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**IN THE
SUPREME COURT
OF THE
STATE OF IDAHO**

Docket No. 38852

ALLEN F. GRAZER

Plaintiff/Appellant

vs.

LAW CLERK

GORDON A. JONES et al

Defendants/Respondents

DAVID C. NYE District Judge

Appealed from the District Court of the SIXTH
Judicial District of the State of Idaho, in and for

FRANKLIN County.

LINCOLN HOBBS

Attorney for Appellants

LANE V. ERICKSON

Attorney for Respondents

Filed this FILED - COPY day of July, 2011

AUG 26 2011

Clerk

Deputy

Supreme Court Clerk of Appellate
Entered on A.S. by

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Docket No. 38852

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FRANKLIN COUNTY CLERK

M. J. Roberts
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IN THE SIXTH JUDICIAL DISTRICT COURT
IN AND FOR FRANKLIN COUNTY, STATE OF IDAHO

ALLEN F. GRAZER, an individual,
Plaintiff,

v.

GORDON A. JONES, an individual; LINDA
G. JONES, an individual; J&J LIVESTOCK,
LLC, a Utah Limited Liability Company; and
John Does 1-10,
Defendants.

**MEMORANDUM IN SUPPORT OF
MOTION TO FILE SECOND AMENDED
COMPLAINT**

Civil No. CV-2005-183

Judge David C. Nye

By and through counsel, Plaintiff hereby submits his Memorandum in Support of his Motion to File Second Amended Complaint.

STATEMENT OF FACTS

1. Plaintiff, Allen F. Grazer ("Grazer") obtained a judgment against Gordon A. Jones in a Utah action entitled *Gordon Jones and Richard Barney v. Allen Grazer*, Second District Court, Davis County, Farmington Department, State of Utah, Case No. 020700570 CN ("the Judgment"). See Exhibit "B" to Proposed Second Amended Complaint.

2. Beginning immediately after the trial, Grazer began to discover that the defendants in the civil case had been transferring assets to insiders. On May 18, 2005 Grazer

filed a fraudulent transfer action in Utah for transfers occurring in that jurisdiction. *See* Exhibit “C” to Proposed Second Amended Complaint. On May 11, 2005 Grazer filed this action for transfers occurring in Idaho. *See* Complaint dated May 11, 2005.

3. On May 13, 2005, a Lis Pendens was recorded in the Office of the Franklin County Recorder as Entry No. 229796 in connection with the filing of this action and giving notice that the action “affects title to specific real property or the right to possession of specific real property as identified in the Complaint in this action (the Franklin County property”). The Lis Pendens further set forth the legal description of the property Franklin County property. *See* Exhibit “D” to Proposed Second Amended Complaint.

4. On August 5, 2005, Grazer filed a Notice of Filing Foreign Judgment which was recorded in the Office of the Franklin County Recorder as Entry No. 231394 and became a lien against the Franklin County property as of that date (the “Notice of Foreign Judgment”). *See* Exhibit “E” to Proposed Second Amended Complaint.

5. On August 12, 2005, Defendant Jason Jones recorded a Notice of Interest against the Franklin County property alleging that he claimed an interest therein “based upon improvements made, payments made and services rendered on the property. The agreed upon arrangement was that the undersigned would receive a portion of the property for compensation for the work performed.” *See* Exhibit “F” to Proposed Second Amended Complaint.

6. On April 18, 2006, Gordon A. Jones filed a Chapter 7 bankruptcy case in the United States Bankruptcy Court for the District of Utah, Case No. 06-21277 (the “bankruptcy case”). Such action stayed all actions against the debtor and property of the debtor’s estate.

7. Grazer was the principal creditor in the Chapter 7 bankruptcy.

8. The Trustee of Mr. Jones' bankruptcy estate and Grazer entered into a Settlement Agreement on or about January 31, 2007 which was attached to the Trustee's Motion to Approve Settlement Agreement and For Order Authorizing Abandonment of Property of Estate dated February 16, 2007. *See* Exhibit "G" to Proposed Second Amended Complaint.

9. The Settlement Agreement states that

Upon the Effective Date of the Agreement, except for the reserves set forth in paragraph 2 of this Agreement, any and all property of the Debtor's bankruptcy estate of any kind whatsoever, known or unknown, tangible and intangible, including, but not limited to real property...personal property...causes of action...[including] the Idaho Fraudulent Transfer Action...shall be deemed abandoned and no longer property of the Debtor's bankruptcy estate and Grazer shall be deemed to have relief from the stay to pursue any and all state court remedies against the Debtor and such property.

Exhibit "G" (Settlement Agreement), p. 10.

10. The Settlement Agreement specifically covers real property and personal property located in Idaho, including the Franklin County property. *Id.*, at 4-5.

