THE EFFECTIVE DATE OF YOUR POLICY UNLESS ANOTHER EFFECTIVE DATE IS SHOWN BELOW.

POLICY CHANGE NO:	EFFECTIVE DATE:
COUNTERSIGNED DATE:	AUTHORIZED REPRESENTATIVE:

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

ADDITIONAL INSURED PRIMARY COVERAGE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance is primary for the person or organization shown in the schedule, but only with respect to liability arising out of your work for that insured by or for you. Other insurance afforded to that insured will apply as excess and not contribute as primary to the insurance afforded by this endorsement.

All other endorsements, provisions, conditions, and exclusions of this insurance shall remain unchanged and apply to the additional insured described below.

SCHEDULE

ADDITIONAL INSURED

CONTRACT/PROJECT

OWNER: BRN Development, Inc.

065040_C0002 (Black Rock North Golf Course Construction)

NAMED INSURED: BRN Development, Inc. (policy holder)

SAMPLE

SA

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

**WAIVER OF TRANSFER OF RIGHTS OF RECOVERY
AGAINST OTHERS TO US**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Schedule:

**Owner: BRN Development, Inc.
Job No. 065040_C0002
Owner Address: P.O. Box 3070
Coeur d' Alene, ID 83816**

Name of Person or Organization:

**Owner: BRN Development, Inc.
and subcontractors.**

(if no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US Condition (Section IV – COMMERCIAL GENERAL LIABILITY CONDITIONS) is amended by the addition of the following:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work": done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

NAMED INSURED: **BRN Development, Inc. (policy holder)**

INSURANCE COMPLIANCE STATEMENT

Subcontractor Name: _____

Subcontractor License/Registration Number: _____

Subcontractor Phone: _____ Subcontractor Fax: _____

Project: _____

SECTION BELOW TO BE COMPLETED BY YOUR INSURANCE AGENT
INTRODUCTION

The purpose of this document (Subcontractor Insurance Compliance Statement) is to confirm that the insurance requirements contained in our Subcontract Agreement with your company are provided for our mutual protection. Certificates of Insurance forms typically used by the insurance industry are inadequate, given the number of restrictive endorsements currently used by the insurance industry and not notated on the certificates. This document supplements the Certificate of Insurance and **must be completed by your insurance agent** for our mutual benefit. Please have your agent fax a copy of this Statement with your initial Certificate of Insurance, and **mail the original hard copies to our office**. We will require this Statement once per policy period per job.

Are any of the following restrictive endorsements on your Commercial General Liability or Umbrella exclusions?

- 1 Residential or multi-family exclusions Yes _____ No _____
Including Condos Yes _____ No _____
- 2 Subsidence or earth movement exclusion Yes _____ No _____
- 3 Exterior Insulation and Finish System Yes _____ No _____
- 4 Mold or indoor air quality exclusion Yes _____ No _____
- 5 Damage to your work performed by subcontractor exclusion Yes _____ No _____

Does your policy provide:

- A Additional Insured Status to include completed operations exposure Yes _____ No _____
- B Contractual coverage provided to include the tort liability assumed in the Hold Harmless Agreement Yes _____ No _____

Name of Subcontractor: _____

Completed by: _____
(Subcontractor's Insurance Agent)

Name

Agency

Date

Agency's Phone Number

INSURANCE COMPLIANCE STATEMENT

Subcontractor Name: Wadsworth Holy Construction Co 137th St SW

Subcontractor License/Registration Number: RCE-19920

Subcontractor Phone: (623) 853-9100 Subcontractor Fax: (623) 853-0217

Project: Black Rock North Holy Course

SECTION BELOW TO BE COMPLETED BY YOUR INSURANCE AGENT INTRODUCTION

The purpose of this document (Subcontractor Insurance Compliance Statement) is to confirm that the insurance requirements contained in our Subcontract Agreement with your company are provided for our mutual protection. Certificates of Insurance forms typically used by the insurance industry are inadequate, given the number of restrictive endorsements currently used by the insurance industry and not notated on the certificates. This document supplements the Certificate of Insurance and must be completed by your insurance agent for our mutual benefit. Please have your agent fax a copy of this Statement with your initial Certificate of Insurance, and mail the original hard copies to our office. We will require this Statement once per policy period per job.

Are any of the following restrictive endorsements on your Commercial General Liability or Umbrella exclusions?

- | | | | |
|---|--|--------------|-------------|
| 1 | Residential or multi-family exclusions | Yes _____ | No <u>✓</u> |
| | Including Condos | Yes _____ | No <u>✓</u> |
| 2 | Subsidence or earth movement exclusion | Yes _____ | No <u>✓</u> |
| 3 | Exterior Insulation and Finish System | Yes _____ | No <u>✓</u> |
| 4 | Mold or indoor air quality exclusion | Yes <u>✓</u> | No _____ |
| 5 | Damage to your work performed by subcontractor exclusion | Yes _____ | No <u>✓</u> |

Does your policy provide:

- | | | | |
|---|--|--------------|----------|
| A | Additional Insured Status to include completed operations exposure | Yes <u>✓</u> | No _____ |
| B | Contractual coverage provided to include the tort liability assumed in the Hold Harmless Agreement | Yes <u>✓</u> | No _____ |

Only when required by insured contract

a hold harmless is considered an insured contract.

Name of Subcontractor: _____

Completed by: _____
(Subcontractor's Insurance Agent)

Maureen Signature Agency
Name _____
Agency _____

12-19-06
Date _____
630719-0699
Agency's Phone Number _____

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
12/29/06

PRODUCER WAUSAU SIGNATURE AGENCY 431 OPUS PL SUITE 300 WAINWAINERS GROVE, IL 60515 719-0704	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
	INSURED Wadsworth Golf Const Co. of the S.W. 600 N. 195th Ave Buckeye, AZ 85326	INSURERS AFFORDING COVERAGE INSURER A: WAUSAU BUSINESS INSURANCE COMPANY INSURER B: EMPLOYERS INSURANCE COMPANY OF WAUSA INSURER C: WAUSAU UNDERWRITERS INSURANCE CO. INSURER D: INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> BI/PP Ded:5,000 GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	TBKY91432654056	12/31/06	12/31/07	EACH OCCURRENCE	\$1,000,000
						DAMAGE TO RENTED PREMISES (Ea occurrence)	\$300,000
						MED EXP (Any one person)	\$10,000
						PERSONAL & ADV INJURY	\$1,000,000
						GENERAL AGGREGATE	\$2,000,000
						PRODUCTS - COMP/OP AGG	\$2,000,000
A		AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS GARAGE LIABILITY <input type="checkbox"/> ANY AUTO	ASKY91432654026	12/31/06	12/31/07	COMBINED SINGLE LIMIT (Ea accident)	\$1,000,000
						BODILY INJURY (Per person)	\$
						BODILY INJURY (Per accident)	\$
						PROPERTY DAMAGE (Per accident)	\$
						AUTO ONLY - EA ACCIDENT	\$
						OTHER THAN AUTO ONLY: EA ACC	\$
						AGG	\$
B		EXCESS/UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$ 10000	THCY91432654036	12/31/06	12/31/07	EACH OCCURRENCE	\$10,000,000
						AGGREGATE	\$10,000,000
							\$
							\$
							\$
C		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below OTHER	WAJY91432654046	12/31/06	12/31/07	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER	
						E.L. EACH ACCIDENT	\$500,000
						E.L. DISEASE - EA EMPLOYEE	\$500,000
						E.L. DISEASE - POLICY LIMIT	\$500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

RE: JOB 06-5040

THE CERTIFICATE HOLDER IS AN ADDITIONAL INSURED ON THE GENERAL LIABILITY WITH RESPECT TO LIABILITY ARISING OUT OF OPERATIONS PERFORMED BY THE NAMED INSURED.

(See Attached Descriptions)

CERTIFICATE HOLDER

BRN DEVELOPMENT INC
 PO BOX 3070
 Coeur D Alene, ID 83816

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

[Signature]

**Request for Taxpayer
 Identification Number and Certification**

Give form to the requester. Do not send to the IRS.

Print or type
See Specific Instructions on page 2.

Name (as shown on your income tax return)

Business name, if different from above
Wadsworth Golf Construction Company of the Southwest

Check appropriate box: Individual/Sole proprietor Corporation Partnership Other Exempt from backup withholding

Address (number, street, and apt. or suite no.)
600 N. 195th Avenue

City, state, and ZIP code
Buckeye, AZ 85326

List account number(s) here (optional)

Requester's name and address (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number

--	--	--	--	--	--	--	--	--	--

or

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.



Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

Sign Here

Signature of U.S. person

[Handwritten Signature]

Date **1/29/07**

Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

U.S. person. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee.

In 3 above, if applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

For federal tax purposes, you are considered a person if you are:

- An individual who is a citizen or resident of the United States,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, or
- Any estate (other than a foreign estate) or trust. See Regulations sections 301.7701-6(a) and 7(a) for additional information.

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

217- Agreement

Coeur d'Alene
BLACK ROCK
A DEVELOPMENT COMPANY

January 27, 2007

Wadsworth Golf Construction Co.
Steve Harrell
600 N 195th Ave.
Buckeye, AZ 85326

Dear Steve,

Enclosed please find the contract between BRN Development, Inc. and Wadsworth Golf Construction Company, in its entirety. We have reviewed the changes you requested and our attorneys have made additions and/or deletions to the contract accordingly. Please note that we have included as Exhibit A-1, your Contract Qualifications and Clarifications, however, as discussed, we will require a revision of that document, omitting the provision relating to the Golf Cart Path Construction and also omitting the Pre-Existing Hazardous Substances document.

We appreciate your thoroughness in reviewing our contract and look forward to finalizing the document soon.

Sincerely,



Kyle Capps, CGCS

PS: Pursuant to previous discussions, you will be required to obtain Hazardous Materials and Pollution Liability insurance.

2234

December 26, 2006

To: Kyle Capps

From: Steve Harrell

Under cover of this transmittal we are sending you

- 1) Original executed copy of Performance and Labor payment bond in contract amount of \$9,796,938.00.
- 2) Safety and Health Program
- 3) Contract Exhibit D-Substance Abuse Program
- 4) Unit Price Schedule for making adjustments to the contract quantity.
- 5) List of Contract Drawing and Specifications



America's premier golf course builder

**WADSWORTH GOLF CONSTRUCTION COMPANY
SAFETY & HEALTH PROGRAM**

for

**Black Rock North GC
Coeur d'Alene, ID**



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APPENDIX A	Black Rock North Golf Course Project Orientation
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1. SAFETY & HEALTH POLICY

TO:

ALL WADSWORTH GOLF CONSTRUCTION COMPANY EMPLOYEES

The safety of everyone concerned on our construction projects is of prime importance to Wadsworth Golf Construction Company. We are committed to providing a safe environment for all workers and for the public from hazards associated with the construction of the *Black Rock North Golf Course Project*.

The prevention of accidents by means of safe work practices and procedures will benefit all by avoiding needless personal injury or health exposures. Your compliance with this Program will reduce individual suffering caused by injury, reduce property damage, and contribute to the success of our company.

The primary goal established for the *Black Rock North Golf Course Project* is to safely construct the Project with "ZERO ACCIDENTS"; totally free from lost time injuries for the mutual benefit of the worker, environment, and community.

We support that objective.

Steve Harrell
President

2. INTRODUCTION

SAFETY & HEALTH PROGRAM OBJECTIVES

2.1 Program Objectives

The Wadsworth Golf Construction Company (WGCC) accident and health exposure prevention program is established in order to exercise all available means of eliminating or controlling hazards and thus (a) minimize personal injuries and/or property loss; (b) achieve greater efficiency and, (c) reduce direct and indirect costs.

The effectiveness of this program will depend upon the active participation and wholehearted support and cooperation of site supervisors and employees, and the coordination of their efforts in carrying out the following basic procedures.

- a) Plan all work to minimize personal injuries, property damage and loss to productive time.
- b) Maintain a system of prompt detection and correction of unsafe practices and conditions.
- c) Establish and conduct safety training programs to educate, stimulate and maintain the interest and cooperation of all employees in maintenance of a safe jobsite and safe work practices.
- d) Insistence upon: (a) the proper use of personal protective equipment, mechanical safety devices and guards, (b) the use of the proper tools and equipment to do the job.
- e) Require each subcontractor's superintendent and job supervisors to be familiar with all applicable Federal, State and Local statutes, regulations and contract requirements pertaining to safety in the operations to be performed.

2.2 Enforcement of Safety & Health Program Objectives

It is a condition of employment with Wadsworth Golf Construction Company that each employee and site management representative comply with WGCC corporate and customer site specific safety, health and environmental rules, regulations, and procedures.

The progressive disciplinary action taken by Wadsworth Golf Construction Company to ensure compliance with company safety rules and regulations shall be determined by the seriousness of the violation of safe work practices or procedures. Progressive disciplinary action to be taken for violation of established rules and regulations for employee or public safety is as follows:

1. **First Offense:** A written citation (warning) will be issued to the employee for violation of WGCC safety rules and regulations, or those of specific projects.
2. **Second Offense:** If cited for a second safety violation of any type within one quarter calendar year of the first offense, the employee will attend a meeting with the Project Supervisor and WGCC safety personnel to discuss safety training and safe work practices on the job. The employee may be suspended from work without pay for a period of up to three scheduled work days.
3. **Third Offense:** A third safety violation will result in termination from employment with WGCC.

Serious violations of established rules, regulations or procedures related to employee or public safety, repeated violations, or the refusal to follow safety and health rules will result in immediate discharge from employment with WGCC.

3. FUNCTIONS AND RESPONSIBILITIES

3.1 MANAGEMENT

- Has full responsibility for safety.
- Holds executives responsible for the safety of all employees.
- Authorizes necessary expenditures for safety.
- Participates in the safety program.

3.2 PROJECT SUPERINTENDENTS

- Responsible for all jobsite safety activity.
- Requires all employees and subcontractors in their charge to comply with corporate safety policies.
- Reviews and passes on all safety recommendations as submitted by the Employees, Safety Personnel, and the Team representatives regarding conditions and work practices on the Black Rock North Golf Course Project.
- Inspect for compliance with safe work practices.

- Assures Training of workers in their charge to work safely.
- Assures that equipment is operated only by trained and QUALIFIED personnel
- Responsible for obtaining prompt first aid to injured.
- Report and investigate all accidents and correct causes.
- Assures that crew safety meetings are held weekly.
- Discuss safety with individual employees.
- Conduct Employee orientation to Wadsworth Golf Construction Company site and maintain a log. Appendix D
- Responsible for all jobsite safety activity.
- Require all WGCC employees and subcontractors in their charge to comply with safety policies. Appendix A, and report matrix D
- Coordinate WGCC corrective action on all safety recommendations as submitted by the Employees and Safety Personnel regarding conditions and work practices on their jobsites.
- Inspect for compliance with safety work practices daily. Assure that daily equipment inspections occur and are documented.
- Train workers to work safely.
- Responsible for obtaining prompt first aid to injured.
- Report and investigate all accidents and correct causes.
- Hold and document weekly crew Tool Box meetings.
- Discuss safety with individual employees.
- Assure subcontractors' management compliance to safe work practices
- Develop Job Safety Analysis (JSA's) or Safety Action Plans where required
- Maintain list of Chemical substances brought to jobsite by WGCC for Hazard Communication Program, with a copy of Material Safety Data Sheet (MSDS) of inventory provided to Black Rock North Golf Course when requested. Train all WGCC employees in MSDS and Hazard Communication Program, and document training. Section 6, test.

3.3 EMPLOYEES

- Work in accordance with accepted safe practices.
- Report unsafe conditions and practices to their Supervisor, Superintendents, and WGCC Safety personnel.
- Observe safety rules and regulations including use of personal protective equipment.
- Make safety suggestions.
- Does not undertake jobs he or she does not understand.
- Report all injuries to their Supervisor - no matter how slight.

3.4 SUBCONTRACTORS

Each Subcontractor and Sub-tier Contractor shall abide by Black Rock North Golf Course *Construction Safety & Health Guidelines*, Federal / Idaho State OSHA Regulations, local and county laws and regulations that are applicable. Each Subcontractor is to provide a copy of the Black Rock North Golf Course *Construction Safety & Health Guidelines* to any sub-tier contractor with whom they contract to do work on the Project. Each Subcontractor and sub-tier contractor is responsible for protecting the health and safety of its employees while ensuring they have a safe and healthful place to work.

Each Subcontractor shall be held responsible for all its lower-tier Subcontractor's compliance with the project safety requirements. Progress payments may also cease until the Subcontractor and/or its Sub-tier contractor is in full compliance with all applicable safety and health rules, standards and regulations.

Each Subcontractors and / or sub-tier contractor shall bear sole and exclusive responsibility for the safety and health of employees, subcontractors, visitors, and vendors in accordance with State, Local and Federal regulations, and the Contract Documents in all phases of their work. Nothing contained herein shall relieve such responsibility.

Each Subcontractor is required to designate an on-site Safety Representative who is charged with the subcontractors' responsibility of on-site safety management.

Subcontractors and / or sub-tier contractors are required to develop their own written site-specific safety and health plans for the Black Rock North Golf Course Project. At minimum, the safety and health plan shall meet the requirements of 29CFR1926 - Federal OSHA Construction Regulations, Idaho State and local requirements and the Black Rock North Golf Course *Construction Safety & Health Guidelines*. Wadsworth Golf

Construction Company bears no responsibility for either the quality of such plans or their enforcement. Subcontractors and / or sub-tier contractors will be monitored for implementation and application of their respective safety plans at the work site.

The Subcontractors and / or sub-tier contractors shall not receive additional payment or reimbursement for safety items and procedures, which have been identified as required by the Project Safety and Health Guidelines.

4. OCCUPATIONAL SAFETY & HEALTH ADMINISTRATION

The OSHA Safety and Health Construction Standards (29CFR 1926/1910) issued by the U.S. Department of Labor, Occupational Safety and Health Administration, the OSHA Safety and Health Construction Standards of the State of Idaho, and local requirements are hereby incorporated in the Safety Program for WADSWORTH GOLF CONSTRUCTION COMPANY.

The job site superintendent will have completed a 10 Hour OSHA Construction Standards course (2002), and maintain a reference copy of the OSHA standards of Idaho State on the project site.

5. DRUG POLICY / GENERAL REQUIREMENTS

Wadsworth Golf Construction Company and the Black Rock North Golf Course Project Team are committed to providing project employees with a drug-free and alcohol-free workplace. It is our goal to protect the health and safety of these employees and visitors to our job site, promote a productive workplace, and protect the reputation of our project.

Consistent with those goals, the use, possession, distribution or sale at project sites of drugs, drug paraphernalia or alcohol is prohibited.

Employees refusing to comply with this Drug and Alcohol Policy will not be permitted to work on the WGCC job site of Black Rock North Golf Course project. Subcontractors and sub-tier contractors refusing to comply with this Drug and Alcohol Policy will not be permitted to work on this project and will be noted as being in violation of their contract with Wadsworth Golf Construction Company on this project.

This Policy does not represent a contract between the Owner (Black Rock North Golf Course), the Team, Construction Managers, General Contractors, Subcontractors, employees or perspective employees of the project.

POLICY ADMINISTRATION

It is our combined goal to protect the health and safety of personnel, craft workers, and visitors to our job site; to promote a productive workplace, and protect the reputation of this program.

A. Prohibited Substances

1. Drugs or Drug is defined as any substance which may impair mental or motor function including but not limited to illegal drugs, controlled substances, designer drugs, synthetic drugs, look alike drugs, and under circumstances described in this policy - prescription drugs.
2. Alcohol is defined as any beverage or substance containing alcohol, ethyl alcohol or ethanol. "Alcohol Testing or Alcohol test means testing by certified breath-alcohol technician using a DOT approved initial screening device or urine alcohol testing conducted by a certified laboratory and confirmed by gas chromatography/mass spectroscopy (GC/MS)". Test levels must not meet or exceed .04 grams per 210 liter of breath/urine.

B. Pre-Project Testing

Prior to the beginning work on this Project, employees will be required to meet the requirements of this policy with a negative (passing) test result. Employees not meeting the requirements will not be allowed to work on this job site.

C. Additional Testing of Employees

1. **Post Accident:** Direct involvement or possible involvement in any type of work related accident resulting in injury or property damage in excess of \$5000. This test will be paid for by the employer of the individual involved. The results of the testing must be made available to the Workers Compensation Carrier claim representative for the purpose of adjudication.

It is agreed that drug and alcohol testing of employees shall be required after each and every work related accident. This testing shall take place at the contracted medical facility providing treatment for the injury, using the NIDA standards. A work related accident is defined as an accident resulting in an injury requiring treatment by a physician to the employee or other employees injured and / or resulting in damage to property or equipment.

2. **Reasonable Suspicion:** Is defined as supervision having a reason to suspect employee drug or alcohol use.

D. Points of Understanding Regarding Substance Abuse Testing

1. Wadsworth Golf Construction Company, the contracted medical facility and the testing laboratory agree that the results of the described tests are to be held in strictest **CONFIDENCE** between WGCC, the Workers Compensation claim administrator and the medical facility (MRO). This is an issue of employee – employer relationship (employment) and falls under the requirements within the employers program.
2. This statement is noted for the purpose of adjudicating a workers compensation claim. The Workers Compensation claim administrator will receive all accident related drug and alcohol test results from the testing facility.

E. Testing Procedures

At a minimum pre-project and post accident testing is required. The testing will be completed by a National Institute on Drug Abuse (NIDA) certified laboratory, using testing methods and media consistent with their standards.

1. The following drugs are to be tested for:

Marijuana, Cocaine, Opiates, Amphetamines, Phencyclidine, Barbiturates, Benzodiazepines, Methadone, Propoxyphene

2. For reasons of safety, any employee subject to a reasonable suspicion test shall be suspended until test results are available.

F. Prescription Drugs

The use of current valid prescription Drugs that may impair an Employee's ability to safely perform his or her duties must be reported to the safety director, supervisor and management personnel.

G. Alcoholic Beverages

Under no circumstances are alcoholic beverages allowed on Black Rock North Golf Course project, or Wadsworth Golf Construction Company job site.

H. Disciplinary Action

1. A positive pre-project or post accident test will result in worker dismissal from the Black Rock North Golf Course project site.
2. Employees found using, selling, possessing or manufacturing drugs shall be removed from the project and will be reported to local law enforcement.

I. Confidentiality

All actions taken under this policy will be in conformance with the Local Drug Testing Act

J. Subcontractors and Vendors

Subcontractors, sub-tiered contractors, vendors and their employees shall cooperate with this policy in achieving a drug-free and alcohol-free workplace.

K. Amendments to Policy

Amendments to this policy may be issued to comply with project owner requirements, state or local laws, or federal contract requirements.

6. HAZARD COMMUNICATIONS POLICY/GENERAL REQUIREMENTS

The purpose of this section is to ensure that the hazards of all chemicals purchased and brought on the Black Rock North Golf Course project are evaluated, and that information concerning their hazards is transmitted to employees. This transmittal of information shall be accomplished by means of this comprehensive hazard communication program.

Copies of all MSDS documents brought on the Black Rock North Golf Course project by WGCC or its subcontractors will be provided to the Black Rock North Golf Course project representative.

Chemical Inventory

Wadsworth Golf Construction Company's site management representative shall maintain an inventory record of copies of any material safety data sheets relating to chemicals that are received with incoming shipments of sealed containers. All purchase orders shall require a material safety data sheet for sealed containers of hazardous chemicals.

Material safety data sheets shall be readily accessible during each work shift to employees when they are in their work areas.

Container Labeling

Chemicals on site will be stored in their original or approved containers with a proper label attached, except small quantities for immediate use. Any container not properly labeled shall be given to Wadsworth Golf Construction Company's site safety personnel for labeling or proper disposal.