11. The Settlement Agreement further states that "Grazer shall be entitled to fully pursue all his rights and claims against the aforesaid property, which rights and claims are not altered, amended or affected in any way by this Agreement or by the filing of the Debtor's Bankruptcy Case." *Id.*, at 10.

12. The Settlement Agreement was approved by the Bankruptcy Court in an Order dated April 19, 2007. *See* Exhibit "G" to Proposed Second Amended Complaint.

13. The Order specifically states that Grazer has a "valid, enforceable security interest in all the remaining property of the estate" including the Idaho Fraudulent Conveyance Action (this current action) and "Fraudulent Conveyance Actions or any other action that could have been filed by a creditor prior to the filing of the Debtors bankruptcy case...to recover property

owed to the Debtor or transferred to third parties by the Debtor” as property that was abandoned by the bankruptcy estate and/or for which Mr. Grazer obtained relief from the automatic stay.

Id., 4, 8.

14. On January 20, 2009, Gordon A. Jones received a discharge in the bankruptcy case which prohibited

any attempt to collect from the debtor a debt that has been discharged....However a creditor may have the right to enforce a valid lien, such as a mortgage or security interest, against the debtor’s property after the bankruptcy, if that lien was not avoided or eliminated in the bankruptcy case.

See Order of Discharge (the “discharge”), Exhibit “H” to Proposed Second Amended Complaint.

ARGUMENT

Point I

The Second Amended Complaint Sets Forth the Procedural Aspects of the Chapter 7 Bankruptcy by Defendant Gordon A. Jones and Its Effect on this Case.

Rule 15(a) of the Idaho Rules of Civil Procedure allows a party to amend a pleading “by leave of court or by written consent of the adverse party; and leave shall be freely given when justice so requires...” I.R.C.P. 15(a). In considering whether to grant a motion for leave to amend, the court may consider “whether the amended pleading sets out a valid claim, whether the opposing party would be prejudiced by any undue delay, or whether the opposing party has an available defense to the newly added claim.” *Spur Products Corporation v. Eagle Data Works, Inc.* 142 Idaho 41; 122 P.3d 300; 2005 Ida. LEXIS 151. In making such a decision, however “the court may not weight the sufficiency of the evidence related to the additional claim.” *Id.*

Since this action was filed on May 11, 2005, Defendant Gordon Jones filed his

bankruptcy case and all actions in this case were stayed until his discharge or release or abandonment of this action as property of the bankruptcy estate by the Bankruptcy Trustee. Jones was discharged on January 20, 2009, following which, on May 21, 2009, Defendant Gordon Jones filed Defendant Gordon A. Jones' Motion to Dismiss and on July 7, 2009 and Defendant Linda G. Jones filed a Joinder in Motion to Dismiss. These motions allege that the discharge of Gordon A. Jones under Chapter 7 of the United States Bankruptcy Code discharges the Judgment against them obtained by Plaintiff Allen F. Grazer in the case of *Gordon Jones and Richard Barney v. Allen Grazer*, Second District Court, Davis County, Farmington Department, State of Utah, Case No. 020700570 CN ("the civil case") and the Foreign Judgment based on the civil case which is the subject of the present case. Plaintiff Grazer has filed Memoranda in response thereto. The attorneys for the parties appeared before this court to argue the Defendants' Motions to Dismiss on July 31, 2009, however, that hearing was continued at the request of the Defendants' counsel so that he could further investigate the bankruptcy issues, and although the Minute Entry filed August 21, 2009 ordered that "Mr. Erickson [attorney for Gordon Jones] shall notice back up his motion," no further action has been taken by any of the Defendants in this action.

The chronology of the procedural process of Gordon Jones' Chapter 7 bankruptcy case is not specifically set out in detail in the Amended Complaint or those Motions to Dismiss and Memoranda in support and in opposition thereto. The Second Amended Complaint seeks to remedy that issue by specifically alleging the facts relating to the bankruptcy case and further alleging that the discharge does not prevent or prohibit Grazer from proceeding with this action. Based upon the foregoing, it is appropriate and equitable to allow the Amended Complaint to be

amended a second time to allege the facts relating to Jones' bankruptcy.

Point II

The Second Amended Complaint Adds A Claim for Relief Asking This Court to Declare the Notice of Interest of Jason Jones recorded against the Franklin County Property to be Void, Executory or Junior to the Interest of the Plaintiff.

The Proposed Second Amended Complaint also adds a new claim for relief against Jason Jones relating to a Notice of Interest he recorded against the Franklin County property on August 12, 2005 after the commencement of this action. In October 2008, Plaintiff ordered a title search of all encumbrances recorded against the Franklin County property and, as a result of that search, Plaintiff first learned that Jason Jones claimed an interest in the property by virtue of his Notice of Interest. The Notice of Interest claimed that "the agreed upon arrangement was that the undersigned [Jason Jones] would receive a portion of the property for compensation for work performed." See Exhibit "E" to (Proposed) Second Amended Complaint. A person must be joined as a party to an action if "the person claims an interest relating to the subject of the action and is so situated that the disposition of the action in the person's absence may (i) as a practical matter impair or impede the person's ability to protect that interest...." Rule 19(a)(1) *Ida. R. Civ. P.* Because Jason Jones claims an interest in the Franklin County property, a Second Amended Complaint should be allowed in order to join him as a defendant with regard to that interest and its validity as against any execution by Plaintiff against the Franklin County property.