Workers may dispense chemicals from original containers only in small quantities intended for immediate use. Any Chemical left after work is completed must be returned to the original container or Wadsworth Golf Construction Project Safety personnel for proper handling.

No unmarked containers of any size are to be left in the work area unattended.

Wadsworth Golf Construction Company shall rely on manufacturer applied labels whenever possible, and will ensure that these labels are maintained. Containers that are not labeled or on which the manufacture's label has been removed will be relabeled.

Wadsworth Golf Construction Company shall ensure that each container is labeled with the identity of the hazardous chemical contained and any appropriate hazard warnings.

MATERIAL SAFETY DATA SHEETS (MSDS)

Employees working with a hazardous Chemical may request a copy of the material safety data sheet. Requests for MSDS's should be made to the Wadsworth Golf Construction Project Safety personnel, or jobsite supervisor.

MSDS will be available on the site to provide immediate reference to chemical safety information.

An emergency procedure for worker injury and medical response, fire occurrence, chemical spills, or other emergency event has been established to gain access to MSDS information.

EMPLOYEE TRAINING

Employees will be trained to work safely with hazardous chemicals. Employee training will include:

- Methods that may be used to detect a release of a hazardous chemical(s) in the workplace.
- Physical and health hazards associated with chemicals.
- Protective measures to be taken.
- Safe work practices, emergency responses and use of personnel protective equipment.
- Information on the Hazard Communication Standard including:

1. Labeling and warning systems
2. An explanation of Material Safety Data Sheets

PERSONNEL PROTECTIVE EQUIPMENT (PPE)

Required PPE is available from the Wadsworth Golf Construction Project management representative. Any employee found in violation of PPE requirements may be subject to disciplinary actions up to and including discharge.

EMERGENCY RESPONSE

Any incident of over exposure or spill of a hazardous chemical/substance must be reported to Wadsworth Golf Construction Project Safety personnel, or a jobsite supervisor at once. The Black Rock North Golf Course project representative will be notified of such occurrences.

The WGCC project management representative will be responsible for insuring that proper emergency response actions are taken in leak / spill situations.

HAZARDS OF NON-ROUTINE TASKS

Supervisors will inform employees of any special tasks that may arise which would involve possible exposure to hazardous chemicals.

Review of safe work procedures and use of required PPE will be conducted prior to the start of such tasks. Where necessary, areas will be posted to indicate the nature of the hazard involved.

INFORMING OTHER EMPLOYERS

Other on site subcontractor / sub-tier contractors employers are required to adhere to the provisions of the Hazard Communication Standard.

Information on hazardous chemicals known to be present will be exchanged with other employers. Employers will be responsible for providing necessary information to their employees.

Other on site employers will be provided with a copy of Wadsworth Golf Construction Company hazard communication program, upon written request.

POSTING

Wadsworth Golf Construction Company has posted information for employees at this jobsite on the Hazard Communication Standard. This information can be found at the jobsite office trailer.



America's premier golf course builder

**TRAINING SESSION ON
HAZARD COMMUNICATION**

Each employee shall sign a copy of the following:

I know where the Material Safety Data Sheets for my work are kept.

I understand the safe work procedures and precautions to be taken when working with these products including use of protective equipment and/or apparel.

I know where emergency supplies are kept.

I know where the emergency phone numbers and Hazard Communication Information are posted.

I am aware that I may review copies of the hazardous chemical list, the Wadsworth Golf Construction Company jobsite written program, and MSDS's.

Employee Signature _____ Date _____

Job Location or Name _____

7. REPORTING, ACCIDENT INVESTIGATION, AND RECORDKEEPING

7.1 Reporting Accidents

CLAIMS REPORTING

Any injury to a Wadsworth Golf Company employee, other sub-contractor employees, third party and / or property damage must be reported immediately and according the procedures outlined in the Insurance Manual.

The WGCC site supervisor, or the management of the WGCC subcontractor must complete a Supervisor's Report of Accident / Injury Form. The form must be completed in a time frame which assures that a copy of the report be submitted to the Black Rock North Golf Course Project Representative within 24 hours. A report must be made for any incident involving:

1. Any injury to a WGCC worker or any subcontractor / sub-tier contractor employee.
2. Any injury to persons not directly connected with the project (including any alleged injuries reported by a member of the general public).

Submittal shall be made within 24 hours. Pertinent facts, which are not available within the above time, shall be submitted as soon as available in a supplemental report.

A drug and alcohol test must be administered to employee(s) injured and/or any employees in a work crew involved in an accident involving bodily injury and / or property damage.

Notice of **ANY claim or suit** (received by WGCC site management, its subcontractors, or suppliers) related to an accident associated with the building of the **Black Rock North Golf Course Project** **MUST** be reported to the Black Rock North Golf Course Project Management in writing within 24 hours.

TELEPHONE NOTIFICATION

Should a serious accident involving WGCC operations occur resulting in damage to public, or Black Rock North Golf Course property; or bodily injury to the public or other contractors' workers of the Black Rock North Golf Course Project, its Consultants, contractors or their subcontractors, telephone notification shall be made immediately to Black Rock North Golf Course Project Manager: Name: George Litzinger / Phone: 760.744.4578.

7.2 Investigation of Accidents

All accident/incidents shall be investigated by the Wadsworth Golf Construction Company's superintendent / management representative. An accident investigation report must be submitted to the Black Rock North Golf Course Project Manager and Insurance Carrier within twenty-four (24) hours of the occurrence.

The accident investigation should generate appropriate recommendations for corrective actions to prevent recurrence of similar accidents. Depending upon severity of the accident, the WGCC superintendent and/or site safety personnel will, if requested, appear at the Black Rock North Golf Course Project job safety and coordination meeting to:

1. Describe the cause of accident.
2. Report as to what corrective action has been initiated to avoid future accidents.
3. Provide documentation / photo or digital pictures / law enforcement reports as available

ANALYSIS AND CORRECTIVE ACTION

Corrective actions can only be taken when specific factors of an accident/unusual occurrence have been accurately developed and the resulting recommendations have been disseminated to the responsible persons. **In the event of a serious accident, prompt oral reporting of the preliminary details is mandatory.** In preparing written reports of an accident/unusual occurrence statements and comments should be confined to objective finding of facts and determining the root cause.

7.3 Recordkeeping

Wadsworth Golf Construction Company's site safety personnel and all WGCC's subcontractors shall maintain a current OSHA 300 log. The log shall be available for review by any Black Rock North Golf Course team member, and the State of Idaho OSHA representative at any time.

7.4 Return to Work

Every effort must be made to **return employees to work as soon as possible** after an accident and under the direction of the physician. The insurance administrator for the Black Rock North Golf Course will be in contact with the physician to determine the employee's physical demands and limitations. The WGCC site superintendent and subcontractor's assistance will be needed in arranging modified work for the injured worker.

8. SAFETY EDUCATION

Safety Orientation Program

- 8.1 Newly employed, promoted, and/or transferred Wadsworth Golf Construction Company personnel shall receive an orientation regarding the general safety and health rules and regulations as well as the site specific policies and hazards at the Black Rock North Golf Course offices. Hard hat stickers (provided by the Project) will be issued to an employee following his/her orientation, and then documented on training Log Sheet. Only personnel who have passed the initial drug screening and safety orientation shall receive hard hat stickers and / or security badges. Appendix A - English.
- 8.2 Wadsworth Golf Construction Company will conduct an orientation of its employees, Subcontractors, and visitors. Documentation of this orientation will be submitted to Black Rock North Golf Course representative or designee.

Safety orientation of all personnel will include at a minimum the following topics:

- Unique Hazards of the Project
- Employer/Personnel Responsibilities under OSHA Standards - location of required posters
- Personal Protective Equipment including 100% safety glasses and 100% hard hat protection
- Confined Space Entry
- 6-Foot Fall Rule - 100% continuous fall protection (including steel erection and scaffold erection and dismantling)
- Floor and Wall Openings
- Perimeter Guarding
- Housekeeping
- Fire Protection
- Accident Reporting Procedures - First-aid Facilities - Emergency Procedures
- Crane Requirements
- Scaffolding Tagging Requirements
- Hazard Communication/ Right-to-Know, location of MSDS's
- Substance Abuse Policy
- Disciplinary Procedures
- Trenching/Excavation
- Electrical Hazards

8.3 Training:

Such training shall include:

- Recognition and avoidance of unsafe conditions and the regulations applicable to his work environment to control or eliminate any hazards or other exposure to illness or injury.
- Proper methods to handle or use poisons, caustics, and other harmful substances if so required. In job site areas where harmful plants or animals are present, employees who may be exposed shall be instructed regarding the potential hazards, and how to avoid injury, and the first aid procedures to be used in the event of injury.
- Employees required handling or using flammable liquids, gases, or toxic materials shall be instructed in the safe handling and use of these materials and made aware of the specific requirements contained in Subparts D, F, and other applicable subparts of the OSHA standards.
- All employees required to enter into confined or enclosed spaces shall be instructed as to the nature of the hazards involved, the necessary precautions to be taken and in the use of protective and emergency equipment required. The employer shall comply with any specific regulations that apply to work in dangerous or potentially dangerous areas. Confined or enclosed space means any space that is subject to the accumulation of toxic or flammable contaminants or has an oxygen deficient atmosphere.

9. HOUSEKEEPING

Construction Standards 1926.25

- 9.1 During the course of construction, alteration, or repairs, form and scrap lumber with protruding nails, and all other debris, shall be kept cleared from work areas, passageways, and stairs, in and around buildings or other structures.
- Combustible scrap and debris shall be removed at regular intervals during the course of construction. Safe means shall be provided to facilitate such removal.
- 9.2 Containers shall be provided for the collection and separation of waste, trash, oily and used rags and other refuse. Containers used for garbage and other oily, flammable, or hazardous wastes, such as caustics, acids, harmful dusts, etc. shall be equipped with covers. Garbage and other waste shall be disposed of at frequent and regular intervals.

10. PERSONAL PROTECTIVE EQUIPMENT

Refer to Occupational Safety and Health Construction Standards 1926.28 and Subpart E. 1926.100, 1926.101, 1926.102, 1926.103, 1926.104, 1926.105, 1926.106, and 1926.107

- 10.1 In addition special contract conditions may require more stringent use of Personal Protective Equipment than required by OSHA. The Project Superintendent or site safety personnel will review these conditions. Required training will be provided.
- 10.2 Head protection – Hardhats issued by Wadsworth Golf Construction Company are to be worn at all times when outside of vehicles, equipment with cabs, or trailers.
- 10.3 Safety glasses / prescription glasses – All Wadsworth Golf Construction Company personnel must wear eye protection in shop areas. If jobsite conditions or contract provisions require, all Wadsworth Golf Construction Company personnel must wear eye protection when designated.
- 10.4 Face shields are to be worn during operations where the face is in danger of being injured: torch cutting, grinding, power saw operation, breaker / hammer operations.
- 10.5 Welding – Protection against radiant energy shall be provided and worn: proper selection of lens shade in accordance with OSHA filter lens shade numbers for shield and goggle use – OSHA 1926.102, Table E-2.

11. WORK CLOTHING

11.1 General Rules

Personal Clothing & Minimum Working Attire

- A suitable shirt with a minimum of 4” sleeves must cover the upper torso. Tank Tops, Sleeveless Shirts, etc., are forbidden on any project.
- Full trousers must be worn that cover the lower body. No cut off trousers, shorts, etc., are permitted at any time.
- Tennis type shoes, (sneakers) are forbidden on all projects.
- Dress for your particular job ... dressing safely will help you work safely.
- Do not wear oil soaked or too loose clothing.

12. NOISE EXPOSURE

Construction Standards 1926.101

Refer to Occupational Safety and Health 1926.52, 1926.101

- 12.1 Baseline sound levels for equipment used should be identified by manufacturer guidelines, or field testing with a sound level meter or dosimeter.
- 12.2 The Wadsworth Golf Construction Company rule regarding use of personal hearing protective equipment is, that for 85 decibels or greater exposure on a TWA (time weighted average day).... **WEAR IT !**
- 12.3 Radios, MP3, and compact disc players with ear plugs are not a substitute for hearing protection.
 - 12.3.1 For personnel on the ground, the sound level from the ear plugs of the entertainment devices block out vocal communication and the audible warning alarms from equipment moving on the ground.
 - 12.3.2 Equipment operators can not wear radios, MP3, and compact disc players with ear plugs while operating equipment.

13. NON-IONIZING RADIATION (Lasers)

Refer to OSHA Construction Standards 1926.54 that requires "Only qualified and trained employees to be assigned to install adjust, and operate laser equipment."

- 13.1 When using surveying instruments with laser components, training, education and appropriate personnel protection will be provided per the manufacturer's guidelines.

14. WALKING & WORKING SURFACES

14.1 BARRIER IDENTIFICATION TAPE

Barrier identification tape is strictly prohibited from being used for any form of personnel fall protection.

- YELLOW barricade tape shall be used for CAUTION/WARNING
- RED barricade tape shall be used for DANGER DO NOT ENTER

Note: Once the area barricaded is free of the hazard(s) for which it was erected the tape will be removed and properly discarded.

15. TEMPORARY BUILDINGS AND TRAILERS

15.1 Refer to OSHA Standards 1926.151 (b), Temporary Buildings.

- Protecting Office Trailers from High Winds - Tie downs offer the most consistent and effective means for minimizing office trailer damage from high winds. Two types of ties are needed: (1) The Over the Top tie, and (2) the Frame Tie. The first keeps the unit from overturning, and the second prevents it from being blown off the supports.
- Frame ties can also reduce the chance of overturn, but many office trailers do not have enough internal strength to transmit high wind loads to the supporting steel frame. Thus, installation solely of frame ties will secure the frame, but the unit resting on the frame may blow away. Therefore, the Defense Civil Preparedness Agency recommends use of both over the top ties and frame ties to secure 10, 12, and 14 ft wide office trailers. Double units, 24 ft wide are quite stable, and do not require use of over the top ties ... only frame ties.

Ties are made of wire rope or rust resistant steel strap, which tie the mobile home and its steel frame to anchors embedded in the ground. The cable or strap is secured to the anchor with a yoke-type fastener and tensioning device, or with clamps and turnbuckles.

Commercially available ties, consisting of galvanized steel strap-ping (1 1/4 x .035") with a minimum breaking strength of more than 4,750 lbs., or galvanized steel cable (7/32" 7 x 7, or 1/4" 7 x 19), with a breaking strength of more than 4,800 lbs., are acceptable. Anchorage requirements presented in this section assumes that either of these ties will be used.

The over the top tie is secured to an anchor on each side of the office trailer. Frame ties connect the steel beam supporting the unit to the anchors. Several of each type of tie, with connections and anchors, must be used for an effective tie down of the whole unit.

Over the Top ties should be located within 2 feet of each end of the office trailer, and others as needed at intervals between at stud locations. Commercially available adapters or wood blocks should be used to prevent sharp bends in over the top ties, and to keep them from cutting into the unit when tension is applied.

15.2 TIEDOWN ANCHORAGE REQUIREMENTS

10 TO 14 FEET WIDE TIEDOWN ANCHORAGE REQUIREMENTS						
<u>WIND VELOCITY</u>	<u>30 TO 50 FEET</u>		<u>50 TO 60 FEET</u>		<u>60 TO 70 FEET</u>	
	FRAME	TOP	FRAME	TOP	FRAME	TOP
70 MPH	3	2	4	2	4	2
90 MPH	5	4	6	4	7	4
110 MPH	7	6	9	6	10	7

16. CONFINED SPACE ENTRY

Refer to OSHA Construction Standards 1926.21(b) 6, 1926.353 (b), and 1926.352 (g)

16.1 All employees required to enter a confined space must be fully knowledgeable of the hazards involved with confined space entry. Prior to the start of such an entry the Contractor involved in the work will develop a Confined Space Entry Procedure. The Contractor will train all personnel who will enter the confined space. No one may enter a confined space area until properly instructed. Contractors are required to identify all confined spaces on their project with a sign identifying the area as a confined space.

16.2 A Confined Space Entry procedure will be used to:

- Prevent inadvertent operation of equipment and/or work process while people are working in the confined space.
- Eliminate unexpected exposure to hazardous materials, oxygen deficient or inert/toxic gaseous atmosphere while working in confined spaces. Atmosphere testing must be completed.
- Plan for a timely and effective response to an emergency during a confined space entry.

Confined Spaces are considered to be areas with limited entry and exit, or poor natural ventilation that are not intended for human occupancy. Examples of a confined space include: tanks, covered basins, vaults, columns, mixers, manholes, pipelines, sumps, ditches or excavations. All spaces shall be considered permit-required confined spaces until the pre-entry procedures demonstrate otherwise.

Safety considerations include but are not limited to: atmosphere testing for gaseous conditions/lack of oxygen, appropriate personal protective and emergency equipment, additional personnel as needed to assure communications and assist the individual conducting the entry.

A Permit Required Confined Space means confined space that has one or more of the following:

- May or may not potentially contain a hazardous atmosphere;
- Contains a material that has potential for engulfing entrant;
- Has internal configuration that could trap the entrant;
- Contains any other recognized serious health or safety hazard;

A Non-Permit Required Confined Space is a confined space that does not contain or with respect to atmospheric hazards, the potential of causing death or serious physical harm.

17. HAND AND POWER TOOLS

Refer to OSHA Construction Standards 1926.951

17.1 General

Only Wadsworth Golf Construction Company workers shall use Wadsworth Golf Construction Company owned or rented tools. All workers using a tool must be able to demonstrate competency to a WGCC field management or safety personnel.

All hand and power tools shall be checked at least daily to ensure that they are in good and safe operating condition. Any tool found not to be in safe operating condition shall be removed from service until it is repaired or otherwise made safe. If a tool can not be repaired properly, it is to be discarded immediately.

Tools shall be used only for their intended manufactured use.

Protect tools against corrosion damage. Wipe off excess grease and dirt. Tools shall be periodically cleaned with a non-flammable, non-irritating solvent and wiped clean

Sharpen tools properly to improve accuracy and safety.

Wear proper eye, hand, face, and hearing protection. See PPE – Section 13.

When not in use, stores tools in proper boxes or containers, or hang them on racks in shop or in vehicles. Place heavy tools in storage where they will not cause a hazard.

Manufacturer's safety equipment and guards shall remain in place and be used at all times.

17.2 Using Hand Tools Safely

Select the proper tool for the job. Consider size, weight, and type of exposure. Use extreme caution near electrical circuits. Use insulated and non-conducting tools that are routinely inspected.

All handles should be tightly fitted and free from splitting, cracking, splinters or other sharp edges. Do NOT tape handles for better grip. Wear appropriate gloves.

Use non-sparking tools in the presence of flammable materials or explosive dusts or vapors.

17.3 Wrenches

Do not extend the wrench handle with a pipe or cheater bar. Get a bigger wrench.

Never use a wrench as a hammer.

Always place wrenches on the nut with the jaw opening facing the direction the handle will move. PULL; do not push a wrench.

17.4 Chisels

The chisel shall be large enough for the job, and driven with a hammer of sufficient weight. Use a chisel made of material adequate for the material being cut.

Hold chisel with a steady but relaxed grip. Keep your eye and your attention focused on the cutting edge of the chisel.

When holding a chisel for another person, use tongs or other holding tool.

Always direct chips away from yourself or others.

Repair or replace mushroomed chisels and cracked or broken handles.

17.5 Screwdrivers

Do not use a screwdriver as a chisel, pry-bar or for anything other than its intended purpose.

Keep the tip of the screwdriver properly ground and squared across.

Make sure the handle fits the shank tightly and securely. Never drive a screw with a hammer.

17.6 Saws

Use saws of the proper size and shape for the task and the material to be cut. Assure that the blade has the proper size and type of teeth for the size of cut and the material. Periodically inspect and sharpen blades as needed.

Check material to be cut for nails, knots, and other foreign objects which may cause the saw to be damaged, create debris that could cause injury, or seize the tool blade.

Use power saws with a fixed guard over the upper half of the blade and a moveable guard on the lower (working) portion of the blade. Blocking the lower guard in an open position or removal of either blade is expressly forbidden.

Secure small pieces to be cut.

Use safety glasses and other protection as required: eye, hand, and hearing exposures.

Saw only from a stable foot and hand position while holding a powered hand saw.

17.7 Gasoline Engine Driven Tools

Gas powered tools shall not be used in unventilated areas.

When refueling, turn engine off. Store gas in a proper container designed for this purpose. Gas should be stored in a safe location. Tools should be placed on flat surface while refueling, with nozzle of tank in contact with tool tank surface to eliminate static charge exposure.

17.8 Portable Grinders

Make sure that portable grinders are equipped with hood guards that function.

Inspect grinding wheels regularly, and replace cracked wheels immediately. Use grinding wheels that are intended for the material to be ground. In addition, they shall be rated for the RPM of the grinder to be used.

17.9 Pneumatic Tools

Generally, the same safety precautions that apply to electric or gasoline powered tools apply to pneumatic tools as well.

Air hose links shall be connected with a Chicago coupler and have whip checks installed at all connectors. Hoses should regularly be inspected for leaks or other defects which may cause a safety hazard. Hoses should never be used to lower or raise material or equipment.

18. ELECTRICAL SAFETY

Refer to OSHA Construction Standards 1926.400

All electrical installations, either temporary or permanent, shall be in conformance with the National Electrical Safety Code, NFPA-70, ANSI-C1, and low and high voltage electrical safety code requirements. Only qualified employees will install electrical tools and equipment. Defective and/or improperly installed equipment may pose a hazard to personnel simply by being in the work area. If an unsafe condition is observed the hazard must be corrected immediately.

18.1 HAZARDOUS LOCATIONS

Where irrigation systems or other contract plans involve cutting a trench or excavation in an area that may contain underground electrical lines, procedures will be undertaken to positively locate the lines prior to the continuation of work. Those circuits which cannot be adequately guarded will be de-energized and grounded before digging is allowed to continue. Only hand digging will be permitted within (5) five feet of a buried electrical cable.

18.2 DISCONNECT AND OVER-CURRENT PROTECTION

All electrical disconnect and over current protective devices will be identified as to their purpose. Disconnect and over current devices will be located in a position that will not expose the devices to physical damage. The temporary disconnect power panels must have solid faces to ensure that all current-carrying parts are not exposed to accidental contact. WGCC site safety personnel shall inspect temporary power panels at least weekly to ensure that circuits are properly identified, grounded, and safety equipment like ground fault-circuit interrupters (GFCI) are operating correctly.

18.3 GROUND-FAULT CIRCUIT INTERRUPTERS (GFCI)

- WGCC follows GFCI safety procedures for the use of temporary electrical power.
- All equipment (electric saws, drills, extension cords, etc.) capable of being plugged into a 110-volt receptacle shall have a GFCI device provided prior to the tool and/or extension cord/tool.
- WGCC site safety personnel will test all GFCI's.

18.4 EQUIPMENT AND MAINTENANCE

- No WGCC employee shall perform work on live (energized) electrical components or conductors unless absolutely impossible. Circuits should be de-energized, locked and tagged, and tested to confirm de-energizing.
- Where it is not possible to de-energize electrical components or conductors, the WGCC employee shall be protected by approved guarding and/or insulation. A JSA is required.
- Extension cords shall be 12 AWG or better, grounded, and maintained in good condition. Repair to a break in the cord insulation is not allowed.

18.5 INSTALLATION

Equipment grounding conductors shall be installed as described below:

- All 120-volt, single-phase, 15- and 20-ampere receptacles shall be of the grounding type, and their contacts shall be grounded by connection to the equipment grounding conductor of the circuit supplying the receptacles in accordance with the applicable requirements of the National Electrical Code (NEC).
- All 120-volt cord sets (extension cords) shall have an equipment grounding conductor which shall be connected to the grounding contacts of the connector(s) on each end of the cord.
- The exposed non-current-carrying metal parts of 120-volt cord-and plug-connected tools and equipment that are likely to become energized shall be grounded in accordance with the applicable requirements of the NEC.

19. LADDERS

Refer to OSHA Construction Standards 1926.1050, .1060, .1053 for details for use, inspection, training, and maintenance.

19.1 General guidance

- Do not use metal ladders.
- Fully open all stepladders, spreader brackets secure, placed upon hard level surfaces: not on boxes, planking, or scaffolding.
- Face ladder while climbing, while using “three” point contact.
- Do NOT climb with tools or material: climb hands free. Raise tools and material to work level with other means: rope / basket, tool belt, JLG, assistance.

- Store properly in area protected from damage: collision, weather, chemicals, etc.
- Extend straight ladders to level three feet above floor being accessed, with safety feet placed upon level ground. Do NOT use upper portion of extension ladder as single stage straight ladder: no safety feet. Tie off top of straight ladder before initiating work activity.
- Inspect ladder often for damage to rungs, side rails, support brackets
- Fixed permanent ladders on structures and mobile equipment follow all of above guidelines.

19.2 Proper selection

1. Select ladder of proper length or height to reach working level
2. Ladders are designed to support one person plus materials and tools not more than the working load on the "notice" sign on the ladder.
3. Select ladders using the following:

<u>Type Duty</u>	<u>Rating</u>	<u>Working Load</u>
IA	Industrial - Extra Heavy	300 pounds
I	Industrial - Heavy	250 pounds
II	Commercial - Medium	225 pounds
III	Household - Light	200 pounds

20. HEAVY EQUIPMENT

20.1 General

Only qualified operators shall be allowed to operate construction equipment. Only Wadsworth Golf Construction Company employees shall be allowed to operate WGCC owned, rented, or leased equipment. All equipment shall be inspected daily and maintained in good and safe operating condition. Any equipment that is not in safe operating condition shall be removed from service until it is repaired or otherwise made safe.

Equipment shall be used for its intended purpose only. All bi-directional equipment shall have an audible warning device that automatically activates when placed in reverse gear. All equipment stored on the job site shall be placed at a distance from other traffic and lighted in such a way as to reduce the probability of collision. Whenever equipment is parked, the parking brake shall be set. Equipment parked on inclines shall have wheels chocked and the parking brake set.

Operators do NOT need to wear hard hats while on their equipment, unless the equipment does NOT have a Roll Over cage and sheet metal roof. Hard hats are to be worn by ALL operators as soon as they exit / dismount their equipment.

20.2 Earthmoving Equipment and Trucks

- All earthmoving equipment shall be maintained in safe working condition and shall be appropriate and adequate for the intended use.
- Only authorized personnel shall operate equipment. Operators of equipment, machinery or vehicles shall be qualified and properly authorized for the operation involved.
- Equipment maintenance is to be performed only by qualified mechanics.
- Equipment operators and truck drivers will make a documented pre-shift safety inspection of their equipment. Any conditions that effect safe operation will be corrected before use.
- Equipment shall not be operated unless all required safety devices are in place and functioning properly.
- Careless, reckless or otherwise unsafe operation or use of equipment shall result in discipline and may constitute grounds for dismissal.
- Before performing any service or repair work, all equipment shall be stopped and positively secured against movement or operation, locked and tagged out of service, unless it is designed to be serviced while running, following the manufacturer's instructions.
- When equipment is serviced or repaired, the operator shall dismount until the service or repairs is completed and then make a complete walk-around safety check before remounting.
- All bi-directional earthmoving equipment and motor vehicles with an obstructed view to the rear shall be equipped with a warning horn and an automatic back-up alarm that can be heard above and distinguished from the surrounding noise level.
- All off-highway earthmoving equipment and trucks such as loaders, dozers, scrapers, motor graders, rock trucks, tractors, rollers and compactors shall be equipped with roll-over protective structures (ROPS) and seat belts.
- Seat belts shall be used and adjusted properly by operators of all heavy equipment.
- Mobile equipment shall not be left unattended unless parked securely to prevent movement, with all ground engaging tools lowered to the ground, brakes set and the engine off.
- Equipment parked at night shall be lighted, barricaded or otherwise clearly marked when exposed to traffic. Keys shall not be left in equipment overnight.
- Personnel shall not be transported or ride on equipment or vehicles that are not equipped with seats for passengers.

- When fueling equipment or vehicles with gasoline or liquefied petroleum gas (LPG) the engine shall be shut down.
- All equipment and vehicles shall be equipped with appropriate fire extinguisher or fire suppression system.
- Haul roads shall be designed, constructed and maintained for safe operation consistent with the type of haulage equipment in use. Standard traffic control signs shall be used where necessary.
- Elevated roadways shall have axle high berms or guards maintained on their outer banks.
- Equipment, tools, and materials hauled on pickups and flat bed trucks must be secured to prevent them from falling onto the road.
- Operators shall make sure that the area around the equipment is clear before starting the equipment and while it is in operation.
- Workers shall NOT jump on or of equipment. Equipment that is not specifically designed for riders shall not be used in such a capacity.
- Equipment shall be turned off before refueling, servicing or repairing.
- Equipment, or parts thereof, which are suspended or held aloft for the purpose of servicing or repair shall be substantially blocked or cribbed.
- The operator shall never leave the machine on an inclined surface of loose material with the motor idling.
- Before digging always check with local authorities and utilities to locate underground service feeds, pipelines, or obstructions.
- Keys shall not be left in unattended vehicles.

For further reference and standards see OSHA 1926.600

20.3 Off Road Hauling Trucks

No person shall be allowed to remain on or in a truck that is being loaded by excavating equipment or cranes.

Material loaded shall not extend beyond the truck body if it presents a hazard.

Never carry loads in excess of the rated capacity of the vehicle. Vehicle capacity shall be permanently affixed and prominently displayed on the vehicle.

Trucks shall not be used for transporting personnel unless specifically manufactured for such use. **All trucks used for the transportation of workers shall be provided with side and end protection and safe seating including seat belts for each passenger.** A convenient and safe manner of mounting and dismounting the truck or bus shall be provided and used.

Workers are expressly prohibited from getting on or off of moving vehicles.

21. EMPLOYEE GROUND TRANSPORTATION

The purpose of this section is to establish acceptable guidelines for the safe transportation of all personnel traveling within the Black Rock North Golf Course Project confines to eliminate personal accidents and injuries resulting from improper equipment use.

21.1 Mobile cranes, forklifts, winch trucks, front-end loaders, tractors and other materials handling equipment are not permitted to transport passengers.

21.2 Trucks

- A maximum of three passengers are permitted to ride inside of the truck cab unless the cab is specifically designed to accommodate additional passengers.
- Passengers shall ride with all portions of their bodies inside the truck body or frame.
- Passengers shall be in the seated position, with the seat belts secured and adjusted properly, before the vehicle is set in motion.
- Riding on a vehicle's bumper or tailgate is prohibited.
- Tailgates will be closed and latched before the vehicle is operated.
- Passengers are not permitted to ride in the body of a dump truck
- Passengers are not permitted to ride on top of the load or to hold materials from shifting.
- Vehicles must be designed to accommodate passenger transportation or the vehicle will not be used for that purpose.

21.3 Pickup trucks:

The **bed** of a pickup truck can be used to transport workers with the Wadsworth Golf Construction project site **ONLY** under the following specific conditions:

- **Drivers transporting passengers will follow the posted speed limit and Project traffic rules.**
- While transporting workers to and from the site trailer / personal vehicle parking area to / from the work area

- With the employees **sitting on the BED of the pickup** with the rear tailgate of the vehicle closed: no tailgate riding permitted !!
- No sitting on the wall of the side of the vehicle bed permitted.
- Only a few workers, with all in bed sitting on floor
- Only within the Project site, and NEVER off site on public roads

22. EXCAVATIONS/TRENCHES

Refer to OSHA Construction Standards 1926.650, .651, .652

SUBPART P - EXCAVATIONS

Scope and application. This subpart applies to all open excavations made in the earth's surface. Excavations are defined to include trenches.

Refer to Subpart P 1925.650,(b) for further Definitions applicable to Subpart P

1926.651 GENERAL REQUIREMENTS.

- (a) Subsurface encumbrances. All surface encumbrances that are located so as to create a hazard to employees shall be removed or supported as necessary, to safeguard employees.
- (b) Underground installations.
 - (1) The estimated location of utility installations, such as sewer, telephone, fuel, electric, water lines, or any other underground installations that reasonably may be expected to be encountered during excavation work, shall be determined prior to opening and excavation.
 - (2) Utility companies or owners shall be contacted within established or customary local response times, advised of the proposed work, and asked to establish the location of the utility underground installations prior to the start of actual excavation. When utility companies or owners cannot respond to a request to locate underground utility installations within 24 hours (unless a longer period is required by state or local law), or cannot establish the exact location of these installations, the employer may proceed, provided the employer does so with caution. Workers must be provided with detection equipment or other acceptable means to locate utility installations.
 - (3) When excavation operations approach the estimated location of underground installations, the exact location of the installations shall be determined by safe and acceptable means.
 - (4) While the excavation is open, underground installations shall be protected, supported or removed as necessary to safeguard employees.

- (c) Access and egress -
 - (1) Structural ramps.
 - (i) A **COMPETENT PERSON** shall design structural ramps that are used solely by employees as a means of access or egress from excavations. Structural ramps used for access or egress of equipment shall be designed by a **COMPETENT PERSON QUALIFIED IN STRUCTURAL DESIGN**, and shall be constructed in accordance with the design.
 - (ii) Ramps and runways constructed of two or more structural members shall have the structural members connected together to prevent displacement.
 - (iii) Structural members used for ramps and runways shall be of uniform thickness.
 - (iv) Cleats or other appropriate means used to connect runway structural members shall be attached to the bottom of the runway or shall be attached in a manner to prevent tripping.
 - (v) Structural ramps used in lieu of steps shall be provided with cleats or other surface treatments on the top surface to prevent slipping.
 - (2) Means of egress from trench excavations. A stairway, ladder, ramp or other safe means of egress shall be located in trench excavations that are **4 feet (1.22m) or more in depth** so as to require no more than **25 feet of lateral travel for employees**.
- (d) Exposure to vehicular traffic. Employees exposed to public vehicular traffic shall be provided with and shall wear, warning vests or other suitable garments marked with or made of reflective or high-visibility material.
- (e) Exposure to falling loads. No employee shall be permitted underneath loads handled by lifting or digging equipment. Employees shall be required to stand away from any vehicle being loaded or unloaded to avoid being struck by any spillage or falling materials. Operators may remain in the cabs of vehicles being loaded or unloaded when the vehicles are equipped in accordance with #1926.601(b)(6), to provide adequate protection for the operator during loading and unloading operations.
- (f) **Warning system for mobile equipment.** When mobile equipment is operated adjacent to an excavation, or when such equipment is required to approach the edge of an excavation, a warning system shall be utilized. Barricades, hand or mechanical signals, or stop logs should be used if the operator does not have a clear and direct view of the edge of the excavation. If possible, the grade should be down and away from the excavation.

(g) Hazardous atmospheres -

(1) Testing & Controls. In addition to the requirements set forth in subparts D and E of this part (29 CFR 1926.50-1926.107) to prevent exposure to harmful levels of atmospheric contaminants and to assure acceptable atmospheric conditions, the following requirements shall apply;

- (i) **Where oxygen deficiency** (atmospheres containing less than 19.5 percent oxygen) **or a hazardous atmosphere exists or could reasonably be expected to exist**, such as in excavations in landfill areas or excavations in areas where hazardous substances are stored nearby, **the atmospheres in the excavation shall be tested before employees enter excavations greater than 4 feet.**
- (ii) Adequate precautions shall be taken to prevent employee exposure to atmospheres containing less than 19.5 percent oxygen and other hazardous atmospheres. These precautions include providing proper respiratory protection of ventilation in accordance with subparts D and E of this part respectively.
- (iii) Adequate precaution shall be taken such as providing ventilation to prevent employee exposure to an atmosphere containing a concentration of a flammable gas in excess of 20 percent of the lower flammable limit of the gas.
- (iv) When controls are used that are intended to reduce the level of atmospheric contaminants to acceptable levels, testing shall be conducted as often as necessary to ensure that the atmosphere remains safe.

(2) Emergency rescue equipment.

- (i) Emergency rescue equipment, such as breathing apparatus, a safety harness and line, or a basket stretcher, shall be readily available where hazardous atmospheric conditions exist or may reasonably be expected to develop during work in an excavation. This equipment shall be attended when in use.
- (ii) Employees entering bell-bottom pier holes, or other similar deep and confined footing excavations, shall wear a harness with a lifeline securely attached to it. The lifeline shall be separate from any line used to handle materials, and shall be individually attended at all times while the employee wearing the lifeline is in the excavation.

(h) Protection from hazards associated with water accumulation.

(1) Employees shall not work in excavations in which there is accumulated water, or in excavations in which water is accumulating, unless adequate precautions have been taken to protect employees against the hazards posed by water accumulation. The precautions necessary to protect employees adequately vary

with each situation, but could include special support or shield systems to protect from cave-ins, water removal to control the level of accumulating water, or use of a safety harness and lifeline.

- (2) If water is controlled or prevented from accumulating by the use of water removal equipment, the water removal equipment and operations shall be monitored by a competent person to ensure proper operation.
 - (3) If excavation work interrupts the natural drainage of surface water (such as streams), diversion ditches, dikes, or other suitable means shall be used to prevent surface water from entering the excavation and to provide adequate drainage of the area adjacent to the excavation. Excavations subject to runoff from heavy rains will require an inspection by a competent person and compliance with paragraphs (h)(1) and (h)(2) of this section.
- (i) Stability of adjacent structures.
- (1) Where the stability of adjoining buildings, walls, or other structures is endangered by excavation operations, support systems such as shoring, bracing, or underpinning shall be provided to ensure the stability of such structures for the protection of employees.
 - (2) Excavation below the level of the base or footing of any foundation or retaining wall that could be reasonably expected to pose a hazard to employees shall not be permitted except when:
 - (i) A support system, such as underpinning, is provided to ensure the safety of employees and the stability of the structure; or
 - (ii) The excavation is in stable rock; or
 - (iii) A registered professional engineer has approved the determination that the structure is sufficiently removed from the excavation so as to be unaffected by the excavation activity; or
 - (iv) A registered professional engineer has approved the determination that such excavation work will not pose a hazard to employees.
 - (3) Sidewalks, pavements, and appurtenant structure shall not be undermined unless a support system or another method of protection is provided to protect employees from the possible collapse of such structures.
- (j) Protection of employees from loose rock or soil.
- (1) Adequate protection shall be provided to protect employees from loose rock or soil that could pose a hazard by falling or rolling from an excavation face. Such protection shall consist of scaling to remove loose material, installation of protective barricades at intervals as necessary on the face to stop and contain falling material; or other means that provide equivalent protection.

Appendix A - Orientation Safety Knowledge Check

Name: _____

Company: _____

1. Employees must obey all safety rules. True
False
2. Backup alarms must be on all heavy equipment. True
False
3. Scaffolding must be checked on a daily basis. True
False
4. It is safe to use a scaffold that is not tagged. True
False
5. Employees should only use fall protection when they think they might fall. True
False
6. It is OK to remove a guard from a powered hand tool under special circumstances. True
False
7. It is OK to remove a guardrail and not replace it when finished. True
False
8. Open holes must be covered or guarded. True
False
9. Anyone can operate an aerial lift. True
False
10. You should read an MSDS before working with a chemical. True
False
11. Spills and leaks should always be reported. True
False
12. All confined space areas must be tested before entry. True
False
13. Employees should check all equipment for damage prior to use. True
False
14. Horseplay, theft, alcohol, fighting, and drugs are not allowed. True
False
15. Employees should inform their supervisor of any prescription medication they are taking that could impair their abilities. True
False
16. Hard hats and safety glasses are to be worn at all times. True
False
17. Employees are responsible for the housekeeping in their area. True
False

- | | |
|--|---------------|
| 18. Ladders with broken rails and/or rungs can be used safely if you are tied off. | True
False |
| 19. Electric cords, welding leads, and gas hoses must be safely routed out of equipment, vehicle and walk areas or protected. | True
False |
| 20. Accidents must be reported immediately. | True
False |
| 21. Face shields are required in addition to safety glasses when grinding, chipping or using a chop-saw. | True
False |
| 22. Excavations greater than five-feet deep do not need to be shored or sloped. | True
False |
| 23. Seatbelts must be worn at all times in vehicles or heavy equipment. | True
False |
| 24. High visibility vests do not need to worn when working around Vehicles or Heavy Equipment | True
False |
| 25. All employees must complete the Substance Abuse requirements and Safety Orientation program before receiving security badge. | True
False |

Appendix D - Report Matrix

Contractors are to submit and / or have available on site:

REPORT NAME		Immediately	24 Hr.	Weekly ¹	Monthly ²	Per Occurrence	Per Request
Annual Crane Inspection	x						x
Chemical Inventory					x		x
Contractor Weekly Inspection				x			x
Critical Lift Checklist						x	x
First Report of Injury		x				x	
Incident Investigation		x				x	
MSDS's					x		x
OSHA 300 Log					x		x
OSHA Citations		x				x	
Safety Observation				x			
Safety Plan of Action or JSA ³				x		x	x
Safety Statistics					x		x
Safety Training					x		x
Substance Abuse Policy compliance notarized letter					x		x
Toolbox Safety Meetings				x			x
Daily equipment / Vehicle Inspections							x

Daily -- Daily inspections are required on all equipment / vehicles.

¹ Weekly - Weekly reports are due the following Tuesday morning

² Monthly - Monthly reports are due by the 6th of the following month.

³ Safety Action Plan or JSA - As required by contract or specification

EXHIBIT "D"
SUBSTANCE ABUSE PROGRAM REQUIREMENTS

09-18-06

Owner: BRN Development, Inc.
Owner Address: P.O. Box 3070
Coeur d' Alene, ID 83816

Attn: Kyle Capps

RE: 065040_C0002
(Black Rock North Golf Course Construction)

Wadsworth Golf Course Construction Company has developed and will maintain a Substance Abuse Program (SAP) to assure that all subcontractor employees are free from drug and alcohol impairments. Our SAP meets or exceeds the requirements of Owner's Substance Abuse Program and allows testing for reasonable suspicion and post-accident involvement situations.

We currently plan to place the following employees on this project and we certify that they have been tested in accordance with our SAP.

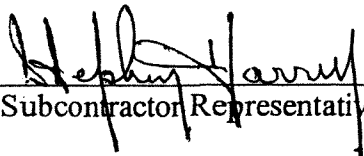
Lance Phillips

To be determined.

If additional employees are placed on the project, we will test them in accordance with our SAP policy.

We understand that Owner may elect to check our SAP compliance by reviewing program requirements and auditing employee test records. We will cooperate fully with this compliance check process.

Sincerely,


(Subcontractor Representative)

12/4/06
(Date)



WADSWORTH GOLF CONSTRUCTION COMPANY

POLICY NO. 9
SUBSTANCE ABUSE POLICY

POLICY STATEMENT. The Company wishes to recognize the value of establishing a workforce and workplace free of substance abuse. Therefore it is in the Company's best interest to adopt and implement a Substance Abuse Policy.

OBJECTIVE. To provide a program that will identify the abusers before the workplace is made unsafe and assist the employee in overcoming the need to abuse substances which can potentially endanger the employee's health and, by impairing their own ability to perform their duties, endanger the health of their co-workers.

SCOPE. All employees, jobsites, facilities and locations of the Company's operations shall be governed by this policy. With respect to the employees, this policy shall be construed to include all time spent at or away from the workplace in the performance of their employment duties.

IMPLEMENTATION. The management of the Company shall dedicate itself to providing the necessary active leadership and support of this policy in order to develop, train and maintain a substance abuse program. In particular, a program shall be implemented which provides for a safe and efficient work environment by prohibiting the following activities:

- 1) Use, possession, manufacture, distribution, dispensation or sale of illegal drugs or alcoholic beverages on company premises or company business, in company supplied vehicles, or during working hours.
- 2) Use or possession, or any manufacture, distribution, dispensation or sale of a controlled substance or alcoholic beverages on company premises or while on company business or while in company supplied vehicles.
- 3) Storing in an automobile or other repository on company premises any controlled substance, the use of which is unauthorized.
- 4) Being under the influence of a controlled substance or alcoholic beverage on company premises or while on company business, or while in company supplied vehicles.
- 5) Any possession, use, manufacture, distribution, dispensation or sale of illegal drugs off company premises that adversely affects an employee's work performance, the safety of other employees, or the company's regard or reputation in the community.

Certificate of
DOT Drug and Alcohol Program Enrollment

Wadsworth Golf Construction Co.

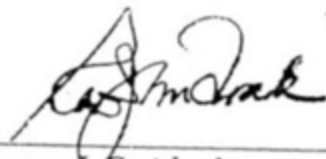
The Employer listed above has enrolled in a *Drug and Alcohol Testing Program* with Foley Services, Inc. that meets the requirements of DOT Regulation 49 CFR Parts 382 & 40.

600 No. 195th Ave.
Buckeye, AZ 85326

Program Start Date: 10/1/02

Program is current through: 10/1/07

Client Code: WAG2



Roxanne J. Swidrak
Vice President Operations

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2280

- (2) Employees shall be protected from excavated or other materials or equipment that could pose a hazard by falling or rolling into excavations. Protection shall be provided by placing and keeping such materials or equipment at least 2 feet (.61 m) from the edge of excavations, by the use of retaining devices that are sufficient to prevent materials or equipment from falling or rolling into excavations, or by a combination of both if necessary.

(k) Inspections.

- (1) Daily inspections of excavations, the adjacent areas, and protective systems shall be made by a competent person for evidence of a situation that could result in possible cave-ins, indications of failure of protective systems, hazardous atmospheres, or other hazardous conditions. An inspection shall be conducted by the competent person prior to the start of work and as needed throughout the shift. Inspections shall also be made after every rainstorm or other hazard-increasing occurrence. These inspections are only required when employee exposure can be reasonably anticipated.
- (2) Where the competent person finds evidence of a situation that could result in a possible cave-in, indications of failure of protective systems, hazardous atmospheres, or other hazardous conditions, exposed employees shall be removed from the hazardous area until the necessary precautions have been taken to ensure their safety.

(l) Fall protection.

- (1) Where employees or equipment are required or permitted to cross over excavations, walkways or bridges with standard guardrails shall be provided.
- (2) Adequate barrier physical protection shall be provided at all remotely located excavations. All wells, pits, shafts, etc., shall be barricaded or covered. Upon completion of exploration and similar operations, temporary wells, pits, shafts, etc., shall be backfilled.

1926.652 Requirements for protective systems.

A. Protection of employees in excavations.

- (1) Each employee in an excavation shall be protected from cave-ins by an adequate protective system designed in accordance with paragraph (b) or (c) of this section except when:
 - (i) Excavations are made entirely in stable rock; or
 - (ii) Excavations are less than 5 feet (1.52 M) in depth and examination of the ground by a competent person provided no indication of a potential cave-in.

- (2) Protective systems shall have the capacity to resist without failure all loads that are intended or could reasonably be expected to be applied or transmitted to the system.