Further, the Proposed Second Amended Complaint alleges that the Notice of Interest is void because it violates the Idaho Statute of Frauds. Idaho law provides that a conveyance of an estate in real property must be made by an instrument in writing.

No estate or interest in real property...can be created, granted, assigned, surrendered, or declared, otherwise than by operation of law, or a conveyance or other instrument in writing, subscribed by the party creating, granting, assigning, surrendering or declaring the same, or by his lawful agent thereunto authorized by writing.

I.C. § 9.503.

The Notice of Interest is not a conveyance in writing of a specifically described estate or interest in the Franklin County property. It has no conveyance nor grant language. It has not been signed nor acknowledged by the persons in title to the property, Gordon and Linda Jones. It does not specifically describe the amount of the compensation to be received for the work performed, or, if, in fact payment was made, services provided or work performed. It does not describe what property is to be conveyed. *See Watson v. Watson*, 144 Idaho 214; 159 P.3d 851; 2007 Ida. LEXIS 108 (buyer of property denied specific performance of an oral agreement for purchase of property because the oral contract was uncertain as to property to be included in sale); *Garner v. Bartschi*, 139 Idaho 430; 80 P.3d 1031; 2003 Ida. LEXIS 163(A writing must contain such a description of the property to be sold, either in terms or by reference, that it can be ascertained without resort to parol evidence). Accordingly, this court should allow the filing of the Second Amended Complaint so that a determination can be made on the allegations that Notice of Interest is void.

Further, the Notice of Interest was recorded after the Lis Pendens in this case was recorded, after the Notice of Foreign Judgment was recorded and with full actual knowledge of the collection efforts of Grazer. Idaho law governing the manner of giving and entering judgments and the acquisition of a judgment lien provides:

A transcript or abstract of any judgment of decree of any court of this state or any court of the United States the enforcement of which has not been stayed as

provided by law, if rendered within this state, certified by the court having custody thereof, may be recorded with the recorder of any county of this state...and from the time of such recording, and not before, the judgment so recorded becomes a lien upon all real property of the judgment debtor in the county, not exempt from execution, owned by him at the time or acquired afterwards at any time prior to the expiration of the lien....

I.C. 10-1110. The Idaho statute relating to foreign judgments provides that a judgment filed in accordance therewith “has the same effect and is subject to the same procedures, defenses and proceedings for reopening, vacating or staying as a judgment of a district court of this state and may be enforced or satisfied in like manner....” I.C. 10-1302.

The Notice of Interest is not a conveyance; it is merely a description of an “arrangement” without defining its particulars. It was recorded after the Notice of Foreign Judgment and the Lis Pendens in this case and an adjudication of its priority should be by this Court. *See Kalange v. Rencher*, 136 Idaho 192; 30 P.3d 970; 2001 Ida. LEXIS 99 (Primary purpose of the recording statutes is to give notice to others that an interest is claimed in real property permitting purchasers to rely upon record title).

Point III

The Second Amended Complaint Adds Two Necessary Claims for Relief Relating to Partition of the Property.

The interest of Linda Jones in the Franklin County Property is community property. All property acquired after marriage by either husband or wife is community property. I.C. §32-906(1). Under Idaho case law, community property a judgment against the husband can be executed upon both community property and his separate property. *Holt v. Empey*, 32 Ida.47, 96 P. 212 (1908). This holding does not appear to have been affected by the passage in 1976 of the “Equal Management” statute set forth in I.C. §9-312. Terry L. Crapo, *Equal Management of*

Community Property: Creditor's Rights, 13 Idaho L. Rev.177-178 (1976-1977). Based on the holding of *Holt v. Empey*, and the law which appears to void the Notice of Interest of Jason Jones, plaintiff is entitled to execute on his Judgment against the entire property.

Should this court determine that the interest of Linda Jones in the Franklin County property is her separate property and/or the Notice of Interest of Jason Jones is valid, plaintiff is entitled to amend the complaint to allege an action of partition, either by a physical apportionment of the Franklin County property, or by a sale of the property with a division of the proceeds among the parties claiming an interest, according to their interests as determined by this Court.

Partition may be brought

When several cotenants hold and are in possession or real property...an action may be brought by one or more of such persons for a partition thereof, according to the respective rights of the persons interested therein, and for a sale of such property, or a part thereof, if it appears that a partition can not be made without great prejudice to the owners.