B. Design of sloping and benching systems. The slopes and configurations of sloping and benching systems shall be selected and constructed by the employer or his designee and shall be in accordance with the requirements of paragraph (b)(1); or, in the alternative, paragraph (b)(2); or, in the alternative, paragraph (b)(3), or, in the alternative paragraph (b)(4), as follows:

- (1) Option (1)-Allowable configurations and slopes.
 - (I) Excavations shall be sloped at an angle not steeper than one and one-half horizontal to one vertical (34 degrees measured from the horizontal) unless the employer uses one of the other options listed below.
 - (ii) Slopes specified in paragraph (b)(1)(i) of this section shall be excavated to form configurations that are in accordance with the slopes shown for Type C soil.
- (2) Option (2)-Determination of slopes and configurations using Appendices A and B. Maximum allowable slopes, and allowable configurations for sloping and benching systems, shall be determined in accordance with the conditions and requirements set forth in appendices A and B to this subpart.
- (3) Option (3)-Designs using other tabulated data.
 - (i) Designs of sloping or benching systems shall be selected from and be in accordance with tabulated data, such as tables and charts.
 - (ii) The tabulated data shall be in written form and shall include all of the following:
 - (A) Identification of the parameters that affect the selection of a sloping or benching system drawn from such data.
 - (B) Identification of the limits of use of the data, to include the magnitude and configuration of slopes determined to be safe.
 - (C) Explanatory information as may be necessary to aid the user in making a correct selection of a protective system from the data.
 - (iii) At least one copy of the tabulated data, which identifies the registered professional engineer who approved the data, shall be maintained at the jobsite during construction of the protective system.

After that time the data may be stored off the jobsite, but a copy of the data shall be made available to the Secretary upon request.

- (4) Option (4)-Design by a registered professional engineer.
 - (i) A registered professional engineer shall approve sloping and benching systems not utilizing Option (1) or Option (2) or Option (3) under paragraph (b) of this section.
 - (ii) Designs shall be in written form and shall include at least the following:
 - (A) The magnitude of the slopes that were determined to be safe for the particular project.
 - (B) The configurations that were determined to be safe for the particular project; and
 - (C) The identity of the registered professional engineer approving the design.
 - (ii) At least one copy of the design shall be maintained at the jobsite while the slope is being constructed. After that time the design need not be at the jobsite, but a copy shall be made available to the Secretary upon request.
- C. Design of support systems, shield systems, and other protective systems. Designs of support systems shield systems, and other protective systems shall be selected and constructed by the employer or his designee and shall be in accordance with the requirements of paragraph (c)(1); or, in the alternative, paragraph (c)(2); or, in the alternative, paragraph (c)(3); or, in the alternative, paragraph (c)(4) as follows:
 - (1) Option (1)-Designs using appendices A, C and D. Designs for timber shoring in trenches shall be determined in accordance with the conditions and requirements set forth in appendices A and C to this subpart. Designs for aluminum hydraulic shoring shall be in accordance with paragraph (c)(2) of this section, but if manufacturer's tabulated data cannot be utilized, designs shall be in accordance with Appendix D.
 - (2) Option (2)-Designs Using Manufacturer's Tabulated Data.
 - (i) Design of support systems, shield systems or other protective systems that are drawn from manufacturer's tabulated data shall be in accordance with all specifications, recommendations, and limitations issued or made by the manufacturer.
 - (ii) Deviation from the specifications, recommendations, and limitations issued or made by the manufacturer shall only be allowed after the manufacturer issues specific written approval.
 - (iii) Manufacturer's specifications, recommendations, and limitations, and manufacturer's approval to deviate from the specifications, recommendations and limitations shall be in written form at the jobsite during construction of the protective system. After that time

this data may be stored off the jobsite, but a copy shall be made available to the Secretary upon request.

(3) Option (3): Design using other tabulated data.

- (i) Designs of support systems, or other protective systems shall be selected from and be in accordance with tabulated data, such as tables and charts.
- (ii) The tabulated data shall be in written form and include all of the following:
 - (A) Identification of the parameters that affect the selection of a protective system drawn from such data;
 - (B) Identification of the limits of use of the data;
 - (C) Explanatory information as may be necessary to aid the user in making a correct selection of a protective system from the data.
- (iii) At least one copy of the tabulated data, which identifies the registered professional engineer who approved the data, shall be maintained at the jobsite during construction of the protective system. After that time the data may be stored off the jobsite, but a copy of the data shall be made available to the Secretary upon request.

(4) Option (4): Design by a registered professional engineer.

- (i) A registered professional engineer shall approve support systems, shield systems, and other protective systems not utilizing Option 1, Option 2 or Option 3, above.
- (ii) Designs shall be in written form and shall include the following:
 - (A) A plan indicating the sizes, types, and configurations of the materials to be used in the protective system; and
 - (B) The identity of the registered professional engineer approving the design.
- (iii) At least one copy of the design shall be maintained at the jobsite during construction of the protective system. After that time, the design may be stored off the jobsite, but a copy of the design shall be made available to the Secretary upon request.

D. Materials and equipment.

- (1) Materials and equipment used for protective systems shall be free from damage or defects that might impair their proper function.

- (2) Manufactured materials and equipment used for protective systems shall be used and maintained in a manner that is consistent with the recommendations of the manufacturer, and in a manner that will prevent employee exposure to hazards.
- (3) When material or equipment that is used for protective systems is damaged, a competent person shall examine the material or equipment and evaluate its suitability for continued use. If the competent person cannot assure the material or equipment is able to support the intended loads or is otherwise suitable for safe use, then such material or equipment shall be removed from service, and shall be evaluated and approved by a registered professional engineer before being returned to service.

E. Installation and removal of support-

(1) General.

- (i) Member of support systems shall be securely connected together to prevent sliding, falling, kickouts, or other predictable failure.
- (ii) Support systems shall be installed and removed in a manner that protects employees from cave-ins, structural collapses, or from being struck by members of the support system.
- (iii) Individual members of support systems shall not be subjected to loads exceeding those that the members were designed to withstand.
- (iv) Before temporary removal of individual members begins, additional precautions shall be taken to ensure the safety of employees, such as installing other structural members to carry the loads imposed on the support system.
- (v) Removal shall begin at, and progress from, the bottom of the excavation. Members shall be released slowly so as to note any indication of possible failure of the remaining members of the structure or possible cave-in of the sides of the excavation.
- (vi) Backfilling shall progress together with the removal of support systems from excavations.

(2) Additional requirements for support systems for trench excavations.

- (i) Excavation of material to a level no greater than 2 feet (.6 m) below the bottom of the members of a support system shall be permitted, but only if the system is designed to resist the forces calculated for the full depth of the trench, and there are no indications while the trench is open of a possible loss of soil from behind or below the bottom of the support system.
- (ii) Installation of support system shall be closely coordinated with the excavation of trenches.

- F. Sloping and benching systems. Employees shall not be permitted to work on the faces of sloped or benched excavations at levels above other employees except when employees at the lower levels are adequately protected from the hazard of falling, rolling, or sliding material or equipment.
- G. Shield systems-
- (1) General.
 - (i) Shield systems shall not be subjected to loads exceeding those that the system was designed to withstand.
 - (ii) Shields shall be installed in a manner to restrict lateral or other hazardous movement of the shield in the event of the application of sudden lateral loads.
 - (iii) Employees shall be protected from the hazard of cave-ins when entering or exiting the areas protected by shields.
 - (iv) Employees shall not be allowed in shields when shields are being installed, removed, or moved vertically.
 - (2) Additional requirements for shield systems used in trench excavations. Excavations of the earth material to a level not greater than 2 feet (.61 m) below the bottom of a shield shall be permitted, but only if the shield is designed to resist the forces calculated for the full depth of the trench, and there are no indications while the trench is open of a possible loss of soil from behind or below the bottom of the shield.

23. SILICA EMPHASIS & AWARENESS

Employee exposure to respirable crystalline silica dust during site preparation may be reduced to a **Permissible Exposure Level (PEL)** by taking certain engineering controls such as wetting breaking, chipping, and sawing operations involving stone or concrete.

The practice of blowing off equipment or work areas should be replaced by washing off. Air monitoring of the modified (wetted) operation will either confirm compliance with the PEL or suggest evidence that additional precaution must be taken to further reduce exposure: respirator usage.

23.1 Potential exposure for Workforce

Concrete products and some natural mined or crushed stone contain sand and rock containing silica. Exposures occur from:

- Crushing, loading, hauling, and dumping rock
- Breaking, crushing, loading, hauling, and dumping concrete
- Chipping, hammering, drilling of rock
- Sawing, hammering, drilling grinding, and chipping of concrete or masonry
- Dry seeping or pressurized air blowing of concrete, rock, or sand dust
- Performing maintenance on equipment covered with dust from stone, rock, or concrete products

23.2 Health effects of Crystalline Silica exposure

When workers inhale crystalline silica, the lung tissue reacts by developing fibrotic nodules and scarring around the trapped silica particles. This fibrotic condition of the lung is called silicosis. If the nodules grow too large, breathing becomes difficult and death may ultimately occur over time.

23.3 The following measures may be taken to reduce exposures to respirable crystalline silica;

- Recognize when silica dust may be generated and plan ahead to eliminate or control the dust at its source. Awareness and planning are keys to prevention of silicosis.
- Use wet cutting of concrete or rock whenever possible.
- Practice good personal hygiene: wash hands and face before eating, smoking, or drinking.
- Provide respirator protection and adequate training for the workers exposed.
- Routinely maintain dust control on the jobsite.
- Maintain operator cab door seal integrity on earth / gravel / stone moving equipment
- Wash equipment before initiating maintenance activity when possible.
- Provide general awareness training for workers in shop and in field operations regarding the health hazards and safe work practices associated with respirable crystalline silica exposures.
- Provide medical monitoring if necessary, if air sampling by an industrial hygiene analysis confirms exposures at levels above 0.05 mg per cubic meter at a time weighted average of 8 hours per day.

24. LOCK OUT / TAG OUT PROCEDURE

Refer to OSHA Construction Standards 1926.417

The Project Superintendent shall be responsible for producing a written lock out tag out procedure for each project that complies with all OSHA and Contractual requirements.

24.1 Job site PRELIMINARY ENERGIZING

- 1) Electrical contractor hired will run electrical feed to energize MCC (Master Control Circuit) panels.
- 2) As each panel is energized, Electrical contractor will see that the breaker is locked in the "off" position.
- 3) Wadsworth Golf Construction Company site management representative will then be informed of panel energizing so he can verify by panel number, and record that lock has been placed on corresponding panel switch in "off" position.
- 4) Before any lock is removed for more than a momentary test sequence, Wadsworth Golf Construction Company's site safety personnel must be notified and given reason so that it can be duly noted in Lock Out/Tag Out Log.
- 5) Keys to MCC panel room will be held only by Wadsworth Golf Construction Company's site management representative and Electrical contractor personnel. Doors will be kept shut and locked when electricians are not at work and "unauthorized" employees will be forbidden access.

24.2. EQUIPMENT CIRCUIT ENERGIZING

- 1) Prior to any equipment "tie-ins", a Meggar Test will be performed to assure satisfactory continuity and identify any shorts in the circuits. This test will also verify correct circuit to panel connection yet to be performed.
- 2) Just prior to equipment circuit "tie-in" to energize panel. Wadsworth Golf Construction Company's site safety personnel will be notified so that anyone working on the equipment or related systems can be cleared from contact.
- 3) At time of "tie-in", "Bump Test" to determine motor rotation and equipment circuit to break panel relations will be performed.
- 4) Upon completion of the "tie-in" and these tests, the circuit will be turned over to Wadsworth Golf Construction Company

- 5) At this time, Wadsworth Golf Construction Company's site safety personnel will place lock adapters and a lock with tags on each panel in place of Electrical contractor's lock.
- 6) The corresponding equipment power isolation switch will then be tested momentarily to verify that the circuit is de-energized.
- 7) After it has been concluded from this test that the relative circuit is de-energized, the respective isolation switch will be placed in the "off" position and Wadsworth Golf Construction Company's lock adapter and lock with tag will be placed and appropriately logged in the Lock Out/Tag Out Log.
- 8) Other contractors and crafts must place locks with tags identifying the person/Wadsworth Golf Construction Company and reason for locking out the circuit can now do so if their people have work to perform on the system.

24.3. EQUIPMENT ENERGIZING (TEST) PROCEDURE

- 1) Prior to any equipment being energized, the circuit and system will be cleared of all tools, workers, and related hazards.
- 2) Those contractors/crafts involved will meet with Wadsworth Golf Construction Company's site representative to discuss purpose of test, duration and agree on safe procedure.
- 3) After item #1 is complete, an appropriate number of safety/watch person(s) will be assigned to keep unauthorized personnel out of area.
- 4) Lock(s)/Tag(s) and lock adapter will now be removed, (and switched to "on" position) first from the panel* in the MCC area, and then at the equipment power isolation switch.
- 5) These will all take place in the presence of the involved contractor/craft representative and Wadsworth Golf Construction Company's site safety personnel, who will record the activity in the Lock Out/Tag Out Log.
- 6) After test is complete, lock adapter, lock(s) and tag(s) will be replaced in reverse order of removal.

* Double check that this is the correct panel to be energized.

24.4 FINAL ENERGIZING PROCEDURE

- 1) 30lb,B:C dry chemical portable fire extinguishers need to be discretely located at an easy to reach location both the MCC panel switch area and at the corresponding pump motor, equipment systems, etc.

- 2) All related contractors will confirm that their work is complete and that their tools have been removed.
- 3) Wadsworth Golf Construction Company's supervision will verify this and resolve any discrepancies prior to notifying the Owners Operations of readiness to activate the system.
- 4) Owners operations will be notified of our being ready for "start-up". Their assistance will be requested, so as not to damage any equipment or initiate any unforeseen problems.
- 5) When a schedule had been established, all related systems will be rechecked for readiness to be operated, with respective problems addressed.
- 6) As requested by the client when ready, items C-(1-5) will be initiated. It should be remembered that only authorized/necessary personnel be allowed in the unit at this time.

24.5. OTHER TYPES OF LOCK OUT/TAG OUT (NON-ELECTRICAL):

- 1) The same format for control of energy/sources (as used for electrical) will be used throughout.
- 2) The only differences will be in the type of isolation devices (valves, blinds, disconnect, etc.) and when no alternative exists, use of tags, car seals, etc., as lock out devices.
- 3) When a stored energy source is "tied-in" to the unit or made a part thereof, this format will be followed with activities recorded in the log.

24.6. EMPLOYEE TRAINING:

- 1) Prior to these procedures being executed, contractor/employees will be informed of the Lock Out / Tag Out Program, details involved and their responsibilities.
- 2) Above all, contractors/employees will be informed of the importance of not removing any locks and/or tags installed by others, unless that person has authorized them.

Doing so could very likely result in their termination and/or removal from the site. If their inappropriate action results in an injury or death of a fellow worker, criminal charges may be also lodged.

Appendix (To be added as Project forms are provided, or WGCC forms are re-
formatted for Black Rock North Golf Course Project)

APPENDIX A Project Orientation with Test - English

APPENDIX D Project Report Matrix

Appendix A - Safety Orientation

At minimum, the following items must be taught:

General Safe Practices:

- Plan work before starting. Planning prevents unnecessary exposure, job shutdowns, and rework. **BEFORE STARTING WORK - THINK!**
- Practice good housekeeping in your work area. Pick up your tools. Leaving materials and scrap will become hazards to others.
- For your protection, obey all warning signs such as "Keep Out," "No Smoking", "Eye Protection Required," and "Authorized Personnel Only."
- All governmental regulations will be enforced and their compliance assured.
- Never jump from any elevated surface, including equipment.
- Seat belts must always be worn.
- Report unsafe equipment, hazardous conditions, and unsafe acts to your supervisor immediately.
- Taking shortcuts leads to injury. Use appropriate ladders, ramps, and stairways.
- Use sanitary facilities provided on the job site.
- Be considerate of the welfare of fellow employees. Avoid distracting their attention or engage in horseplay.
- Familiarize yourself with the job site emergency procedures.
- All compressed gas cylinders must be upright and secured to prevent tipping.
- Backup alarms are required on all equipment and vehicles with limited visibility.
- Avoid back injuries by using proper lifting techniques:
 1. Keep your back straight; do not lean over.
 2. Bend your knees; get down close to the load.
 3. Lift gradually, using your legs, do not jerk or twist.
 4. Get help for bulky or heavy loads.
- Read scaffold tag before using a scaffold. Never climb onto a red-tagged scaffold.
- Trenches and excavations must be shored or sloped properly if greater than five feet deep before any employee can enter.

Personal Protective Equipment:

- All employees, visitors, and vendors must wear an approved hard hat and safety glasses.
- Wear sturdy work boots. Sneakers and sandals are not permitted.
- You must wear clothing suitable for the work you are doing. Minimum attire is long pants and a T-shirt with a minimum 4-inch sleeve. Tank tops are not allowed.
- Hearing protection must be used when exposed to high noise levels.
- Respirators are required in areas where there is excessive dust, fumes, or bad air. Always check with your supervisor before working in such areas.
- You must wear rubber boots when working in concrete or water.
- 100% continuous fall protection is required on the Project for fall exposures greater than six (6) feet, including steel erection and scaffold erection/dismantling.
- Wear appropriate gloves when exposed to heat and sparks; wet concrete, acids, corrosives, electrical exposures, or substances, which could cut.
- Modification or alteration of any personal protective equipment is strictly prohibited.
- Use of PPE will be consistently enforced in accordance with federal and state safety regulations and with rules established on the job.

Employees Responsibilities:

- Any employee who willfully disregards these responsibilities or other safety and health rules shall be subject to disciplinary action or discharge.
- BE ALERT: Obey all safety rules, heed warning signs at all times.
- Report unsafe acts and conditions to your supervisor immediately.
- Promptly report all incidents and injuries to your supervisor.
- Wear required Personal Protective Equipment.
- Keep clear of all machinery or equipment.
- Only authorized and properly trained employees can operate machinery or equipment.
- Practice good housekeeping at all times. Keep all stairways, corridors, ladders, catwalks, ramps, and passageways free of loose material and trash.
- Make certain that a suitable fire extinguisher or adequate fire-extinguishing equipment is available in your area.
- Horseplay is not tolerated on the job site at any time.
- Working under the influence of intoxicants or drugs is strictly prohibited on the Project.

- Firearms are prohibited on the Project.

ZERO ACCIDENTS IS OUR GOAL!

Foley Services, Inc.

655 Winding Brook Drive

Glastonbury, CT 06033

QUARTERLY MAILING

Please find the issues of our *DOT Safety Regulation Update Fast-Fax™* that were published during the previous quarter. During the past quarter we discussed important regulatory issues that you should be aware of and we have offered through our *Fast-Fax Features™*, new products that are available from Foley Services, Inc.

If you would like to have issues of *DOT Safety Regulation Update Fast-Fax™* faxed to you weekly, instead of mailed quarterly, please call us at:
1-800-253-5506 ext. 286

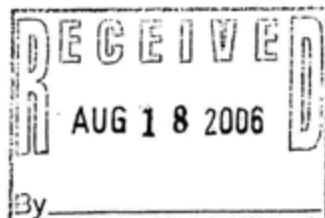
We appreciate your business and hope that you find the information we have sent useful to you, in your position, and throughout your business.

Should you have any questions, concerns or special topics that you would like to see discussed please contact us at:

1-800-253-5506

For additional products and services offered by Foley Services, Inc., please visit us our website:

www.FoleyServices.com



UNIT PRICES FOR ADJUSTMENTS - CONTRACT

The following Unit Prices as they are further described by the Contract Documents may govern additions and / or deductions required during the course of the work from the base bid; These prices reflect total costs for the item including but not limited to equipment, materials, labor, taxes, overhead, profit, complete.

Mass Grading, Site Storm Drainage and Erosion Control

<u>Item</u>	<u>Unit</u>	<u>Unit Price</u>
Earthwork and Surfacing		
1. Clearing and Grubbing	Ac.	\$ <u> </u> N / A
2. Mass Grading – General Excavation	C.Y.	\$ <u> </u> N / A
3. Mass Grading - Rock Excavation	C.Y.	\$ <u> </u> N / A
4. Trench Rock Excavation	C.Y.	\$ <u> </u> N / A
5. Construction Haul Road Surfacing (6" Type 1 Ballast)	S.Y.	\$ <u> </u> N / A
6. Over Excavation of Soft Subgrade	C.Y.	\$ <u> </u> N / A
7. Geotextile Grid for Soil Stabilization	S.Y.	\$ <u> </u> N / A
8. Import and Place Ballast for Soft Subgrade	C.Y.	\$ <u> </u> N / A
Site Storm Drainage		
9. 12" CMP Culvert	L.F.	\$ <u> </u> N / A
10. 18" CMP Culvert	L.F.	\$ <u> </u> N / A
11. 24" CMP Culvert	L.F.	\$ <u> </u> N / A
12. 12" Storm Sewer	L.F.	\$ <u> </u> N / A
13. 18" Storm Sewer	L.F.	\$ <u> </u> N / A
14. 24" Storm Sewer	L.F.	\$ <u> </u> N / A
15. Type 1L Catch Basin	Ea.	\$ <u> </u> N / A
16. Type 2 Catch Basin	Ea.	\$ <u> </u> N / A
Temporary Erosion Control		
17. Riprap Lined Channel	L.F.	\$ <u> </u> N / A
18. Riprap Outlet	C.Y.	\$ <u> </u> N / A
19. Rock Check Dam	Ea.	\$ <u> </u> N / A
20. Silt Fence	L.F.	\$ <u> </u> N / A
21. Straw Bale Check Dam	Ea.	\$ <u> </u> N / A
22. Rock Construction Entrance	Ea.	\$ <u> </u> N / A
23. Erosion Control Mat	S.Y.	\$ <u> </u> N / A
24. Seeding – Roadside Ditches, Swales & Sed. Ponds	Ac.	\$ <u> </u> N / A
25. Seeding – Cut / Fill Slopes & Non Golf Areas	Ac.	\$ <u> </u> N / A
Site Ponds		
26. 30 mil. PVC Liner – Purchase & Install, complete	S.Y.	\$ <u> </u> 5.61

18 Hole Golf Course Construction

<u>Item</u>	<u>Unit</u>	<u>Unit Price</u>
General		
1. Purchase, Place and Maintain Orange Fencing	L.F.	\$ 1.75
Sand Cap and Topsoil Management		
2. Strip & Stockpile Topsoil in Designated Areas	C.Y.	\$ 2.00
3. Haul & Spread Sandcap 8" to Compact to 6" in Fairways	C.Y.	\$ 21.40
4. Haul & Spread Topsoil 8" to Compact to 6" In Rough Areas	C.Y.	\$ 3.00
Golf Course Shaping		
5. Shaping & Contouring In-Place Material to Plans and as Directed for Positive Drainage	C.Y.	\$ Lump Sum
Golf Course Drainage		
6. 4" Perforated HDPE (Fairways, only)	L.F.	\$ 7.00
7. 4" Solid HDPE	L.F.	\$ 6.05
8. 6" Solid HDPE	L.F.	\$ 8.55
9. 8" Solid HDPE	L.F.	\$ 10.05
10. 10" Solid HDPE	L.F.	\$ 13.05
11. 12" Solid HDPE	L.F.	\$ 16.55
12. 18" Solid HDPE	L.F.	\$ 28.35
13. 24" Solid HDPE	L.F.	\$ 35.70
14. 8" Round Drain Inlet	Ea.	\$ 280.00
15. 12" Round Drain Inlet	Ea.	\$ 395.00
16. 4" Perforated Pipe (French Drains)	L.F.	\$ 7.00
17. Cart Path Inlet (Inset in Path)	Ea.	\$ 395.00
Greens Construction		
18. Greens Construction including Drainage, Gravel Blanket, Rootzone Mix and Interface	S.F.	\$ 3.24
Tee Construction		
19. Tee Construction w/ 6" USGA Sand w/o Organic	S.F.	\$ 1.05

18 Hole Golf Course Construction - Continued

<u>Item</u>	<u>Unit</u>	<u>Unit Price</u>
Bunker Construction		
20. Shape, Edge, Hand Prep. & Install Drainage	S.F.	\$ <u> .50</u>
21. Purchase & Place Sand Mat on Steep Faces	S.F.	\$ <u> 1.36</u>
22. Purchase & Place Sand and Spread 6" Deep To Compact to 4"	S.F.	\$ <u> 1.69</u>
23. Fabric Liner - Areas not Covered w/ Sand Mat	S.F.	\$ <u> .72</u>
Cart Path Construction		
24. Subgrade Preparation, Compaction and Backfill	L.F.	\$ <u> 2.00</u>
25. 8' Wide by 4" Th. Concrete Cart Path w/ Color	L.F.	\$ <u> 25.75</u>
26. 12' Wide by 4" Th. Concrete Cart Path w/ Color	L.F.	\$ <u> 38.25</u>
27. 4" by 4" Concrete Curb with Color	L.F.	\$ <u> 5.25</u>
Finish Shaping and Contouring		
28. Final Shaping & Contouring following Irrigation Drainage and Cart Path	Ac.	\$ <u> 1,000.00</u>
Rock Picking		
29. Mechanical and Hand Pick for Turf Areas incl. Subgrade	Ac.	\$ <u> 300.00</u>
Seed Bed Preparation		
30. Prepare Intended Turf Areas for Seed & Sod	Ac.	\$ <u> Lump Sum</u>
Soil Amendment / Fertilizer		
31. Furnish & Apply Materials According to Specs.	Ac.	\$ <u> 405.00</u>
Grassing		
32. Tees – Pencross Bentgrass	S.F.	\$ <u> .105</u>
33. Greens – L93 Bentgrass	S.F.	\$ <u> .105</u>
34. Fairways – Jacklin 5 Steps Above Bluegrass With 10% Perennial Rye	Ac.	\$ <u> 3,250.00</u>
35. Formal Roughs – Jaclin 5 Steps Above Bluegrass With 10% Perennial Rye	Ac.	\$ <u> 3,250.00</u>
36. Native Roughs – Match Existing Native Grass	Ac.	\$ <u> 4,800.00</u>
37. Purchase and Place Sod Excluding Greens	Ac.	\$ <u> 17,860.00</u>

18 Hole Golf Course Construction - Continued

<u>Item</u>	<u>Unit</u>	<u>Unit Price</u>
Rock Retaining Walls		
38. Construct Rock Ret. Walls with Existing Rock	F.F.	\$ <u>10.80</u>
Irrigation Heads		
39. Rain Bird #700 V.I.H. Rotor w/ Swing Joint All Wire, and 2" SCH 40 PVC Lateral Piping	Ea.	\$ <u>180.00</u>
40. Rain Bird #700 V.I.H. Rotor w/ Swing Joint All Wire, and 2" SCH 40 PVC Lateral Piping (Purple)	Ea.	\$ <u>185.00</u>
41. Rain Bird #750 V.I.H. Rotor w/ Swing Joint All Wire, and 2" SCH 40 PVC Lateral Piping	Ea.	\$ <u>190.00</u>
42. Rain Bird #750 V.I.H. Rotor w/ Swing Joint All Wire, and 2" SCH 40 PVC Lateral Piping (Purple)	Ea.	\$ <u>195.00</u>
43. Rain Bird #500 V.I.H. Rotor w/ Swing Joint All Wire, and 2" SCH 40 PVC Lateral Piping	Ea.	\$ <u>160.00</u>
44. Rain Bird #500 V.I.H. Rotor w/ Swing Joint All Wire, and 2" SCH 40 PVC Lateral Piping (Purple)	Ea.	\$ <u>165.00</u>
45. Rain Bird #550 V.I.H. Rotor w/ Swing Joint All Wire, and 2" SCH 40 PVC Lateral Piping	Ea.	\$ <u>170.00</u>
46. Rain Bird #550 V.I.H. Rotor w/ Swing Joint All Wire, and 2" SCH 40 PVC Lateral Piping (Purple)	Ea.	\$ <u>175.00</u>
47. Rain Bird 351B Series. Rotor w/ Swing Joint and 2" SCH 40 PVC Lateral Piping	Ea.	\$ <u>75.00</u>
48. Rain Bird 351B Series. Rotor w/ Swing Joint and 2" SCH 40 PVC Lateral Piping (Purple)	Ea.	\$ <u>78.00</u>
Irrigation Components		
49. Toro P220, 1-1/2" Plastic Remote Control Valve Riser Assembly and Valve Box	Ea.	\$ <u>200.00</u>
50. Rain Bird PAR + ES 72 Station Satellite Unit, Plastic Pedestal Grounding and Concrete Pad	Ea.	\$ <u>3,500.00</u>
51. Rain Bird - 8 Station OSM (Complete w/ Switches)	Ea.	\$ <u>400.00</u>
52. Rain Bird #5NP 1" Quick Coupling Valve, Swing Joint Assembly and Valve Box	Ea.	\$ <u>118.00</u>
53. 4" Manual Blow off Valve Assembly & Box	Ea.	\$ <u>900.00</u>

18 Hole Golf Course Construction - Continued

<u>Item</u>	<u>Unit</u>	<u>Unit Price</u>
54. 2" Crispin #PL10A Air Relief Valve, Swing Joint Assembly and Box	Ea.	\$ 575.00
55. 2" Drain Valve Assembly and Box	Ea.	\$ 600.00
56. 2" Lateral Isolation Valve, Box & Riser Assembly installed on Distribution Piping	Ea.	\$ 200.00

Irrigation Gate Valve and Box

57. 4" Isolation Gate Valve and Box	Ea.	\$ 450.00
58. 6" Isolation Gate Valve and Box	Ea.	\$ 550.00
59. 8" Isolation Gate Valve and Box	Ea.	\$ 750.00
60. 10" Isolation Gate Valve and Box	Ea.	\$ 950.00
61. 12" Isolation Gate Valve and Box	Ea.	\$ 1,200.00
62. 16" Isolation Gate Valve and Box	Ea.	\$ 4,000.00

Irrigation Pipe and Fittings

63. 2" SCH 40 PVC Lateral Piping and Fittings	L.F.	\$ 1.75
64. 2" SCH 40 PVC Lateral Piping and Fittings (Purple)	L.F.	\$ 1.80
65. 2-1/2" SCH 40 PVC Lateral Piping and Fittings	L.F.	\$ 2.30
66. 2-1/2" SCH 40 PVC Lateral Piping and Fittings (Purple)	L.F.	\$ 2.50
67. 6" PVC Class 200 Distribution Piping and Fittings	L.F.	\$ 6.50
68. 6" PVC Class 200 Distribution Piping and Fittings (Purple)	L.F.	\$ 7.00
69. 8" PVC Class 200 Distribution Piping and Fittings	L.F.	\$ 10.50
70. 8" PVC Class 200 Distribution Piping and Fittings (Purple)	L.F.	\$ 11.20
71. 10" PVC Class 200 Distribution Piping and Fittings	L.F.	\$ 16.00
72. 12" PVC Class 200 Distribution Piping and Fittings	L.F.	\$ 18.50
73. 16" PVC C905 DR18 Distr. Piping and Fittings	L.F.	\$ 45.00
74. 27" SDR 35 PVC Intake Piping	L.F.	\$ 90.00

Irrigation Electrical / Communications

75. #14-1 UF UL Control Wire	L.F.	\$.11
76. #12-1 UF UL Common Wire	L.F.	\$.15
77. #8-2 UF UL Wire with Ground	L.F.	\$ 2.00
78. #6-2 UF UL Wire with Ground	L.F.	\$ 2.50
79. #2-2 UF UL Wire with Ground	L.F.	\$ 4.00
80. #2 - 1/0 UF UL Wire with Ground	L.F.	\$ 7.00
81. #8 Bare Copper Ground	L.F.	\$ 1.00

18 Hole Golf Course Construction - Continued

<u>Item</u>	<u>Unit</u>	<u>Unit Price</u>
82. Rain Bird Communication Cable	L.F.	\$.50
83. Weather Station Communication Cable	L.F.	\$ 1.25
84. Weather Station, Complete	Ea.	\$ 10,000.00
Irrigation Miscellaneous		
85. 6" Bridge Crossing	L.F.	\$ 18.00
86. 8" Bridge Crossing	L.F.	\$ 22.00
87. 10" Bridge Crossing	L.F.	\$ 36.00
88. 16" Bridge Crossing	L.F.	\$ 60.00
89. Construction Grade Sand or Acceptable Backfill Material in Place	Ton	\$ N/A

BLACK ROCK NORTH GC - Coeur d'Alene, ID

Contract Drawings

Category	Prepared by	Sheet #	Description	Date
MASS EX / SD / EC	Taylor Engineering	1-36	Mass Grading, Site Storm Water Drainage & Erosion Control	10.13.06
GOLF COURSE	Tom Weiskopf Design	None	Clearing Plan - Holes 1, 2, 3, 7, & 8	04.14.06
		None	Clearing Plan - Holes 4,5 & 6	04.14.06
		None	Clearing Plan - Holes 9, 10 & 18	04.14.06
		None	Clearing Plan - Holes 11, 12, 13 & 14	04.14.06
		None	Clearing Plan - Holes 15, 16 & 17	04.14.06
		None	Grading Plan - Holes 1, 2, 3, 7, & 8	04.14.06
		None	Grading Plan - Holes 4,5 & 6	04.14.06
		None	Grading Plan - Holes 9, 10 & 18	04.14.06
		None	Grading Plan - Holes 11, 12, 13 & 14	04.14.06
		None	Grading Plan - Holes 15, 16 & 17	04.14.06
		None	Drainage Plan - Holes 1, 2, 3, 7, & 8	04.14.06
		None	Drainage Plan - Holes 4,5 & 6	04.14.06
		None	Drainage Plan - Holes 9, 10 & 18	04.14.06
		None	Drainage Plan - Holes 11, 12, 13 & 14	04.14.06
		None	Drainage Plan - Holes 15, 16 & 17	04.14.06
		None	Grassing Plan - Holes 1, 2, 3, 7, & 8	04.14.06
		None	Grassing Plan - Holes 4,5 & 6	04.14.06
		None	Grassing Plan - Holes 9, 10 & 18	04.14.06
		None	Grassing Plan - Holes 11, 12, 13 & 14	04.14.06
		None	Grassing Plan - Holes 15, 16 & 17	04.14.06
IRRIGATION	Harvey Mills Design	I-1	Title Sheet	05.19.06
		I-2	Mainline Layout	05.19.06
		I-3	Electrical Wiring (Communication)	05.19.06
		I-4	Electrical Wiring (Power)	05.19.06
		I-5	Irrigation Layout - Holes 1, 2, 3, 8, DR	05.19.06
		I-6	Irrigation Layout - Holes 4, 7	05.19.06
		I-7	Irrigation Layout - Holes 5, 6	05.04.06
		I-8	Irrigation Layout - Holes 9, 10, 11, 12, 18	05.19.06
		I-9	Irrigation Layout - Holes 13, 14, 15, 16, 17	05.19.06
		I-10	Irrigation Details	05.19.06
		I-11	Irrigation Details	05.19.06
		I-12	Pumping Station	05.19.06
Contract Specifications				
ALL	Taylor Engineering	N / A	Construction Contract Documents & Specifications for 18 Hole Golf Course Construction Project at Black Rock North	Jun-06
GEOTECH	STRATA, Inc.	N / A	Geotechnical Engineering Evaluation of Infrastructure Black Rock North Residential Development	06.30.06

217- Agree must

Coeur d'Alene BLACK ROCK

November 10, 2006

Stephen Harrell
Wadsworth Golf Construction Company
600 N. 195th Ave.
Buckeye, AZ 85326

Dear Steve,

In response to your letter dated November 6, 2006:

1. Fairway Sand supplied by Interstate Sand & Gravel is approved.
2. The wet well depth has been redesigned to 15' and the intake size is still being redesigned. We will forward you the final design once it is completed.
3. We have chosen Ideal Sod as the sod supplier.
4. and 5. Performance and labor payment bonds are included in the contract that is currently being re-drafted. We will provide you with this updated draft as soon as possible.
6. A new construction schedule from ACI was faxed to your office on 11/9/06. Please let me know if you did not receive this information.

Scott M P.O.

Scott M Letter Incident

Very Communicate this to the President

SA

Bruce.

This should resolve all of the construction matters referenced in your letter. If you have further questions, please don't hesitate to contact me at my office, (208) 665-5815.

Sincerely,



Kyle Capps, CGCS
Vice President of Site Development and Maintenance

2303



AIA[®]

Document A312™ – 1984

Performance Bond – #929410543

CONTRACTOR (Name and Address):

Wadsworth Golf Construction
Company
600 N. 195th Avenue
Buckeye, AZ 85326

OWNER (Name and Address):

BRN Development, Inc.
P.O. Box 3070
Coeur d' Alene, ID 83816

SURETY (Name and Principal Place of Business):

Western Surety Company
333 E Butterfield Road, Suite 810
Lombard, IL 60148

CONSTRUCTION CONTRACT

Date: December 01, 2006

Amount: \$9,796,938.00

Description (Name and Location):

Black Rock North Golf Course
West Rockford Bay Rd. and South Loffs Bay Rd.
Cour d' Alene, ID 83814
Construction of an 18 hole golf course and irrigation system.

BOND

Date (Not earlier than Construction Contract Date): December 05, 2006

Amount: \$9,796,938.00

Modifications to this Bond: None See Last Page

CONTRACTOR AS PRINCIPAL

Company: (Corporate Seal)

Signature:

Name and **Stephen Hartell**

Title: **President**

SURETY

Company: (Corporate Seal)

Signature:

Name and **William D.**

Title: **Miller, Attorney-in-fact**

(Any additional signatures appear on the last page)

(FOR INFORMATION ONLY - Name, Address and Telephone)

AGENT or BROKER:

Mr. Robert W. Kegley
Columbian Agency
1005 Laraway Road - PO Box 39
New Lenox, IL 60451
815-485-4100

OWNER'S REPRESENTATIVE

(Architect, Engineer or other party):

Tom Weiskopf Designs
7580 E. Gray Road
Suite #204
Scottsdale, AZ 85206

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences.

Consultation with an attorney is encouraged with respect to its completion or modification.

Any singular reference to Contract, Surety, Owner or other party shall be considered plural where applicable.

§ 1 The Contractor and the Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner for the performance of the Construction Contract, which is incorporated herein by reference.

§ 2 If the Contractor performs the Construction Contract, the Surety and the Contractor shall have no obligation under this Bond, except to participate in conferences as provided in Section 3.1.

§ 3 If there is no Owner Default, the Surety's obligation under this Bond shall arise after:

§ 3.1 The Owner has notified the Contractor and the Surety at its address described in Section 10 below that the Owner is considering declaring a Contractor Default and has requested and attempted to arrange a conference with the Contractor and the Surety to be held not later than fifteen days after receipt of such notice to discuss methods of performing the Construction Contract. If the Owner, the Contractor and the Surety agree, the Contractor shall be allowed a reasonable time to perform the Construction Contract, but such an agreement shall not waive the Owner's right, if any, subsequently to declare a Contractor Default; and

§ 3.2 The Owner has declared a Contractor Default and formally terminated the Contractor's right to complete the contract. Such Contractor Default shall not be declared earlier than twenty days after the Contractor and the Surety have received notice as provided in Section 3.1; and

§ 3.3 The Owner has agreed to pay the Balance of the Contract Price to the Surety in accordance with the terms of the Construction Contract or to a contractor selected to perform the Construction Contract in accordance with the terms of the contract with the Owner.

§ 4 When the Owner has satisfied the conditions of Section 3, the Surety shall promptly and at the Surety's expense take one of the following actions:

§ 4.1 Arrange for the Contractor, with consent of the Owner, to perform and complete the Construction Contract; or

§ 4.2 Undertake to perform and complete the Construction Contract itself, through its agents or through independent contractors; or

§ 4.3 Obtain bids or negotiated proposals from qualified contractors acceptable to the Owner for a contract for performance and completion of the Construction Contract, arrange for a contract to be prepared for execution by the Owner and the contractor selected with the Owner's concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the bonds issued on the Construction Contract, and pay to the Owner the amount of damages as described in Section 6 in excess of the Balance of the Contract Price incurred by the Owner resulting from the Contractor's default; or

§ 4.4 Waive its right to perform and complete, arrange for completion, or obtain a new contractor and with reasonable promptness under the circumstances:

- .1 After investigation, determine the amount for which it may be liable to the Owner and, as soon as practicable after the amount is determined, tender payment therefor to the Owner; or
- .2 Deny liability in whole or in part and notify the Owner citing reasons therefor.

§ 5 If the Surety does not proceed as provided in Section 4 with reasonable promptness, the Surety shall be deemed to be in default on this Bond fifteen days after receipt of an additional written notice from the Owner to the Surety demanding that the Surety perform its obligations under this Bond, and the Owner shall be entitled to enforce any remedy available to the Owner. If the Surety proceeds as provided in Section 4.4, and the Owner refuses the payment tendered or the Surety has denied liability, in whole or in part, without further notice the Owner shall be entitled to enforce any remedy available to the Owner.

§ 6 After the Owner has terminated the Contractor's right to complete the Construction Contract, and if the Surety elects to act under Section 4.1, 4.2, or 4.3 above, then the responsibilities of the Surety to the Owner shall not be greater than those of the Contractor under the Construction Contract, and the responsibilities of the Owner to the Surety shall not be greater than those of the Owner under the Construction Contract. To the limit of the amount of this Bond, but subject to commitment by the Owner of the Balance of the Contract Price to mitigation of costs and damages on the Construction Contract, the Surety is obligated without duplication for:

§ 6.1 The responsibilities of the Contractor for correction of defective work and completion of the Construction Contract;

§ 6.2 Additional legal, design professional and delay costs resulting from the Contractor's Default, and resulting from the actions or failure to act of the Surety under Section 4; and

§ 6.3 Liquidated damages, or if no liquidated damages are specified in the Construction Contract, actual damages caused by delayed performance or non-performance of the Contractor.

§ 7 The Surety shall not be liable to the Owner or others for obligations of the Contractor that are unrelated to the Construction Contract, and the Balance of the Contract Price shall not be reduced or set off on account of any such unrelated obligations. No right of action shall accrue on this Bond to any person or entity other than the Owner or its heirs, executors, administrators or successors.

§ 8 The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

§ 9 Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the location in which the work or part of the work is located and shall be instituted within two years after Contractor Default or within two years after the Contractor ceased working or within two years after the Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

§ 10 Notice to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the signature page.

§ 11 When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted here from and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

§ 12 DEFINITIONS

§ 12.1 Balance of the Contract Price: The total amount payable by the Owner to the Contractor under the Construction Contract after all proper adjustments have been made, including allowance to the Contractor of any amounts received or to be received by the Owner in settlement of insurance or other claims for damages to which the Contractor is entitled, reduced by all valid and proper payments made to or on behalf of the Contractor under the Construction Contract.

§ 12.2 Construction Contract: The agreement between the Owner and the Contractor identified on the signature page, including all Contract Documents and changes thereto.

§ 12.3 Contractor Default: Failure of the Contractor, which has neither been remedied nor waived, to perform or otherwise to comply with the terms of the Construction Contract.

§ 12.4 Owner Default: Failure of the Owner, which has neither been remedied nor waived, to pay the Contractor as required by the Construction Contract or to perform and complete or comply with the other terms thereof.

§ 13 MODIFICATIONS TO THIS BOND ARE AS FOLLOWS:

(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)

CONTRACTOR AS PRINCIPAL

SURETY

Company: (Corporate Seal)

Company: (Corporate Seal)

Signature: _____
Name and Title:
Address:

Signature: _____
Name and Title:
Address:

Payment Bond - #929410543

CONTRACTOR (Name and Address):

Wadsworth Golf Construction Company
600 N. 195th Avenue
Buckeye, AZ 85326

SURETY (Name and Principal Place of Business):

Western Surety Company
333 E Butterfield Road, Suite 810
Lombard, IL 60148

OWNER (Name and Address):

BRN Development, Inc.
P.O. Box 3070
Coeur d' Alene, ID 83816

CONSTRUCTION CONTRACT

Date: December 01, 2006

Amount: \$9,796,938.00

Description (Name and Location):

Black Rock North Golf Course
West Rockford Bay Rd. and South Loffs Bay Rd.
Cour d' Alene, ID 83814

Construction of an 18 hole golf course and irrigation system.

BOND

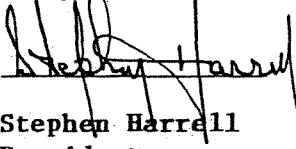
Date (Not earlier than Construction Contract Date): December 05, 2006

Amount: \$9,796,938.00

Modifications to this Bond: None See Last Page

CONTRACTOR AS PRINCIPAL

Company: (Corporate Seal)


Signature:
Name and Title: **Stephen Harrell**
President

(Any additional signatures appear on the last page)

SURETY

Company: (Corporate Seal)



Signature:
Name and Title: **William D. Miller,**
Attorney-in-fact

(FOR INFORMATION ONLY - Name, Address and Telephone)

AGENT or BROKER:

Mr. Robert W. Kegley
Columbian Agency
1005 Laraway Road - PO Box 39
New Lenox, IL 60451
815-485-4100

**OWNER'S REPRESENTATIVE (Architect,
Engineer or other party):**

Tom Weiskopf Designs
7580 E. Gray Road
Suite #204
Scottsdale, AZ 85206

§ 1 The Contractor and the Surety, jointly and severally bind themselves, their heirs, executors, administrators, successors and assigns to the Owner to pay for labor, materials and equipment furnished for use in the performance of the Construction Contract, which is incorporated herein by reference.

§ 2 With respect to the Owner, this obligation shall be null and void if the Contractor:

§ 2.1 Promptly makes payment, directly or indirectly, for all sums due Claimants, and

§ 2.2 Defends, indemnifies and holds harmless the Owner from claims, demands, liens or suits by any person or entity whose claim, demand, lien or suit is for the payment for labor, materials or equipment furnished for use in the performance of the Construction Contract, provided the Owner has promptly notified the Contractor and the Surety (at the address described in Section 12) of any claims, demands, liens or suits and tendered defense of such claims, demands, liens or suits to the Contractor and the Surety, and provided there is no Owner Default.

§ 3 With respect to Claimants, this obligation shall be null and void if the Contractor promptly makes payment, directly or indirectly, for all sums due.

§ 4 The Surety shall have no obligation to Claimants under this Bond until:

§ 4.1 Claimants who are employed by or have a direct contract with the Contractor have given notice to the Surety (at the address described in Section 12) and sent a copy, or notice thereof, to the Owner, stating that a claim is being made under this Bond and, with substantial accuracy, the amount of the claim.

§ 4.2 Claimants who do not have a direct contract with the Contractor:

- .1 Have furnished written notice to the Contractor and sent a copy, or notice thereof, to the Owner, within 90 days after having last performed labor or last furnished materials or equipment included in the claim stating, with substantial accuracy, the amount of the claim and the name of the party to whom the materials were furnished or supplied or for whom the labor was done or performed; and
- .2 Have either received a rejection in whole or in part from the Contractor, or not received within 30 days of furnishing the above notice any communication from the Contractor by which the Contractor has indicated the claim will be paid directly or indirectly; and
- .3 Not having been paid within the above 30 days, have sent a written notice to the Surety (at the address described in Section 12) and sent a copy, or notice thereof, to the Owner, stating that a claim is being made under this Bond and enclosing a copy of the previous written notice furnished to the Contractor.