I.C. §6-501. The Idaho partition statute assumes that a partition action may be brought by a person holding a lien against a person holding a joint interest in real property in a subsequent section.

When a lien is on an undivided interest or estate of any of the parties, such lien, if a partition be made, shall thenceforth be a charge only on the share assigned to such party; but such share must first be charged with its just proportion of the costs of the partition, in preference to such lien.

I.C. §6-518.

Further, Idaho law clearly provides that the interest of Defendant Gordon Jones in the Franklin County property is subject to execution. "All...other property, both real and person, or any interest therein of the judgment debtor not exempt by law and all property and rights of

property seized and held under attachment in the action, are liable to execution.” (Emphasis added). I.C. 11-201. Accordingly, this Court should allow the filing of the Proposed Second Amended Complaint, so that a determination may be made as to extent of interest of Gordon Jones in the Franklin County property which will be subject to execution.

Point IV

The Proposed Second Amended Complaint Does Not Prejudice the Jones Defendants.

The rules provide that “leave shall be freely given when justice so requires.” I.R.C.P. 15(a). A court may consider whether the amended pleading sets out a valid claim, whether the opposing party would be prejudiced by any undue delay and whether the opposing party has an available defense to the newly added claim. *Spur Products Corporation v. Eagle Data Works, Inc.*, 142 Idaho 41; 122 P.3d 300; 2005 Ida. LEXIS 151. The court, however, cannot weigh the sufficiency of the evidence related to the claims in the amended pleading. *Id.* The proposed second amendment adds allegations regarding the bankruptcy case of Gordon Jones and the effect of the discharge upon this action. All parties names in the proposed Second Amended Complaint have been aware of or involved in the bankruptcy case and the Defendants Gordon Jones and Linda Jones have filed motions to dismiss this action based upon the bankruptcy action. *See* Defendant Gordon A. Jones’ Motion to Dismiss and Defendant Linda G. Jones’ Joinder in Motion to Dismiss. The Defendants cannot claim to be prejudiced by allegations they have already confronted.

The Proposed Second Amended Complaint also alleges two new claims for partition, either by physical division of the Franklin County property or by sale thereof with a division of the proceeds among the parties according to their interests as determined by this Court. The

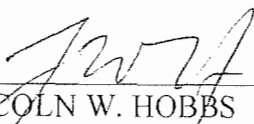
partition claims are necessary in order to allow plaintiff to execute on his judgment against the interest of Defendant Gordon Jones in the Franklin County property. A determination of that interest must be made by this Court and the current Amended Complaint contains no allegations for partition nor any of the nature, validity and extent of Defendants' interests in the Franklin County property on which this Court should rule.

Finally, the prosecution of this case, although filed in May of 2005, was stayed by reason of the bankruptcy case of Gordon Jones. No action could be taken until the entry of the discharge in January of this year. Motions then were filed and a hearing held on July 31, 2009. That hearing was continued at the request of the counsel for Defendant Gordon Jones and his counsel was ordered to notice his motion back up. Since that time, however, Gordon Jones' counsel has made no effort to move this matter forward. There has been no undue delay and is no prejudice to the Defendants from this amendment. Based upon Rule 15(a)(1) and in the interests of justice, plaintiff requests this Court to enter an order allowing the filing of the Proposed Second Amended Complaint.

A proposed Order is submitted herewith.

DATED this 2 day of ^{Nov}~~October~~, 2009.

HOBBS & OLSON, L.C.



LINCOLN W. HOBBS
MARGARET H. OLSON
Attorneys for Plaintiff Allen F. Grazer

CERTIFICATE OF DELIVERY

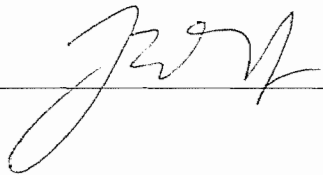
I hereby certify that on the 2 day of ^{Novel}~~October~~, 2009, I caused a true and correct copy of the foregoing to be served upon the following in the manner indicated:

Kent L. Hawkins
MERRILL & MERRILL CHARTERED
109 n Arthur – 5th Flr
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IN THE SIXTH JUDICIAL DISTRICT COURT
IN AND FOR FRANKLIN COUNTY, STATE OF IDAHO

ALLEN F. GRAZER, an individual,

Plaintiff,

v.

GORDON A. JONES, an individual;
LINDA G. JONES, an individual; JASON
JONES, an individual, J&J LIVESTOCK,
LLC, a Utah Limited Liability Company;
and John Does 1-10,

Defendants.

(Proposed)

SECOND AMENDED COMPLAINT

Case No. CV-2005-183

Judge David C. Nye

Plaintiff hereby complains of Defendants as follows:

1. This is an action under the Uniform Fraudulent Transfer Act, Title 55, Chapter 9 of the Idaho Code. In anticipation of judgment, Defendants Gordon A. and Linda G. Jones formed a limited liability company and transferred real property located in Franklin County, Idaho to that LLC. This action seeks to avoid the transfer, attach the property and enjoin further disposition by Defendants of the Franklin County property or of other property.
2. In further anticipation of the entry of that Judgment, Gordon A. Jones transferred 66 water shares in the Twin Lakes Canal Company to his wife Linda G. Jones and Jason Jones. This

action also seeks to avoid the transfer of water shares and attach the property.

3. This is also an action under Title 6, Particular Actions, Chapter 5, Partition of Real Estate of the Idaho Code to partition the interests of the Defendants Gordon A. Jones, Linda Jones and Jason Jones according to their respective rights, if any, in the Franklin County property, or of other property and for a sale of such property, or a part thereof, if it appears that a partition cannot be made without great prejudice to the other interest holders therein.

PARTIES AND JURISDICTION

4. Plaintiff Allen Grazer is an individual residing in Missoula County, State of Montana.

5. Defendants Gordon A. Jones and Linda G. Jones are husband and wife residing in Davis County, State of Utah. Jones own real property in Franklin County, State of Idaho “the Franklin County property.”

6. Gordon Jones and Linda Jones acquired the Franklin County property by Warranty Deed dated November 8, 2002.

7. In connection therewith, Gordon Jones obtained 66 shares in the Twin Lakes Canal Company on April 2, 2003 (“the water shares”).

8. The interests of Jones in the Franklin County property and the water shares are community property under I.C. 32-906(1).

9. Defendant Jason Jones is the son of Gordon Jones and Linda Jones. Plaintiff is informed and believes Jason Jones is a resident of Franklin County, Idaho, lives on the Franklin County property owned by Jones, and farms and/or raises livestock thereon.

10. Defendant Jason Jones claims an interest in the Franklin County property by

reason of a Notice of Interest dated August 12, 2005, recorded at the request of Jason Jones in the office of the Franklin County Recorder on August 12, 2005 as Entry 230848 (the "Notice of Interest").

11. The interest of Jason Jones in the Franklin County property is unknown, uncertain, contingent or executory.

12. Defendant J&J Livestock, LLC was a Utah Limited Liability Company formed in the State of Utah. J&J Livestock, LLC's registration as a business entity in the State of Utah expired on April 5, 2007. On information and belief, Gordon A. Jones and Linda Jones do business under the name of J&J Livestock, LLC business in Franklin County, State of Idaho.

13. The interest of J&J Livestock, LLC in the Franklin County property is unknown, uncertain or contingent.

14. Plaintiff has no knowledge of the names of John Does 1 – 10 and the interests they may claim in the Franklin County property are unknown, uncertain or contingent. Plaintiff will amend this complaint to allege their true names and extent of their interests, if any, when such become ascertained.

15. Jurisdiction over Defendants is proper under I.C. 5-514c(c) and I.C. 6-501.

16. Venue is proper in this county under I.C. 5-401(1) and I.C. 6-504.

GENERAL ALLEGATIONS

17. On November 8, 2002, Gordon Jones and Linda Jones received, by Warranty Deed in excess of 200 acres of land in Franklin County, Idaho. The Warranty Deed was recorded in the Office of the Franklin County Recorder on November 12, 2002 as Entry No.219428. The land conveyed by the Warranty Deed was identified as Parcels Nos. 908.00,

908.01 and 915.00 with the legal description:

COMMENCING AT A POINT 53-3/4 RODS NORTH OF THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF SECTION 35, TOWNSHIP 14 SOUTH, RANGE 38 EAST OF THE BOISE MERIDIAN, FRANKLIN COUNTY, IDAHO, AND RUNNING THENCE WEST 240 RODS, THENCE NORTH 53-3/4 RODS. THENCE EAST 240 RODS; THENCE SOUTH 53-3/4 RODS TO THE PLACE OF BEGINNING.

EXCEPTING AND RESERVING A RIGHT-OF-WAY FOR ANY AND ALL IRRIGATION DITCHES AND CANALS, AND PUBLIC ROADS NOW EXISTING OR IN USE UPON AND ACROSS SAID PREMISES, AND EXCEPTING AND RESERVING THEREFROM A STRIP OF LAND 3 RODS WIDE ALONG THE EAST SIDE OF THE ABOVE-DESCRIBED LAND.

ALSO, THE SOUTH HALF OF THE SOUTHWEST QUARTER, THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER, AND THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 34, TOWNSHIP 14 SOUTH, RANGE 38 EAST OF THE BOISE MERIDIAN, FRANKLIN COUNTY, IDAHO.

TOGETHER WITH 36 SHARES OF THE CAPITAL STOCK OF TWIN LAKES CANAL COMPANY.

(hereinafter “the Franklin County property”).

18. Commencing in 1993 Gordon Jones, as general contractor, built a home for Grazer, the Plaintiff in this case, in Davis County, Utah.