§ 5 If a notice required by Section 4 is given by the Owner to the Contractor or to the Surety, that is sufficient compliance.

§ 6 When the Claimant has satisfied the conditions of Section 4, the Surety shall promptly and at the Surety's expense take the following actions:

§ 6.1 Send an answer to the Claimant, with a copy to the Owner, within 45 days after receipt of the claim, stating the amounts that are undisputed and the basis for challenging any amounts that are disputed.

§ 6.2 Pay or arrange for payment of any undisputed amounts.

§ 7 The Surety's total obligation shall not exceed the amount of this Bond, and the amount of this Bond shall be credited for any payments made in good faith by the Surety.

§ 8 Amounts owed by the Owner to the Contractor under the Construction Contract shall be used for the performance of the Construction Contract and to satisfy claims, if any, under any Construction Performance Bond. By the Contractor furnishing and the Owner accepting this Bond, they agree that all funds earned by the Contractor in the performance of the Construction Contract are dedicated to satisfy obligations of the Contractor and the Surety under this Bond, subject to the Owner's priority to use the funds for the completion of the work.

§ 9 The Surety shall not be liable to the Owner, Claimants or others for obligations of the Contractor that are unrelated to the Construction Contract. The Owner shall not be liable for payment of any costs or expenses of any Claimant under this Bond, and shall have under this Bond no obligations to make payments to, give notices on behalf of, or otherwise have obligations to Claimants under this Bond.

§ 10 The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

§ 11 No suit or action shall be commenced by a Claimant under this Bond other than in a court of competent jurisdiction in the location in which the work or part of the work is located or after the expiration of one year from the date (1) on which the Claimant gave the notice required by Section 4.1 or Section 4.2.3, or (2) on which the last labor or service was performed by anyone or the last materials or equipment were furnished by anyone under the Construction Contract, whichever of (1) or (2) first occurs. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

§ 12 Notice to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the signature page. Actual receipt of notice by Surety, the Owner or the Contractor, however accomplished, shall be sufficient compliance as of the date received at the address shown on the signature page.

§ 13 When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

§ 14 Upon request by any person or entity appearing to be a potential beneficiary of this Bond, the Contractor shall promptly furnish a copy of this Bond or shall permit a copy to be made.

§ 15 DEFINITIONS

§ 15.1 Claimant: An individual or entity having a direct contract with the Contractor or with a subcontractor of the Contractor to furnish labor, materials or equipment for use in the performance of the Contract. The intent of this Bond shall be to include without limitation in the terms "labor, materials or equipment" that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental equipment used in the Construction Contract, architectural and engineering services required for performance of the work of the Contractor and the Contractor's subcontractors, and all other items for which a mechanic's lien may be asserted in the jurisdiction where the labor, materials or equipment were furnished.

§ 15.2 Construction Contract: The agreement between the Owner and the Contractor identified on the signature page, including all Contract Documents and changes thereto.

§ 15.3 Owner Default: Failure of the Owner, which has neither been remedied nor waived, to pay the Contractor as required by the Construction Contract or to perform and complete or comply with the other terms thereof.

§ 16 MODIFICATIONS TO THIS BOND ARE AS FOLLOWS:

(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)

CONTRACTOR AS PRINCIPAL

Company: _____
(Corporate Seal)

Signature: _____
Name and Title:
Address:

SURETY

Company: _____
(Corporate Seal)

Signature: _____
Name and Title:
Address:

STATE OF Illinois
COUNTY OF Will ss.:

On this 5th day of December 2006, before me personally appeared William D. Miller, to me known, who, being by me duly sworn, did depose and say: that he reside(s) at New Lenox, Illinois; that he is/are the Attorney-in-fact of Western Surety Company, the corporation described in and which executed the annexed instrument; that he know(s) the corporate seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; that he signed the same name(s) thereto by like order; and that the liabilities of said corporation do not exceed its assets as ascertained in the manner provided by law.

Surety
Company
Acknowledgment



BOND-3768-A

Marcia Maxwell

(Notary Public in and for the above County and State)

My commission expires 03/29/2009

Western Surety Company

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That WESTERN SURETY COMPANY, a South Dakota corporation, is a duly organized and existing corporation having its principal office in the City of Sioux Falls, and State of South Dakota, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

**Kevin J Scanlon, William D Miller, Robert H Walker, R. L. Mc Wethy, Robert W. Kegley,
Individually**

of New Lenox, IL, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind it thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the corporation and all the acts of said Attorney, pursuant to the authority hereby given, are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law printed on the reverse hereof, duly adopted, as indicated, by the shareholders of the corporation.

In Witness Whereof, WESTERN SURETY COMPANY has caused these presents to be signed by its Senior Vice President and its corporate seal to be hereto affixed on this 27th day of October, 2006.



WESTERN SURETY COMPANY

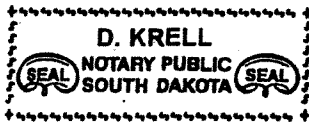
Paul T. Bruflat, Senior Vice President

State of South Dakota }
County of Minnehaha } ss

On this 27th day of October, 2006, before me personally came Paul T. Bruflat, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is the Senior Vice President of WESTERN SURETY COMPANY described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.

My commission expires

November 30, 2012



D. Krell, Notary Public

CERTIFICATE

I, L. Nelson, Assistant Secretary of WESTERN SURETY COMPANY do hereby certify that the Power of Attorney hereinabove set forth is still in force, and further certify that the By-Law of the corporation printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporation this 5th day of December, 2006



WESTERN SURETY COMPANY

L. Nelson, Assistant Secretary

2312

EXHIBIT 16

EXHIBIT 16

APPLICATION AND CERTIFICATION FOR PAYMENT

AIA DOCUMENT G702

TO OWNER: Black Rock Development, Inc.

912 Northwest Boulevard
P O Box 3070
Coeur D'Alene 83816

PROJECT:

Black Rock North Golf Course
Coeur d'Alene, ID

APPLICATION NO: 217-03

Distribution to:

<input checked="" type="checkbox"/>	OWNER
<input type="checkbox"/>	ARCHITECT
<input type="checkbox"/>	CONTRACTOR
<input type="checkbox"/>	
<input type="checkbox"/>	

FROM CONTRACTOR:

Wadsworth Golf Construction Co.
600 N. 195th Avenue
Buckeye, AZ 85326

VIA ARCHITECT:

Tom Weiskopf Signature Design
7580 E. Gray Road
Scottsdale, AZ 85254

PERIOD TO: 2/28/2007

APPLICATION DATE: 2/28/2007

PROJECT NOS: 217

CONTRACT FOR: Golf Course and Irrigation System Construction

CONTRACT DATE: 9/29/2006

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached.

1. ORIGINAL CONTRACT SUM	\$	9,712,668.00
2. Net change by Change Orders	\$	0.00
3. CONTRACT SUM TO DATE (Line 1 + 2)	\$	9,712,668.00
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703)	\$	216,109.18
5. RETAINAGE:		
a. 10 % of Completed Work (Column D + E on G703)	\$	18,277.50
b. 0 % of Stored Material (Column F on G703)	\$	
Total Retainage (Lines 5a + 5b or Total in Column I of G703)	\$	18,277.50
6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total)	\$	197,831.68
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)	\$	155,497.50
8. CURRENT PAYMENT DUE	\$	42,334.18
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6)	\$	9,514,836.32

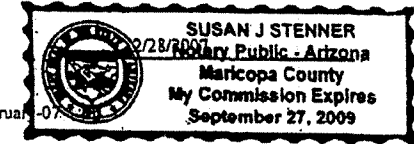
2314

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR:

By: Stephen Hahrell
Stephen Hahrell
State of Arizona County of Maricopa
Subscribed and sworn to before me this 28th day of February, 2007.
Notary Public: Susan J Stenner
My Commission expires 27-Sep-09

Date:



ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED: \$ _____

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)

By: _____ Date: _____

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner		
Total approved this Month	\$0.00	\$0.00
TOTALS	\$0.00	\$0.00
NET CHANGES by Change Order	\$0.00	

CONTINUATION SHEET

AIA DOCUMENT G703

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing
Contractor's signed certification is attached.

In tabulations below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO: 217-03

APPLICATION DATE: 02/28/07

PERIOD TO: 02/28/07

CONTRACTORS PROJECT NO: 217

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G		H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD		TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G + C)		
1	Mobilization	\$ 264,338.00	\$123,000.00	\$0.00	\$0.00	\$123,000.00	47%	\$141,338.00	\$12,300.00
2	Traffic Control	\$ 10,000.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$10,000.00	\$0.00
3	Clearing / Grubbing / Site Prep	\$ 10,000.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$10,000.00	\$0.00
4	Mass Grading - Main Site	\$ 45,000.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$45,000.00	\$0.00
5	Mass Grading - Panhandle Site	\$ 30,000.00	\$10,000.00	\$0.00	\$0.00	\$10,000.00	33%	\$20,000.00	\$1,000.00
6	Lake Construction	\$ 231,465.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$231,465.00	\$0.00
7	Erosion Control	\$ 279,075.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$279,075.00	\$0.00
8	Supervision / Administration	\$ 196,000.00	\$17,500.00	\$10,000.00	\$0.00	\$27,500.00	14%	\$168,500.00	\$2,750.00
	Sand Cap Fairways	\$ 1,104,520.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$1,104,520.00	\$0.00
10	Topsoil Roughs	\$ 142,450.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$142,450.00	\$0.00
11	Topsoil Native Areas	\$ 72,100.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$72,100.00	\$0.00
12	Rough Shaping	\$ 297,060.00	\$22,275.00	\$0.00	\$0.00	\$22,275.00	7%	\$274,785.00	\$2,227.50
	Drainage								
13	4" Perforated Pipe - Fwys	\$ 340,200.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$340,200.00	\$0.00
14	4" Solid Pipe	\$ 120,395.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$120,395.00	\$0.00

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CONTINUATION SHEET

AIA DOCUMENT G703

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing Contractor's signed certification is attached.
 In tabulations below, amounts are stated to the nearest dollar.
 Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO: 217-03
 APPLICATION DATE: 02/28/07
 PERIOD TO: 02/28/07
 CONTRACTORS PROJECT NO: 217

A ITEM NO	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G		H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD		TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G + C)		
15	6" Solid Pipe	\$ 11,115.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$11,115.00	\$0.00
16	8" Solid Pipe	\$ 4,020.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$4,020.00	\$0.00
17	10" Solid Pipe	\$ 1,827.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$1,827.00	\$0.00
18	12" Drain Inlets	\$ 73,470.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$73,470.00	\$0.00
	Feature Construction								
19	Green Construction	\$ 642,709.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$642,709.00	\$0.00
20	Tee Construction	\$ 314,543.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$314,543.00	\$0.00
21	Bunker Construction	\$ 388,355.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$388,355.00	\$0.00
	Cart Path								
22	Subgrade Prep & Backfill	\$ 62,750.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$62,750.00	\$0.00
23	8' Wide Concrete	\$ 725,893.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$725,893.00	\$0.00
24	10' Wide Concrete	\$ 25,680.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$25,680.00	\$0.00
25	12' Wide Concrete	\$ 91,226.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$91,226.00	\$0.00
26	Concrete Wideouts	\$ 22,851.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$22,851.00	\$0.00
	Concrete Curb	\$ 63,525.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$63,525.00	\$0.00
28	Finish Shaping & Contouring	\$ 212,990.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$212,990.00	\$0.00
29	Rockpicking	\$ 46,700.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$46,700.00	\$0.00
30	Seedbed Preparation	\$ 320,045.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$320,045.00	\$0.00
31	Soil Amendments / Fertilizer	\$ 45,401.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$45,401.00	\$0.00
	Grassing								

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CONTINUATION SHEET

AIA DOCUMENT G703

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing

Contractor's signed certification is attached.

In tabulations below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO: 217-03

APPLICATION DATE: 02/28/07

PERIOD TO: 02/28/07

CONTRACTORS PROJECT NO: 217

2317

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G		H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD		TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G + C)		
32	Tee Grassing	\$ 17,214.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$17,214.00	\$0.00
33	Green Grassing	\$ 15,242.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$15,242.00	\$0.00
34	Fairway Grassing	\$ 129,551.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$129,551.00	\$0.00
35	Rough Grassing	\$ 51,185.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$51,185.00	\$0.00
36	Native Grassing	\$ 174,930.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$174,930.00	\$0.00
37	Sodding	\$ 380,500.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$380,500.00	\$0.00
38	Rock Retaining Walls	\$ 133,488.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$133,488.00	\$0.00
39	Irrigation System	\$ 2,405,035.00	\$0.00	\$0.00	\$33,334.18 **	\$33,334.18	1%	\$2,371,700.82	(\$0.00)
40	Pump Station	\$ 209,820.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$209,820.00	\$0.00
GRAND TOTALS		\$ 9,712,668.00	\$172,775.00	\$10,000.00 (\$1,000.00) \$9,000.00	\$33,334.18	\$216,109.18	2.23%	\$9,496,558.82	\$18,277.50

Users may obtain validation of this document by requesting of the license a completed AIA Document D401 - Certification of Document's Authenticity

** Indicates: No retainage on stored materials.

job # 217

BLACK ROCK NORTH GOLF COURSE
IRRIGATION SYSTEM

February 28.2007

We are provided backup for our billing under contrace Line 39 Irrigation System Materials.

Vendor	Invoice#	Date	Amount
Precision Irrigation	2057REV	2/19/2007	\$33,334.18

SOUTHWEST
 600 N. 195th Avenue
 Buckeye AZ 85326
 (623) 853-9100

DATE 2/19/2007
 JOB NO. 217
 STATEMENT NO. 2057REV
 PAYMENT NO.

TO: Precision Irrigation
 7205-E. Southern Ave.
 (Suite #112)
 Mesa, Arizona 85208
 Tel: 480-830-4332

CONTRACT
 ADDITIONS
 DEDUCTIONS
 NET CONTRACT \$ 33,334.18
 BILLED PREVIOUS
 THIS P.O.

RE: 24vac Control Wire Sale (for Black Rock Golf Course/Coeur D'Alene, Idaho)

Quantity	Item	Unit	Extension
35000	#12/1 PE V	0.07549	2642.16
40000	#12/1 PE E	0.07549	3019.62
55000	#12/1 PE C	0.07549	4151.97
			0.00
42500	#14/1 PE C	0.05601	2380.43
182500	#14/1 PE Y	0.05600	10220.00
195000	#14/1 PE F	0.05600	10920.00
		Total An	33334.18

BALANCE DUE THIS INVOICE:	\$	33,334.18
---------------------------	----	-----------

CONDITIONAL WAIVER AND RELEASE ON PROGRESS PAYMENT
(Pursuant to A.R.S. § 33-1008)

Project: Ridge Creek Golf Course
Job No: 217-03

On receipt by the undersigned of a check from Black Rock Development, Inc
(Maker of Check)
in the sum of \$42,334.18 payable to Wadsworth Golf Construction Company
(Amount of Check) *(Payee or Payees of Check)*

and when the check has been properly endorsed and has been paid by the bank on which it was drawn, this document becomes effective to release any mechanics' lien, any state or federal statutory bond right, and private bond right, any claim for payment and any rights under any similar ordinance, rule or statute related to claim or payment rights for persons in the undersigned's position that the undersigned has on the job of Black Rock North Golf Course

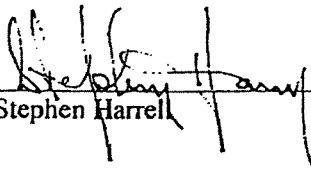
(Owner)

located at Black Rock North Golf Course in Coeur D' Alene, ID(job Description) to the following extent. This release covers a progress payment for all labor, services, equipment or materials furnished to that jobsite or to Black Rock North Golf Course Person with whom Undersigned Contracted) through February 28,2007 only and does not cover any retention, pending modifications and changes (Date) or items furnished after that date. Before any recipient of this document relies on it, that person should verify evidence of payment to the undersigned.

The undersigned warrants that he either has already paid or will use the monies he receives from this progress payment to promptly pay in full all of his laborers, subcontractors, materialmen and suppliers for all work, materials, equipment or services provided for or to the above referenced project up to the date of this waiver.

DATED: February 28, 2007

Wadsworth Golf Construction Company
(Company Name)

BY: 
Stephen Harrell

President

(Title)

1 Q. Okay.

2 A. Less the percent of retainage, equals the
3 total amount earned less retainage. But that's
4 between multiple pay applications. So you subtract
5 out the previous payments made, that is the balance
6 due.

7 Q. Who would do that at Black Rock? Who
8 would -- who would figure out that the gross amount
9 of revised application number 2 was \$130,275? Is
10 that something you would figure out?

11 A. Yeah. Yeah. Typically, I would review
12 this and figure out what the amount of the bill was
13 for. This is -- I think because it's revised, it's
14 confusing, and I don't recall that it's normally
15 that hard to find this month's total number.

16 Q. Okay.

17 A. But I'd have to compare it to another pay
18 application to be sure.

19 Q. Let's look at Exhibit 63, page 373.

20 A. (Viewing documents.) Okay.

21 Q. And this would be the third application
22 for payment?

23 A. Uh-huh.

24 MR. LAYMAN: Is that a yes, Kyle?

25 THE WITNESS: Yes. Well, this is actually

1 the fourth application for payment, if you count the
2 revised number 2.

3 Q. (By Mr. Anson) Okay.

4 A. Actually, it would be the fifth, if you
5 count the zero invoice as well.

6 Q. But it's numbered as if it would be the
7 third.

8 A. Correct.

9 Q. And do you have a copy of page 373 in your
10 documents?

11 A. (Viewing documents.) In the documents
12 that were produced today?

13 Q. Yes, were produced --

14 A. No.

15 Q. Okay. Do you know if there is a copy of
16 page 373 anywhere with Black Rock today?

17 A. I don't know. I would assume if we had
18 it, it was produced, you know, to American Bank in
19 Wadsworth's previous requests.

20 Q. The first page of Exhibit 75 reflects the
21 third invoice, 217-03, in the amount of \$42,334.

22 The -- was there any retainage on this third
23 invoice?

24 A. (Viewing documents.) Yes.

25 Q. And how much retainage?

1 A. It looks like a thousand dollars.

2 **Q. And where do you see that?**

3 A. On page 376 at Exhibit 63. This invoice
4 consisted of \$10,000 billed this period for
5 supervision and administration, which has the -- at
6 the very last page there, they deduct a thousand for
7 retainage.

8 **Q. Okay.**

9 A. So the total of 9. And then if you look
10 over just to the next column to your right,
11 33,334.18, that is the bill for material stored on
12 site, and that there was no retainage on stored
13 materials, so there was not retainage on that
14 amount. So if you put that with the \$9,000, that
15 should be the 42 that they're billing for,
16 42,334.18.

17 **Q. On your computerized -- or computer-**
18 **generated sheet that's the first page of Exhibit 75.**

19 A. Uh-huh.

20 **Q. The third item down shows the 42,334.**

21 A. Correct.

22 **Q. And below that, item 4, shows a thousand**
23 **dollars. And then if you look across for the fourth**
24 **one, it appears to fall on to the retainage?**

25 A. Correct.

1 Q. Why was it entered that way as opposed to
2 the way that --

3 A. The previous ones were?

4 Q. Yeah.

5 A. I don't know, honestly.

6 Q. Okay.

7 A. It appears to me maybe someone forgot to
8 deal with the retainage when they first entered it,
9 and so they had to make another entry to make sure
10 that it balanced. But I don't know.

11 Q. Okay. And now I'd like to direct your
12 attention to page 379 of Exhibit 63.

13 A. (Viewing documents.)

14 Q. Do you see that page?

15 A. Uh-huh.

16 Q. And it's another Conditional Waiver and
17 Release on Progress Payment?

18 A. Uh-huh.

19 Q. And it is not a document that you have
20 produced in response to the Wadsworth requests for
21 production; is that correct?

22 A. I don't know. I haven't kept track of
23 every document we have produced, honestly.

24 Q. I know. It's not there.

25 A. Okay. It may be in this stuff.

1 Q. Okay.

2 A. (Viewing documents.) I'm not seeing it in
3 there.

4 Q. Okay. Do you recall getting page 379?

5 A. Not specifically.

6 Q. But what we do know is that the third
7 application was made to Wads -- by Wadsworth to
8 Black Rock; that Wadsworth records indicate that
9 page 379, being the Conditional Waiver, was sent to
10 Black Rock, and we know that Black Rock paid that
11 application.

12 A. Uh-huh.

13 Q. And it's your testimony that a payment
14 would not be made unless it had a lien waiver?

15 A. That's correct. And that was our policy.

16 Q. And had page 379 accompanied this third
17 application, which is pages 373, 374, 375 and 376,
18 you would have sent that on to accounting?

19 A. Correct.

20 Q. That would be your practice?

21 A. Well, I would -- I would review the
22 invoice and make sure the invoice amounts were
23 correct, and I had a corrected copy of the invoice,
24 that I agreed with the amounts billed, and forward
25 that on for payment.

1 Q. Okay.

2 A. And -- and if there was a lien waiver
3 attached or not, I wouldn't specifically have known.
4 I would have forwarded that to my administrative
5 assistant to make sure -- and accounting was our
6 stopgap -- to make sure that it got --

7 Q. Okay. So when an application came -- I'm
8 just trying to understand --

9 A. Sure.

10 Q. -- your testimony. When an application
11 came in, you did not specifically review it to see
12 if a lien waiver was attached; is that correct?

13 A. That is correct.

14 Q. All right. Sometimes you would notice
15 one, sometimes --

16 A. Right. Right.

17 Q. -- you wouldn't? But you -- your concern
18 was with the numbers set forth in the application.

19 A. Correct. That the billed amounts were
20 correct, corresponding to the work on site.

21 Q. Now, the -- I'd like you to -- to review
22 pages 380 through 395 of Exhibit 63.

23 A. I'm sorry?

24 Q. 380 through 395.

25 A. Okay.

1 Q. Can you identify what these pages are?

2 A. This appears to be pay request 217-04.

3 Q. Which would be -- if we don't count the
4 one with the zero amount and we count the revised
5 number 2, but not the original number 2, it would be
6 the fourth payment request?

7 A. Correct.

8 Q. You do not appear to have a copy of these
9 pages in the documents you produced today.

10 A. Of these pages?

11 Q. Correct. 380 through --

12 A. 395?

13 Q. -- 395.

14 A. In the stuff we have produced today, no.

15 Q. Okay.

16 A. Although -- I'm sorry. Let me correct
17 that. We do have part of this stuff in here in what
18 we have produced today.

19 Q. Could you show me?

20 A. Sure. We have -- from pages -- I believe
21 it's from page 385 to 395 are included within our
22 production today.

23 Q. Could you that point those out to me?

24 A. Yeah. Let's see. Those would be -- it
25 looks like they end on 595, so it should be 585, if

1 the numbers are right, correct?

2 **Q. You lost me, but...**

3 A. Yes. It's pages 585 to 595 on BRN's
4 production, are the same as 385 through 395 on your
5 production.

6 **Q. Okay.**

7 A. Or exhibits.

8 **MR. LAYMAN:** I'm sorry. Which pages?

9 **THE WITNESS:** 3 -- this is -- 585 is ours,
10 585 to 595 on BRN is the same as 385 to 395 on the
11 exhibits from Wadsworth.

12 **MR. ANSON:** Okay.

13 **MR. LAYMAN:** And for clarification, in the
14 previous lien waiver, the -- Black Rock, in this
15 production, didn't appear to have the one that was
16 produced from Wadsworth, but in the file they
17 produced, there is a Conditional Lien Waiver on page
18 536, that was Black --

19 **MR. ANSON:** Pardon me?