19. On November 1, 2002 Jones initiated litigation against Grazer seeking to collect approximately \$17,000 of unpaid invoices. Grazer counterclaimed alleging construction defects, negligence and breaches of contract and warranty. This action is known as *Gordon Jones and Richard Barney v. Allen Grazer*, Second District Court, Davis County, Farmington Department, State of Utah, Case No. 020700570 CN (“the civil case”).

20. The parties commenced the discovery phase of the civil case. In late 2004 Grazer

and his experts began to discuss significant construction defects in the home, and began advising counsel for Gordon Jones of the severity of these defects.

21. On December 15, 2004, the Judge in the civil case sent a notice of trial, scheduling the matter for trial on April 26-29, 2005.

22. On December 22, 2004 Gordon Jones and Linda Jones transferred, by quit claim deed, the Franklin County property to J&J Livestock, LLC. *See* Exhibit "A" ("the quit claim deed"). The quit claim deed was recorded on December 27, 2004.

23. J&J Livestock, LLC was formed in the state of Utah on December 28, 2004.

24. On March 7, 2005 Gordon Jones transferred the water shares to his wife, Linda Jones and son, Jason Jones.

25. The Jones made other transfers in the State of Utah relating to significant assets in the State of Utah during this same time period.

26. On April 26-29, 2005 Judge Allphin of the Second District Court in Utah heard the civil case. On April 26, 2005 Judge Allphin dismissed the claims brought by Jones and ruled in favor of Grazer on Gordon Jones' claims. On April 29, 2005 Judge Allphin declared his preliminary intention to award judgment in favor of Grazer and against Gordon Jones on Grazer's counterclaim. Judgment was entered on July 7, 2005 in the amount of \$1,886,727.87 with interest accruing thereafter at a per diem rate of \$70.59 (the "Judgment"). *See* Exhibit "B" hereto.

27. Beginning immediately after the trial, Grazer began to discover that the defendants in the civil case had been transferring assets to insiders. On May 18, 2005 Grazer filed a fraudulent transfer action in Utah for transfers occurring in that jurisdiction. *See* Exhibit

“C” hereto. On May 11, 2005 Grazer filed this action for transfers occurring in Idaho. *See* Complaint dated May 11, 2005.

28. On May 13, 2005, a Lis Pendens was recorded in the Office of the Franklin County Recorder as Entry No. 229796 in connection with the filing of this action and giving notice that the action “affects title to specific real property or the right to possession of specific real property as identified in the Complaint in this action. The Lis Pendens further set forth the legal description of the Franklin County property. *See* Exhibit “D” hereto.

29. On the advice of counsel, many of the transfers involved in the Utah and Idaho fraudulent transfer cases were “undone.” As a part of this, the Franklin County property was deeded back to Gordon and Linda Jones.

30. Defendants claimed at the time of trial that no water rights existed for the Franklin County property. Since that time the existence of the water shares and the fraudulent conveyance of the water shares to insiders have been confirmed.

31. On August 5, 2005, Grazer filed a Notice of Filing Foreign Judgment which was recorded in the Office of the Franklin County Recorder as Entry No. 231394 and became a lien against the Franklin County property as of that date (the “Notice of Foreign Judgment”). *See* Exhibit “E” hereto.

32. The amount remaining due under the Judgment is in excess of \$1,672,886.69 as of January 17, 2008 exclusive of interest, costs and attorneys’ fees as allowed under the Judgment which continue to accrue.

33. The value of the Franklin County property and the water shares which are the subject of this action is less than the amount due to the plaintiff under the Judgment.

34. The Notice of Interest of Defendant Jason Jones, filed on August 12, 2005, was filed after the Lis Pendens and the Notice of Foreign Judgment and states that the interest of Jason Jones “is based upon improvements made, payments made and services rendered on the property. The agreed upon arrangement was that the undersigned would receive a portion of the property for compensation for the work performed (the “arrangement”).” See Exhibit “F” hereto.

35. Gordon Jones filed for protection under chapter 7 of the United States Bankruptcy Code in the District of Utah on April 18, 2006.

36. Grazer was the principal creditor in the Chapter 7 bankruptcy.

37. The Trustee of Gordon Jones’ bankruptcy estate and Grazer entered into a Settlement Agreement on or about January 31, 2007 which was attached to the Trustee’s Motion to Approve Settlement Agreement and For Order Authorizing Abandonment of Property of Estate dated February 16, 2007. See Exhibit “G” hereto.

38. The Settlement Agreement states that

Upon the Effective Date of the Agreement, except for the reserves set forth in paragraph 2 of this Agreement, any and all property of the Debtor’s bankruptcy estate of any kind whatsoever, known or unknown, tangible and intangible, including, but not limited to real property...personal property...causes of action...[including] the Idaho Fraudulent Transfer Action...shall be deemed abandoned and no longer property of the Debtor’s bankruptcy estate and Grazer shall be deemed to have relief from the stay to pursue any and all state court remedies against the Debtor and such property.