20 **MR. LAYMAN:** There is a Conditional Lien
21 Waiver, Release and Subordination on Black Rock on
22 536 that corresponds to that payment app.

23 **MR. ANSON:** Oh, okay.

24 **THE WITNESS:** The 217-03.

25 **Q. (By Mr. Anson) Well, let me ask you this:**

1 I'd like you to compare page 536 of Exhibit 75 with
2 page 379 of Exhibit 63.

3 A. Okay.

4 Q. Page 379 of Exhibit 63 is entitled
5 Conditional Waiver and Release on Progress Payment,
6 and it's dated February 28, 2007.

7 A. Uh-huh.

8 Q. And the Exhibit 536 is a Conditional Lien
9 Waiver, Release in Subordination that is on a
10 different form than page 379. Would you agree with
11 that statement?

12 A. Correct.

13 Q. And the form utilized on page 536 would
14 appear to be a Black Rock form?

15 A. That's correct.

16 Q. Do you know how it came to be that both
17 pages happen to be in existence, page 379 and page
18 536?

19 A. Not for certain, but I know that all our
20 invoices came with the lien waiver attached from
21 Wadsworth, which apparently they just pulled off
22 another golf course project, because they -- this
23 one didn't even change the name.

24 Q. Okay.

25 A. So they attached some waiver of theirs.

1 This was what we sent out as our attachment to the
2 contract, what we expected the waiver form to look
3 like. So, I -- I don't know -- I -- I know that
4 they sent in with their own lien waiver. Typically,
5 if there were revisions, adjustments, partial
6 payments or anything, we would send out our own
7 waiver to make sure that we had one, that
8 corresponded dollars and cents-wise. So I don't
9 know why there is two different ones here for the
10 same amount.

11 **MR. PETERMAN:** Excuse me, Ed. Could we
12 just make clear which one had the name of the
13 different golf course on it? Is that Exhibit --

14 **MR. ANSON:** Yeah. That -- that's page
15 379, being a part of Exhibit 63 of the Harrell
16 deposition.

17 **Q. (By Mr. Anson) Could that have been why**
18 **the second lien release was generated, because page**
19 **379 has got the name of a --**

20 **A.** Possible, yes.

21 **Q. -- (inaudible) golf course?**

22 **A.** Possible.

23 **Q. Who would have -- who would have prepared**
24 **page 536?**

25 **A.** Probably our accounting department. It

1 could have been Danette Harrington, my
2 administrative assistant, also. But -- but I would
3 normally expect that to come out of accounting, when
4 they were preparing to issue checks, and going
5 through to make sure they had the documents they
6 needed to issue payment.

7 **Q. Do you ever -- do you recall having any**
8 **conversations with anyone regarding these two pages?**

9 A. No.

10 **MR. ANSON:** Yeah, I know I forgot which
11 one of the page numbers it was.

12 **MR. PETERMAN:** You got Black Rock North
13 536 on Exhibit 75, and Exhibit 63 is 379.

14 **MR. ANSON:** Okay.

15 **MR. LAYMAN:** What was your first number?

16 **MR. PETERMAN:** 536.

17 **MR. LAYMAN:** Thank you.

18 **Q. (By Mr. Anson) Is today the first time**
19 **you have noticed that there are two different lien**
20 **release forms in the same amount of \$42,334?**

21 A. Yes.

22 **MR. LAYMAN:** For clarification, Exhibit
23 63, 379 was not in their file.

24 **MR. ANSON:** Okay.

25 **Q. (By Mr. Anson) Well, I'd like to direct**

EXHIBIT 17

EXHIBIT 17

2333

1 THE DEPOSITION OF MARSHALL CHESROWN, was
2 taken on behalf of the plaintiff on this 23rd day of
3 June, 2010, at the law offices of Winston & Cashatt,
4 Spokane, Washington, before M & M Court Reporting
5 Service, Inc., by Patricia L. Pullo, Court Reporter and
6 Notary Public within and for the State of Washington,
7 to be used in an action pending in the District Court
8 of the First Judicial District of the State of Idaho,
9 in and for the County of Kootenai, said cause being
10 Case No. CV 09-2619 in said Court.

11 (Whereupon, Deposition Exhibit No. 171 was
12 marked for identification.)

13 AND THEREUPON, the following testimony was
14 adduced, to wit:

15 MARSHALL CHESROWN,
16 having been first duly sworn to tell the truth, the
17 whole truth, and nothing but the truth, relating to
18 said cause, deposes and says:

19 EXAMINATION

20 QUESTIONS BY MS. TELLESSEN:

21 Q. Good morning, Mr. Chesrown.

22 A. Good morning.

23 Q. My name is Elizabeth Tellessen. And I
24 represent American Bank in the matter of American
25 Bank v. BRN Development. And this is the time and

1 place set for the 30(b)(6) deposition of BRN
2 Development. And you have been designated as the
3 speaking agent with that entity; are you familiar with
4 that?

5 A. Yes.

6 Q. And you are a shareholder of BRN Development?

7 A. Yes.

8 Q. And what's your ownership percentage in that
9 entity?

10 A. I think currently it's about 56 percent.

11 Q. Who are the other owners or shareholders?

12 A. The other shareholders are Robert Samuel,
13 Roland Casati, and I believe that's in a trust, and
14 Ryker Young.

15 Q. Are you the majority shareholder?

16 A. Yes.

17 Q. And you're also the president of the entity?

18 A. Yes.

19 Q. And it's in your presidential capacity that
20 you appear today on behalf of BRN Development?

21 A. Yes.

22 Q. And you're authorized to speak on behalf of
23 BRN Development?

24 A. Yes.

25 Q. Are you authorized to speak on behalf of each

1 MR. ANSON: Let's mark these two exhibits.

2 (Whereupon, Deposition Exhibits Nos. 213 and
3 214 were marked for identification.)

4 MR. LAYMAN: Which one is the golden one?

5 MS. TELLESSEN: 213. And the other one is
6 214.

7 THE WITNESS: I'm out of the joke here, Ed,
8 so ...

9 MR. ANSON: Yeah. The joke's on Wadsworth.

10 BY MR. ANSON:

11 Q. I will represent to you that in connection
12 with Wadsworth's application for payment they would
13 either submit a lien release in the form depicted on
14 Exhibit 214 or, occasionally, when the amount paid to
15 Wadsworth was different than the amount of their
16 request, a lien release in the form depicted on Exhibit
17 213 would have been used.

18 Are you aware -- first of all, have you ever
19 seen either of these forms before?

20 A. Not to my knowledge. But like I said, I
21 mean, they could have been attached to a check or
22 something.

23 Q. As I believe Mr. -- who in your organization
24 would have checked on lien releases being furnished?

25 A. At that time, I mean, I don't know who was --

1 what accountant in our office was handling BRN. But we
2 kind of compartmentalized them by project. I'm not
3 sure of the actual person. But it would be, you
4 know -- I mean, a normal process. Kyle would approve
5 the payment of the invoice. The invoice would come in.
6 Before they issued the check, they'd get them a
7 release.

8 Q. Assuming my recollection is correct that
9 there was a bridge loan to BRN Development in December
10 of 2006, was the purpose of that loan to pay
11 outstanding construction costs?

12 A. Generally I would say yes. But obviously it
13 was funding to Black Rock North. It might have been
14 things that were already paid, you know, or need to be
15 paid, whatever. But they could have been construction
16 costs.

17 We've referred several times to this all
18 being used for construction costs. Well, there was
19 other operating expenses of BRN. And it might not be,
20 you know, qualified as construction costs.

21 But operating dollars, yes, it all went in as
22 operating capital. And at the time the lion's share of
23 that would be construction.

24 Q. Would it have mattered to you if in a request
25 for payment Wadsworth provided a lien release in the

1 form depicted on Exhibit 214?

2 MR. LAYMAN: Object to the form of the
3 question. Asking for a legal conclusion and beyond the
4 scope of this deposition.

5 BY MR. ANSON:

6 Q. Other than that, would you have minded if
7 Wadsworth used the form depicted on Exhibit 214?

8 A. I wouldn't have -- I wouldn't have been
9 asked. It's not something I did.

10 Q. Have you had any discussions with Mr. Samuel
11 as to whether he plans on purchasing the project in the
12 event American Bank ultimately brings this to a
13 foreclosure sale?

14 A. I personally have not.

15 Q. Do you know if Mr. Samuel is making
16 arrangements to purchase the property?

17 A. I believe so.

18 Q. Do you know if he has any partners in that
19 endeavor?

20 A. Not --

21 MR. LAYMAN: Don't guess.

22 THE WITNESS: Not by fact, no.

23 BY MR. ANSON:

24 Q. I think you testified that Mr. Samuel knew
25 somebody at American Bank?

EXHIBIT 18

EXHIBIT 18

2339

1 was kind of by feel. I don't know that the numbers had
2 shown that, but you could sense that there were problems
3 ahead.

4 Q. What made me ask the question. American Bank might be
5 more perceptive of those courses because you had golf
6 course-type loans over a broad geographical area, whereas
7 many lenders are just lending geographically, so they're
8 late to the party sometimes?

9 A. Yeah. And I'm not trying to poke Marshall by saying
10 this, but of the golf course loans we have, we only have one
11 in default, so, that's this one, if you call this a golf
12 course loan.

13 MR. LAYMAN: That's all the questions I have at this
14 time. Thank you.

15

16 EXAMINATION

17 BY MR. ANSON:

18 Q. I have some. My name's Ed Anson, and I represent
19 Wadsworth Golf Course Construction Company, also Precision
20 Irrigation, and the Turf Corporation.

21 You testified earlier that I believe in December of 2006
22 you and other bankers from the participant banks inspected
23 the property, is that correct?

24 A. Yes. And even one banker who didn't participate, Orion
25 Bank never participated, but they were on the tour, so to

1 speak.

2 Q. And there were people from Jackson State Bank and you
3 physically were on the property?

4 A. I was.

5 Q. What did the Black Rock North property look like?

6 A. It looked like it had undergone dirt work. I can
7 remember standing above what was to be a pond, a retention
8 pond of some sort that was going to irrigate the, the golf
9 course. I don't believe there was any water in it, but you
10 could tell that it was not a natural feature and it was
11 man-made. I can, I don't recall. There was so many of us,
12 as you may remember from some of Mr. Layman's questions,
13 that we were in, I think, three cars. And I don't recall
14 the guy who was driving our, the car I was in. It wasn't
15 Marshall, and it wasn't Chad Roundtree, but it was somebody
16 else, that he was explaining this was going to be that, kind
17 of gave us the, no pun intended, the lay of the land.

18 Q. How much work appeared to have been accomplished by that
19 time?

20 A. Cubic yards or, I mean, I can, what do you mean? I'm
21 not --

22 Q. How would you describe the amount of work that was
23 accomplished?

24 A. I would say at that point it was, if you will, rough
25 grading. You understand what I mean? There were big things

1 that had been moved, but it was, I don't know if there were
2 any trees on it. But there was, keep it in mind, we were
3 there in December, there wasn't very much vegetation, I do
4 remember that.

5 Q. Do you know why American Bank did not require a personal
6 guaranty from Bob Samuel?

7 A. I believe one of the documents that Mr. Layman showed me
8 was an E-mail from Mark Hendrickson to the prospective
9 participants that said Marshall said Bob Samuel will not
10 guarantee.

11 Q. Would the bank have required his guarantee?

12 A. We could have said we won't make the loan without your
13 guarantee, we could have said that.

14 Q. Why didn't the bank say that?

15 A. Because we didn't think it was necessary at that time.

16 Q. In response to a question about loan approval of the
17 loan by American Bank, you made a comment, which I may have
18 written down incorrectly. What I wrote down was, that you
19 might not have been in a position to stop the loan from
20 being made by American Bank. Do you recall a response of
21 that nature?

22 A. Well, I could have objected to the loan, if I had strong
23 negative feelings. Mark Hendrickson came to us from the
24 Jackson State Bank, which was at least twice as large as our
25 bank. He was the president of that bank, when he came to

EXHIBIT 19

EXHIBIT 19

2343

APPLICATION AND CERTIFICATION FOR PAYMENT

AIA DOCUMENT G702

TO OWNER: Black Rock Development, Inc.
 912 Northwest Boulevard
 P O Box 3070
 Coeur D'Alene 83816

PROJECT: Black Rock North Golf Course
 Coeur d'Alene, ID

APPLICATION NO: 217-04

Distribution to:
 OWNER
 ARCHITECT
 CONTRACTOR

FROM CONTRACTOR: Wadsworth Golf Construction Co.
 600 N. 195th Avenue
 Buckeye, AZ 85326

VIA ARCHITECT: Tom Weiskopf Signature Design
 7580 E. Gray Road
 Scottsdale, AZ 85254

PERIOD TO: 3/31/2007
 APPLICATION DATE: 3/28/2007

PROJECT NOS: 217

CONTRACT FOR: Golf Course and Irrigation System Construction

CONTRACT DATE: 9/29/2006

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached.

1. ORIGINAL CONTRACT SUM \$ 9,712,668.00
 2. Net change by Change Orders \$ 0.00
 3. CONTRACT SUM TO DATE (Line 1 + 2) \$ 9,712,668.00
 4. TOTAL COMPLETED & STORED TO DATE (Column G on G703) \$ 624,677.00

5. RETAINAGE:
 a. 10 % of Completed Work \$ 20,777.50
 (Column D + E on G703)
 b. 0 % of Stored Material \$
 (Column F on G703)
 Total Retainage (Lines 5a + 5b or Total in Column I of G703) \$ 20,777.50

6. TOTAL EARNED LESS RETAINAGE \$ 603,899.50
 (Line 4 Less Line 5 Total)

7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) \$ 197,831.68

8. CURRENT PAYMENT DUE \$ 406,067.82

9. BALANCE TO FINISH, INCLUDING RETAINAGE \$ 9,108,768.50
 (Line 3 less Line 6)

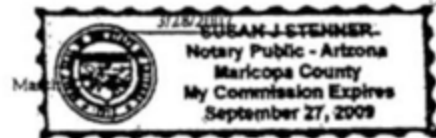
2344

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner		
Total approved this Month	\$0.00	\$0.00
TOTALS	\$0.00	\$0.00
NET CHANGES by Change Order	\$0.00	

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR:
 By: Stephen Hartell
 State of Arizona County of: Maricopa
 Subscribed and sworn to before me this 28 th day of September
 Notary Public: Susan J. Steiner
 My Commission expires: 27-Sep-09

Date:



ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)
 ARCHITECT:

By: _____ Date: _____

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

CONDITIONAL WAIVER AND RELEASE ON PROGRESS PAYMENT
(Pursuant to A.R.S. § 33-1008)

Project: Black Rock North Golf Course
Job No: 217-04

On receipt by the undersigned of a check from Black Rock Development, Inc
(Maker of Check)
in the sum of \$405067.82 payable to Wadsworth Golf Construction Company
(Amount of Check) *(Payee or Payees of Check)*

and when the check has been properly endorsed and has been paid by the bank on which it was drawn, this document becomes effective to release any mechanics' lien, any state or federal statutory bond right, and private bond right, any claim for payment and any rights under any similar ordinance, rule or statute related to claim or payment rights for persons in the undersigned's position that the undersigned has on the job of Black Rock North Golf Course

(Owner)

located at Black Rock North Golf Course in Coeur D' Alene, ID(job Description) to the following extent. This release covers a progress payment for all labor, services, equipment or materials furnished to that jobsite or to Black Rock North Golf Course Person with whom Undersigned Contracted) through March 31, 2007 only and does not cover any retention, pending modifications and changes (Date) or items furnished after that date. Before any recipient of this document relies on it, that person should verify evidence of payment to the undersigned.

The undersigned warrants that he either has already paid or will use the monies he receives from this progress payment to promptly pay in full all of his laborers, subcontractors, materialmen and suppliers for all work, materials, equipment or services provided for or to the above referenced project up to the date of this waiver.

DATED: March 31, 2007

Wadsworth Golf Construction Company
(Company Name)

BY: 
Stephen Harrell

President

(Title)

CONTINUATION SHEET

AIA DOCUMENT G703

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing Contractor's signed certification is attached.
 In tabulations below, amounts are stated to the nearest dollar.
 Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO: 217-04
 APPLICATION DATE: 03/28/07
 PERIOD TO: 03/31/07
 CONTRACTORS PROJECT NO: 217

2346

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G		H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD		TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G + C)		
1	Mobilization	\$ 264,338.00	\$123,000.00	\$0.00	\$0.00	\$123,000.00	47%	\$141,338.00	\$12,300.00
2	Traffic Control	\$ 10,000.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$10,000.00	\$0.00
3	Clearing / Grubbing / Site Prep	\$ 10,000.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$10,000.00	\$0.00
4	Mass Grading - Main Site	\$ 45,000.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$45,000.00	\$0.00
5	Mass Grading - Panhandle Site	\$ 30,000.00	\$10,000.00	\$0.00	\$0.00	\$10,000.00	33%	\$20,000.00	\$1,000.00
6	Lake Construction	\$ 231,465.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$231,465.00	\$0.00
7	Erosion Control	\$ 279,075.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$279,075.00	\$0.00
8	Supervision / Administration	\$ 196,000.00	\$27,500.00	\$10,000.00	\$0.00	\$37,500.00	19%	\$158,500.00	\$3,750.00
9	Sand Cap Fairways	\$ 1,104,520.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$1,104,520.00	\$0.00
10	Topsoil Roughs	\$ 142,450.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$142,450.00	\$0.00
11	Topsoil Native Areas	\$ 72,100.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$72,100.00	\$0.00
12	Rough Shaping	\$ 297,060.00	\$22,275.00	\$0.00	\$0.00	\$22,275.00	7%	\$274,785.00	\$2,227.50
	Drainage								
13	4" Perforated Pipe - Fwys	\$ 340,200.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$340,200.00	\$0.00
14	4" Solid Pipe	\$ 120,395.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$120,395.00	\$0.00

CONTINUATION SHEET

AIA DOCUMENT G703

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing

Contractor's signed certification is attached.

In tabulations below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO: 217-04

APPLICATION DATE: 03/28/07

PERIOD TO: 03/31/07

CONTRACTORS PROJECT NO: 217

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G		H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD		TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G + C)		
15	6" Solid Pipe	\$ 11,115.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$11,115.00	\$0.00
16	8" Solid Pipe	\$ 4,020.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$4,020.00	\$0.00
17	10" Solid Pipe	\$ 1,827.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$1,827.00	\$0.00
18	12" Drain Inlets	\$ 73,470.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$73,470.00	\$0.00
	Feature Construction								
19	Green Construction	\$ 642,709.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$642,709.00	\$0.00
20	Tee Construction	\$ 314,543.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$314,543.00	\$0.00
21	Bunker Construction	\$ 388,355.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$388,355.00	\$0.00
	Cart Path								
22	Subgrade Prep & Backfill	\$ 62,750.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$62,750.00	\$0.00
23	8' Wide Concrete	\$ 725,893.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$725,893.00	\$0.00
24	10' Wide Concrete	\$ 25,680.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$25,680.00	\$0.00
25	12' Wide Concrete	\$ 91,226.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$91,226.00	\$0.00
26	Concrete Wideouts	\$ 22,851.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$22,851.00	\$0.00
27	Concrete Curb	\$ 63,525.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$63,525.00	\$0.00
28	Finish Shaping & Contouring	\$ 212,990.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$212,990.00	\$0.00
29	Rockpicking	\$ 46,700.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$46,700.00	\$0.00
30	Seedbed Preparation	\$ 320,045.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$320,045.00	\$0.00
31	Soil Amendments / Fertilizer	\$ 45,401.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$45,401.00	\$0.00
	Grassing								

2347

CONTINUATION SHEET

AIA DOCUMENT G703

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Contractor's signed certification is attached.

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Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO: 217-04

APPLICATION DATE: 03/28/07

PERIOD TO: 03/31/07

CONTRACTORS PROJECT NO: 217

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G		H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD		TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G + C)		
32	Tee Grassing	\$ 17,214.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$17,214.00	\$0.00
33	Green Grassing	\$ 15,242.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$15,242.00	\$0.00
34	Fairway Grassing	\$ 129,551.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$129,551.00	\$0.00
35	Rough Grassing	\$ 51,185.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$51,185.00	\$0.00
36	Native Grassing	\$ 174,930.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$174,930.00	\$0.00
37	Sodding	\$ 380,500.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$380,500.00	\$0.00
38	Rock Retaining Walls	\$ 133,488.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$133,488.00	\$0.00
39	Irrigation System	\$ 2,405,035.00	\$33,334.18	\$15,000.00	\$383,567.82 **	\$431,902.00	18%	\$1,973,133.00	\$1,500.00
40	Pump Station	\$ 209,820.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$209,820.00	\$0.00
GRAND TOTALS		\$ 9,712,668.00	\$216,109.18	\$25,000.00 (\$2,500.00) \$22,500.00	\$383,567.82	\$624,677.00	6.43%	\$9,087,991.00	\$20,777.50

Users may obtain validation of this document by requesting of the license a completed AIA Document D401 - Certification of Document's Authenticity

** Indicates: No retainage on stored materials.

2348

BLACK ROCK NORTH GOLF COURSE
IRRIGATION SYSTEM MATERIALS BILLING BACK-UP
Contract Line 39
3/25/2007

VENDIR	INVOICE #	DATE	AMOUNT
FERGUSON MATERIALS	0617654	3/1/2007	\$9,667.20
HORIZON	1150509-2	03/22/07	\$21,898.38
HORIZON	1150509-00	03/22/07	\$100,519.19
HORIZON	1150507-01	03/09/07	\$72,634.17
HORIZON	1150507-03	03/13/07	\$3,819.39
HORIZON	1150507-00	03/09/07	\$149,310.83
HORIZON	1150507-02	03/09/07	\$1,909.70
HORIZON	1150509-01	03/08/07	\$23,808.96
			<u>\$383,567.82</u>

EXHIBIT 20

EXHIBIT 20

2351

BRN
0539

Wadsworth Golf Construction Co		BRN DEVELOPMENT, INC. COEUR D'ALENE, ID 83816		2256	
DATE	INVOICE NO.	DESCRIPTION	INVOICE AMOUNT	DEDUCTION	BALANCE
5-01-07	217-04		408567.82		406067.82
		<i>lion water work</i>			
CHECK DATE	5-08-07	CHECK NUMBER	2256	TOTALS	408567.82
					406067.82

EXHIBIT 21

EXHIBIT 21

2352

APPLICATION AND CERTIFICATION FOR PAYMENT

AIA DOCUMENT G702

TO OWNER: BRN Development, Inc. 912 Northwest Boulevard P O Box 3070 Coeur D'Alene 83816	PROJECT: Black Rock North Golf Course Coeur d'Alene, ID	APPLICATION NO: 217-05	Distribution to: <input checked="" type="checkbox"/> OWNER <input type="checkbox"/> ARCHITECT <input type="checkbox"/> CONTRACTOR
FROM CONTRACTOR: Wadsworth Golf Construction Co. 600 N. 195th Avenue Buckeye, AZ 85326	VIA ARCHITECT: Tom Weiskopf Signature Design 7580 E. Gray Road Scottsdale, AZ 85254	PERIOD TO: 5/31/2007 APPLICATION DATE: 5/29/2007	
CONTRACT FOR: Golf Course and Irrigation System Construction		PROJECT NOS: 217	
		CONTRACT DATE: 9/29/2006	

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached.

1. ORIGINAL CONTRACT SUM	\$	9,796,938.00
2. Net change by Change Orders	\$	488,907.14
3. CONTRACT SUM TO DATE (Line 1 + 2)	\$	10,285,845.14
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703)	\$	881,184.38
5. RETAINAGE:		
a. 10 % of Completed Work (Column D + E on G703)	\$	25,550.00
b. 0 % of Stored Material (Column F on G703)	\$	
Total Retainage (Lines 5a - 5b or Total in Column I of G703)	\$	25,550.00
6. TOTAL BARNED LESS RETAINAGE (Line 4 Less Line 5 Total)	\$	855,634.38
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)	\$	603,899.50
8. CURRENT PAYMENT DUE	\$	251,734.88
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6)	\$	9,430,210.76

23553

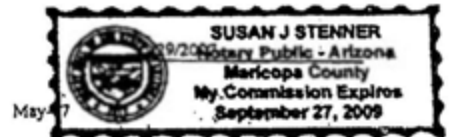
CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$68,172.00	\$0.00
Total approved this Month CO #2 & #3	\$420,735.14	\$0.00
TOTALS	\$488,907.14	\$0.00
NET CHANGES by Change Order	\$488,907.14	

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR:

By: Stephen Hartell
 State of: Arizona County of: Maricopa
 Subscribed and sworn to before me this 29th day of September
 Notary Public: Susan J Stenner
 My Commission expires: 26 Sep 09

Date:



ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED: \$ _____

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)
 ARCHITECT:

By: _____ Date: _____

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

CONTINUATION SHEET

AIA DOCUMENT G703

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing Contractor's signed certification is attached.

In tabulations below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO: 217-05
 APPLICATION DATE: 05/29/07
 PERIOD TO: 05/31/07
 CONTRACTORS PROJECT NO: 217

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G		H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD		TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G + C)		
1	Mobilization	\$ 264,338.00	\$123,000.00	\$15,000.00	\$0.00	\$138,000.00	52%	\$126,338.00	\$13,800.00
2	Traffic Control	\$ 10,000.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$10,000.00	\$0.00
3	Clearing / Grubbing / Site Prep	\$ 10,000.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$10,000.00	\$0.00
4	Mass Grading - Main Site	\$ 45,000.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$45,000.00	\$0.00
5	Mass Grading - Parhandle Site	\$ 30,000.00	\$10,000.00	\$5,000.00	\$0.00	\$15,000.00	50%	\$15,000.00	\$1,500.00
6	Lake Construction	\$ 231,465.00	\$0.00	\$0.00	\$60,369.00 **	\$60,369.00	26%	\$171,096.00	\$0.00
7	Erosion Control	\$ 279,075.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$279,075.00	\$0.00
8	Supervision / Administration	\$ 196,000.00	\$37,500.00	\$15,000.00	\$0.00	\$52,500.00	27%	\$143,500.00	\$5,250.00
9	Sand Cap Fairways	\$ 1,188,790.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$1,188,790.00	\$0.00
10	Topsoil Roughs	\$ 142,450.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$142,450.00	\$0.00
11	Topsoil Native Areas	\$ 72,100.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$72,100.00	\$0.00
12	Rough Shaping	\$ 297,060.00	\$22,275.00	\$12,725.00	\$0.00	\$35,000.00	12%	\$262,060.00	\$3,500.00
	Drainage								
13	4" Perforated Pipe - Fwys	\$ 340,200.00	\$0.00	\$0.00	\$11,533.60 **	\$11,533.60	3%	\$328,666.40	\$0.00
14	4" Solid Pipe	\$ 120,395.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$120,395.00	\$0.00
15	6" Solid Pipe	\$ 11,115.00	\$0.00	\$0.00	\$1,989.00 **	\$1,989.00	18%	\$9,126.00	\$0.00
16	8" Solid Pipe	\$ 4,020.00	\$0.00	\$0.00	\$1,088.00 **	\$1,088.00	27%	\$2,932.00	\$0.00

2354

CONTINUATION SHEET

AIA DOCUMENT G703

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Contractor's signed certification is attached.

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Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO: 217-05

APPLICATION DATE: 05/29/07

PERIOD TO: 05/31/07

CONTRACTORS PROJECT NO: 217

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G		H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD		TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G + C)		
17	10" Solid Pipe	\$ 1,827.00	\$0.00	\$0.00	\$527.80 **	\$527.80	29%	\$1,299.20	\$0.00
18	12" Drain Inlets	\$ 73,470.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$73,470.00	\$0.00
	Feature Construction								
19	Green Construction	\$ 642,709.00	\$0.00	\$0.00	\$43,248.48 **	\$43,248.48	7%	\$599,460.52	(\$0.00)
20	Tee Construction	\$ 314,543.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$314,543.00	\$0.00
21	Bunker Construction	\$ 388,355.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$388,355.00	\$0.00
	Cart Path								
	Subgrade Prep & Backfill	\$ 62,750.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$62,750.00	\$0.00
	8' Wide Concrete	\$ 725,893.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$725,893.00	\$0.00
24	10' Wide Concrete	\$ 25,680.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$25,680.00	\$0.00
25	12' Wide Concrete	\$ 91,226.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$91,226.00	\$0.00
26	Concrete Wideouts	\$ 22,851.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$22,851.00	\$0.00
27	Concrete Curb	\$ 63,525.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$63,525.00	\$0.00
	Finish Shaping & Contouring	\$ 212,990.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$212,990.00	\$0.00
29	Rockpicking	\$ 46,700.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$46,700.00	\$0.00
30	Seedbed Preparation	\$ 320,045.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$320,045.00	\$0.00
31	Soil Amendments / Fertilizer	\$ 45,401.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$45,401.00	\$0.00
	Grassing								
32	Tee Grassing	\$ 17,214.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$17,214.00	\$0.00
33	Green Grassing	\$ 15,242.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$15,242.00	\$0.00
34	Fairway Grassing	\$ 129,551.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$129,551.00	\$0.00
35	Rough Grassing	\$ 51,185.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$51,185.00	\$0.00

CONTINUATION SHEET

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APPLICATION NO: 217-05

APPLICATION DATE: 05/29/07

PERIOD TO: 05/31/07

CONTRACTORS PROJECT NO: 217

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G		H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD		TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G + C)		
36	Native Grassing	\$ 174,930.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$174,930.00	\$0.00
37	Sodding	\$ 380,500.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$380,500.00	\$0.00
38	Rock Retaining Walls	\$ 133,488.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$133,488.00	\$0.00
39	Irrigation System	\$ 2,405,035.00	\$431,902.00	\$0.00	\$0.00 **	\$431,902.00	18%	\$1,973,133.00	\$1,500.00
40	Pump Station	\$ 209,820.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$209,820.00	\$0.00
41	Change Order #1								
	a. Add Sand mat 400 Bunker Liner for bunker faces (49,630 sf @ \$1.36/sf)	\$ 67,497.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$67,497.00	\$0.00
	b. Bond (1%)	\$ 675.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$675.00	\$0.00
42	Change Order #2								
	a. Construct timber "boardwalk style" wood bridges per proposal letter attached hereto: 1,400 lf @ \$430.00 lf	\$ 612,000.00	\$0.00	\$0.00	\$90,026.50 **	\$0.00	0%	\$612,000.00	\$0.00
	b. Bond (1%)	\$ 6,120.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$6,120.00	\$0.00
	c. Fuel Service Charge - Material	\$ 1,908.14	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$1,908.14	\$0.00
43	Change Order #3								
	a. Credit contract price for pump station.	\$ (209,820.00)	\$0.00	\$0.00	\$0.00	\$0.00	0%	(\$209,820.00)	\$0.00
	b. Cost to set irrigation and landscape pump skids.	\$ 12,500.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$12,500.00	\$0.00
	c. Deduct Bond	\$ (1,973.00)	\$0.00	\$0.00	\$0.00	\$0.00	0%	(\$1,973.00)	\$0.00

2356

CONTINUATION SHEET

AIA DOCUMENT G703

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing

Contractor's signed certification is attached.

In tabulations below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO: 217-05

APPLICATION DATE: 05/29/07

PERIOD TO: 05/31/07

CONTRACTORS PROJECT NO: 217

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G		H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD		TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G + C)		
	GRAND TOTALS	\$ 10,285,845.14	\$624,677.00	\$47,725.00 (\$4,772.50) \$42,952.50	\$208,782.38	\$791,157.88	7.69%	\$9,494,687.26	\$25,550.00

Users may obtain validation of this document by requesting of the license a completed AIA Document D401 - Certification of Document's Authenticity

** Indicates: No retainage on stored materials.

2357



S.I. Storey
LUMBER COMPANY, INC.

Invoice Number: C-06110A

INVOICE

Sold To:

Ship To:

Wadsworth Golf Construction Of The Southwest
600 North 195th Ave
Buckeye, AZ 85326

Black Rock North Golf Course
22093 S. Loffs Bay Rd.
Coeur d'Alene, Idaho 83814-8661

Customer Quote No.	SIS No.	Salesperson	FOB	Disc %	Disc Days	Net Days	Date	Due
217-SLC1	061110	CRC	DEST	0	0	see below	5/3/2007	on receipt

Quantity	T		W		L (ft-in)	Description	Price	Extension
235	4	x	12	x	12	#1 Coastal DF; S4S; .50 Penta-A	11280	17,331.25
706	3	x	12	x	12	#1 Coastal DF; S4S; .50 Penta-A	25416	39,006.50
126	3	x	12	x	18	#1 Coastal DF; S4S; .50 Penta-A	6804	12,064.50
1764	3	x	8	x	12	#1 Coastal DF; S4S; .50 Penta-A No Wane	42336	66,591.00
186	6	x	6	x	16	Sel. Str. Coastal DF; S4S; .50 Penta-A No Wane	8928	16,554.00
330			9" Butt	x	16	ASTM D25 SYP Piling; .80 CCA	25740	18,315.00
						Material SubTotal		169,862.25
3						Freight Charge (Piling)	5,090.00	15,270.00
8						Freight Charge (Lumber)	1,000.00	8,000.00
						Fuel Surcharge	2.81	1,908.14
						25740	120504	195,040.39
						94764	Paid to date	0.00
							Balance	195,040.39
							Due	84,931.13

Special Instructions / Notes

A Fuel Surcharge will be added to the above freight charge and will be calculated as follows:
For each \$0.05/gal or fraction thereof in cost differential between the current D.O.E. US average for diesel fuel and bas amount of \$2.40/gal., a one percent fuel surcharge will be added at the time of invoice.
The current surcharge is shown for reference.

Terms: 50% of material subtotal due on order; 40% material subtotal and 100% freight due prior to shipment;
10% material subtotal due 30 days after final delivery.

Remit to:
S.I. Storey Lumber Company, Inc.
P.O. Box 99
Armuchee, GA 30105

For questions pertaining to this invoice
contact Charles Coleman @ 706-234-1605

Legal Conditions

.. any dispute arises from or is related to the purchase of any goods, products, lumber or services received from Seller or if Seller finds it necessary to initiate a lawsuit for the collection of any amount owing to Seller arising from the sale of any goods, products, lumber or services then the Purchaser and Seller do hereby expressly consent to the jurisdiction and venue of the State Courts of Floyd County, Georgia.



THE MOST ADVANCED NAME IN DRAINAGE SYSTEMS

www.ads-pipe.com
51-0105665

PMT. DUE DATE Jun 08, 2007
PMT. DUE \$8,002.80

CUST. NO. 137386
CORP. CUST. NO. 1113
SHIP DATE May 09, 2007
FOR 33 ADS WASHOUGAL

INVOICE DATE May 09, 2007
INVOICE NO. 13450566

ORDER NO. 249933
CUST. ORDER NO. 217-ADS1
SALES NO. 7130
SHIP TO

SOLD TO:



Wadsworth Golf Corp.
600 N 195th Ave
Buckeye AZ 85326-9738

WW/BLACK ROCK NORTH GC
WADSWORTH GOLF
22093 S. LOFFS BAY ROAD
COEUR D' ALENE ID 83814

TERMS Net 30
SOURCE CLP
DELIVERY POINT NO. 5517061 5517155

007 AZ KOO

QTY ORDERED	QTY SHIPPED	U/M	PRODUCT NUMBER	DESCRIPTION	UNIT PRICE	AMOUNT
35,360	2,720	FT	04110020	4"N12 PERF PIPE 100mm	0.590	1,604.80 57-1
1,300	1,300	FT	06150020	6"N12 SOLID PIPE 150mm	1.530	1,989.00 56-
400	400	FT	08150020	8"N12 SOLID PIPE 200mm	2.720	1,088.00
140	140	FT	10150020	10"N12 SOLID PIPE 250mm	3.770	527.80 L
35,360	4,480	FT	04110020	4"N12 PERF PIPE 100mm	0.590	2,643.20 57-
				Fuel Surcharge Per Shipment		150.00

INVOICE TOTAL \$8,002.80

TO SET UP RECEIVING FUTURE INVOICES VIA EMAIL OR IF YOU HAVE QUESTIONS RELATED TO THIS INVOICE, PLEASE CALL 800-658-2809 OR FAX 877-420-8513. INQUIRIES MUST BE SUBMITTED WITHIN 30 DAYS FROM DATE OF INVOICE.

A 1.00 PERCENT PER MONTH (A RATE OF 12.00 PERCENT PER ANNUM) SERVICE CHARGE WILL BE BILLED ON PAST DUE AMOUNT. BUYER ACCEPTS ALL TERMS, CONDITIONS ON BOTH SIDES HEREOF. NONE OF WHICH MAY BE CHANGED BY BUYER. ACCEPTANCE OF ANY SHIPMENT BY BUYER IS AN ACCEPTANCE OF THE TERMS OF THIS DOCUMENT. NOTWITHSTANDING ANY TERMS OR CONDITIONS CONTAINED IN ANY ACKNOWLEDGEMENT OF RECEIPT FROM BUYER. SUBJECT TO TERMS AND CONDITIONS PRINTED ON REVERSE SIDE

MAY 14 2007
By _____

POSTED
MAY 17 2007

217 - - 1
SMK

SOUTHWEST
CODE 217-56-
CK. BY
VENDOR # 125
POSTED BY

PAYMENT COUPON

RETURN THIS PORTION WITH YOUR PAYMENT

CUST. NO. 137386
CORP. CUST. 1113
INVOICE NO. 13450566

PAYMENT DUE \$8,002.80
PAYMENT DUE DATE Jun 08, 2007

ADVANCED DRAINAGE SYSTEMS
PO Box 52855
Phoenix AZ 85072-2855

WADSWORTH GOLF CORP.
600 NORTH 195 AVENUE
BUCKEYE AZ 85326

2362

WGC-mt000405



ADVANCED DRAINAGE SYSTEMS, INC

1-800-733-8523

PAGE 1

THE MOST ADVANCED NAME IN DRAINAGE SYSTEMS

www.ads-pipe.com
51-0105665

PMT. DUE DATE Jun 01, 2007
PMT. DUE \$7,135.60

SOLD TO

WADSWORTH GOLF CORP.
600 NORTH 195 AVENUE
BUCKEYE AZ 85326

CUST NO 137386
CORP. CUST NO 1113
SHIP DATE May 02, 2007
ADS WASHOUGAL
F.O.B.

INVOICE DATE May 02, 2007
INVOICE NO. 13443555

ORDER NO. 249933
CUST ORDER NO. 217-ADS1
SALES NO. 7130

SHIP TO
WADSWORTH GOLF
22093 S. LOFFS BAY ROAD
COEUR D' ALENE ID 83814

TERMS Net 30
SOURCE CLP
DELVRY. RCPT. NO. 5517052

007 AZ KOO

QTY ORDERED	QTY SHIPPED	U/M	PRODUCT NUMBER	DESCRIPTION	UNIT PRICE	AMOUNT
35,360	11,840	FT	04110020	4"N12 PERF PIPE 100mm	0.590	6,985.60
2,584	2,584	EA	0412AA	4" SNAP COUPLING 24/BAG		
65	65	EA	0613AA	6"DW SNAP COUPLING 8/BAG		
20	20	EA	0813AA	8"DW SNAP CPLR 4/BAG		
7	7	EA	1013AA	10"DW SNAP CPLR 3/BAG		
				Fuel Surcharge Per Shipment		150.00

INVOICE TOTAL \$7,135.60

TO SET UP RECEIVING FUTURE INVOICES VIA EMAIL OR IF YOU HAVE QUESTIONS RELATED TO THIS INVOICE, PLEASE CALL 800-658-2809 OR FAX 877-420-8513. INQUIRIES MUST BE SUBMITTED WITHIN 30 DAYS FROM DATE OF INVOICE.

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SOUTHWEST
DE 217-56-1
BY [Signature]
NDOR # 125
STED BY

RECEIVED
MAY 09 2007
By

217-57 Sent to
SMY

POSTED
MAY 17 2007
MAY 15 2007

PAYMENT COUPON

RETURN THIS PORTION WITH YOUR PAYMENT

CUST NO. 137386
CORP. CUST. 1113
INVOICE NO. 13443555

PAYMENT DUE \$7,135.60
PAYMENT DUE DATE Jun 01, 2007

ADVANCED DRAINAGE SYSTEMS
PO Box 52855
Phoenix AZ 85072-2855

WADSWORTH GOLF CORP.
600 NORTH 195 AVENUE
BUCKEYE AZ 85326

2363

WGC-mt000406



ADVANCED DRAINAGE SYSTEMS, INC.

1-800-733-8523

PAGE 1

May 03, 2007

THE MOST ADVANCED NAME IN DRAINAGE SYSTEMS

INVOICE DATE 13443556
INVOICE NO.

www.ads-pipe.com

51-0105665

Jun 02, 2007

137386

249991

PMT. DUE DATE \$5,593.20

CUST NO. 1113

ORDER NO. 217-ADS2

PMT. DUE

CORP. CUST NO. May 03, 2007

CUST ORDER NO. 7130

SHIP DATE 03 ADS WASHOUGAL
F.O.B

SALES NO.

SOLD TO

SHIP TO
WADSWORTH GOLF
WADSWORTH GOLF
22093 S. LOFFS BAY ROAD
COEUR D' ALENE ID 83814

WADSWORTH GOLF CORP.
600 NORTH 195 AVENUE
BUCKEYE AZ 85326

TERMS Net 30
SOURCE CLP
DELVRY. RCPT. NO. 5517050

007 AZ KOO

QTY ORDERED	QTY SHIPPED	U/M	PRODUCT NUMBER	DESCRIPTION	UNIT PRICE	AMOUNT
320	320	EA	0421AA	4" SNAP TEE 8/BAG	2.700	864.00
550	550	EA	0422AA	4" WYE 5/BAG	4.580	2,519.00
150	150	EA	0445AA	4" 45 DEG ELBOW 15/BAG	2.380	357.00
270	270	EA	0490AA	4" 90 DEG ELBOW 10/BAG	3.350	904.50
680	680	EA	0432AA	4" SNAP END CAP 40/BAG	0.890	605.20
75	75	EA	0492AN	4" 22 1/2 DEG ELBOW	4.580	343.50

INVOICE TOTAL \$5,593.20

TO SET UP RECEIVING FUTURE INVOICES VIA EMAIL OR IF YOU HAVE QUESTIONS RELATED TO THIS INVOICE, PLEASE CALL 800-658-2809 OR FAX 877-420-8513. INQUIRIES MUST BE SUBMITTED WITHIN 30 DAYS FROM DATE OF INVOICE.

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Sent to Field

RECEIVED
MAY 09 2007
By _____

POSTED
MAY 17 2007

217-57-1
SMM
SMITHWES 2007
CODE 217-57-1
CK. BY [Signature]
VENDOR # 125
POSTED BY _____

PAYMENT COUPON

RETURN THIS PORTION WITH YOUR PAYMENT

CUST NO. 137386
CORP. CUST. 1113
INVOICE NO. 13443556

PAYMENT DUE \$5,593.20
PAYMENT DUE DATE Jun 02, 2007

ADVANCED DRAINAGE SYSTEMS
PO Box 52855
Phoenix AZ 85072-2855

WADSWORTH GOLF CORP.
600 NORTH 195 AVENUE
BUCKEYE AZ 85326

~DocumentEnd~

2364

WGC-mt000407

BLACK ROCK NORTH GOLF COURSE
GRAVEL FOR GREENS CONSTRUCTION

May 25, 2007

Back up for billing against contract line 19 Greens Construction-Materials

VENDOR	INVOICE #	DATE	AMOUNT
Atlas Sand and Rock	Various	May-07	1512.26 Ton @ \$24.90=\$37,655.28
			<u>\$37,655.27</u>

Colorado Lining International
1062 Singing Hills Road
Parker, CO 80138

INVOICE

Invoice#: 4247

Date: 05/23/2007

Due Date: 06/22/2007

PO#:

Ph 303-841-2022 Fx 303-841-5780

Billed To: Wadsworth Golf Construction SW
600 N. 195th Avenue
Buckeye AZ 85326

Project: Black Rock North GC

<i>Description</i>	<i>Quantity</i>	<i>Price</i>	<i>Amount</i>
30mil PVC	252,000.0000	0.226000	56,952.00

Notes:

*A service charge of 18% per annum will be charged on all amounts
overdue on regular statement dates. Please make checks payable
to Colorado Lining International and reference invoice number on check.
Note that on all returned orders there will be a restocking fee of 20%.*

Thank you for your prompt payment!

Sales Tax:	0.00
Retention	0.00
Balance Due	56,952.00
Invoice Total	56,952.00

2367

WGC-mt000410



SOUTHWEST

600 N. 195th Avenue ■ Buckeye, Arizona 85326 ■ 623/853-9100 ■ Fax 623/853-0217

June 29, 2007

Mr. Kyle Capps
BRN Development, Inc.
912 Northwest Boulevard
Coeur D'Alene 83816

Re: Black Rock North-Progress Billing

Dear Kyle;

Undercover of this letter is our progress billing for June 2007. Several billings for stored materials are included. No retention has been withheld from materials stored on site.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve", is written over the typed name.

Stephen Harrell
President

CONDITIONAL WAIVER AND RELEASE ON PROGRESS PAYMENT
(Pursuant to A.R.S. § 33-1008)

Project: Black Rock North Golf Course
Job No: 217 -05

On receipt by the undersigned of a check from BRN Development, Inc
(Maker of Check)
in the sum of \$251,734.88 payable to Wadsworth Golf Construction Company
(Amount of Check) *(Payee or Payees of Check)*

and when the check has been properly endorsed and has been paid by the bank on which it was drawn, this document becomes effective to release any mechanics' lien, any state or federal statutory bond right, and private bond right, any claim for payment and any rights under any similar ordinance, rule or statute related to claim or payment rights for persons in the undersigned's position that the undersigned has on the job of Black Rock North Golf Course

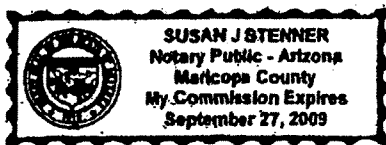
(Owner)

located at Black Rock North Golf Course in Coeur D' Alene, ID(job Description) to the following extent. This release covers a progress payment for all labor, services, equipment or materials furnished to that jobsite or to Black Rock North Golf Course Person with whom Undersigned Contracted) through May 31,2007 only and does not cover any retention, pending modifications and changes *(Date)* or items furnished after that date. Before any recipient of this document relies on it, that person should verify evidence of payment to the undersigned.

The undersigned warrants that he either has already paid or will use the monies he receives from this progress payment to promptly pay in full all of his laborers, subcontractors, materialmen and suppliers for all work, materials, equipment or services provided for or to the above referenced project up to the date of this waiver.

DATED: May 29, 2007

Wadsworth Golf Construction Company
(Company Name)



BY: Stephen Harrell
Stephen Harrell

President
(Title)

Notary Public Susan J Stenner
State of: Arizona
County of: Maricopa

On March 31, 2007, Stephen Harrell, personally appeared before me, whom I know personally to be the person who signed the above/attached document and he/she proved he/she signed it.