Exhibit “F” (Settlement Agreement), p. 10.

39. The Settlement Agreement specifically covers real property and personal property located in Idaho, including the Franklin County property. *Id.*, at 4-5.

40. The Settlement Agreement further states that “Grazer shall be entitled to fully pursue all his rights and claims against the aforesaid property, which rights and claims are not

altered, amended or affected in any way by this Agreement or by the filing of the Debtor's Bankruptcy Case." *Id.*, at 10.

41. The Settlement Agreement was approved by the Bankruptcy Court in an Order dated April 19, 2007. A copy of the Order is attached hereto as Exhibit "G."

42. The Order specifically states that Grazer has a "valid, enforceable security interest in all the remaining property of the estate" including the Idaho Fraudulent Conveyance Action (this current action) and "Fraudulent Conveyance Actions or any other action that could have been filed by a creditor prior to the filing of the Debtors bankruptcy case...to recover property owed to the Debtor or transferred to third parties by the Debtor" as property that was abandoned by the bankruptcy estate and/or for which Mr. Grazer obtained relief from the automatic stay. *Id.*, 4, 8.

43. On January 20, 2009, the Honorable Judith A. Boulden issued an Order granting a discharge of Gordon Jones' remaining unsecured debt under 11 USC § 727. A copy of the Order of Discharge of Debtor is attached hereto as Exhibit "H."

44. The Order of Discharge "prohibits any attempt to collect from the debtor a debt that has been discharged....However, a creditor may have the right to enforce a valid lien such as a mortgage or security interest, against the debtor's property after the bankruptcy, if that lien was not avoided or eliminated in the bankruptcy case." *Id.* (Order, p. 2, "Explanation of Bankruptcy Discharge in a Chapter 7 Case").

45. Grazer's Judgment and Grazer's Notice of Foreign Judgment were not avoided by the Chapter 7 Trustee of Gordon Jones' bankruptcy estate and remain in place as a valid lien against the Franklin County property.

FIRST CLAIM FOR RELIEF

(Declaratory Judgment re: Quit Claim Deed to J&J Livestock, LLC)

46. Grazer realleges and incorporates by reference paragraphs 1 - 45 above.

47. The quit claim deed from Jones to J&J Livestock, LLC was recorded on December 27, 2004.

48. J&J Livestock, LLC did not exist until December 28, 2004. The quit claim deed, which purports to transfer all right, title and interest in the Franklin County property is void ab initio.

49. This court has the power under the Uniform Declaratory Judgment Act, I.C. 10-1201 *et seq.* to declare the deed void and to declare title to the Franklin County property remained at all times in the Jones, grantors under the quit claim deed.

SECOND CLAIM FOR RELIEF

(Declaratory Judgment re: Jason Jones' Notice of Interest)

50. Plaintiff incorporates by reference paragraphs 1 – 49 above.

51. Defendant Jason Jones' Notice of Interest against Franklin County property is based upon an oral agreement that Jason Jones “would receive a portion of the property for compensation for the work performed. (emphasis added)” *See* Exhibit “E.”

52. Conveyances of an estate in real property are required to be made in writing and Defendant Jason Jones' Notice of Interest refers only to a prior oral “arrangement” which violates the Idaho Statute of Frauds. I.C. 9-503.

53. The Notice of Interest does not describe the “portion” of the property, the “improvements made, payments made and services rendered on the property” subject to the

“arrangement” which is the subject of the Notice of Interest and, therefore, is void. *See* Exhibit “E”.

54. The Notice of Interest is an executory contract for the conveyance of a portion of the Franklin County property and Defendant Jason Jones would be entitled to a conveyance only upon proving that he had satisfied conditions precedent to the grant, that all improvements, payments and services had been made or or rendered as required under the “arrangement.”

55. The Notice of Interest was recorded after and is junior to the Notice of Foreign Judgment and the Lis Pendens filed in this action, both of which have priority over the Notice of Interest.

56. This Court has the power under the Uniform Declaratory Judgment Act, I.C. 10-1201 *et seq.* to declare the Notice of Interest void or junior to the prior claim of Grazer’s Foreign Judgment.

THIRD CLAIM FOR RELIEF

(Uniform Fraudulent Transfer Act)

57. Grazer realleges and incorporates by reference paragraphs 1 - 56 above.

58. As manager, member and registered agent, Gordon Jones at all times material hereto controlled J&J Livestock, LLC.

59. J&J Livestock, LLC was formed for the purpose of holding title to the Franklin County property.

60. The quit claim deed by Gordon Jones and Linda Jones to J&J Livestock, LLC was made at a time in discovery when Gordon Jones became aware of the extent of his potential and likely liability to Grazer.

61. Gordon Jones' transfer of the water shares to his wife and son on March 7, 2005 was made at a time in discovery when he became aware of the extent of his potential and likely liability to Grazer.

62. Gordon Jones transferred the Franklin County property to J&J Livestock, LLC and transferred the water shares to his wife and son with actual intent to hinder, delay and defraud Grazer in the collection of a judgment.

63. Jason Jones' Notice of Interest was filed after the Notice of Foreign Judgment was filed when he became aware of the extent of Gordon Jones' potential and likely liability to Grazer.

64. The Notice of Interest was filed with actual intent to hinder, delay and defraud Grazer in the collection of a judgment.

65. At the time of the quit claim deed and transfer of water shares, Jones had received Grazer's expert's report, was facing a trial date on Grazer's claims and believed or reasonably should have believed that a judgment was imminent.

66. On information and belief, Gordon Jones and Linda Jones did not receive a reasonable equivalent value in exchange for the transfer to J&J Livestock, LLC and did not receive a reasonably equivalent value in exchange for the transfer by Gordon Jones to his wife and son of the water shares.

67. On information and belief, Jason Jones did not give a reasonable equivalent value in exchange for a "portion" of the Franklin County property.

68. Grazer is entitled to an avoidance of the transfers of the Franklin County property and the water shares to the extent necessary to satisfy his judgment.

69. Grazer is entitled to an avoidance of the Notice of Interest to the extent necessary to satisfy his judgment.

70. This Court should attach the Franklin County property and the water shares pursuant to I.C. 55-916(b) and I.C. 8-505.

71. Defendants and each of them should be enjoined from further disposing of property, real and personal, held in Franklin County, State of Idaho.

FOURTH CLAIM FOR RELIEF

(Partition by Sale of Interests in the Franklin County Property)

72. Plaintiff realleges and incorporates by reference paragraphs 1 – 71 above.

73. There are no liens or encumbrances on the property appearing of record or otherwise known to plaintiff except the interests of the Defendants as set forth herein which will be materially affected by this action.

74. The interest of Gordon Jones and Linda Jones is community property and the entire community interest is subject to execution to satisfy the Judgment of Grazer.

75. In the event that this Court determines that the interest of Linda Jones in the Franklin County property is separate property and not subject to execution, this Court should make a determination as to the amount and extent of her interest therein.

76. During the course of this action, it was necessary for plaintiff to procure a title report at an expense to plaintiff in the amount of \$68.00. Such amount is the reasonable expense thereof.

77. The property is so situated that a partition cannot physically be made without great prejudice to the parties and this Court should order a sale of the property.

78. Partition by sale of the property is more equitable than division in kind of the property because the property is operated as a functioning whole together with the water shares which provide necessary water to the property as a whole.

79. This action is brought and partition is sought herein, for the common benefit of the parties to preserve and secure to each of them an interest in the proceeds from the sale of the property after applying the proceeds to satisfy all amounts due to Grazer under the Judgment.

80. The proceeds from the sale of the Franklin County property should be applied to satisfy:

- a. The general costs of this action;
- b. The costs of the reference;
- c. The satisfaction and cancellation of record of the liens in the order of priority, with the Foreign Judgment having first priority;
- d. The residue among the owners of the property sold, according to their respective shares therein.

FIFTH CLAIM FOR RELIEF

(Physical Partition of Franklin County Property)

81. Plaintiff realleges and incorporates by reference paragraphs 1 – 80 above.

82. In the event this Court should determine that the property should be physically partitioned, Grazer requests this Court to appoint three (3) referees to divide the property and allot the several proportions thereof to the respective parties, quality and quantity relatively considered according to the respective rights of the parties as determined by this Court and direct the referees to make a report of their proceedings.

83. This Court shall confirm, change, modify or set aside the report and enter judgment to effect such partition, which judgment shall be binding and conclusive.

84. The expenses of the referees, including those of a surveyor and his assistants if employed, must be ascertained by the Court, together with the fees allowed by the Court in its discretion to the referees to be apportioned among the different parties to this action equitably.

WHEREFORE, Plaintiff prays for relief as follows:

1. For a declaratory order declaring the quit claim deed void ab initio and vesting title to the Franklin County property in Jones.
2. For a declaratory order declaring the Notice of Interest to be void, executory or junior in priority to the Foreign Judgment of Grazer.
3. For judgment avoiding the transfer of the Franklin County property from Jones to J&J Livestock, LLC under the Uniform Fraudulent Transfer Act, I.C. 55-916(a).
4. For judgment avoiding the transfer of the water shares from Jones to his wife and son under the Uniform Fraudulent Transfer Act, I.C. 55-916(a).
5. For a writ of attachment attaching the Franklin County property to satisfy Grazer's judgment against Jones.
6. For a writ of attachment attaching the water shares to satisfy Grazer's judgment against Jones.
7. For an Order of Partition ordering that the Franklin County property be sold and the proceeds equitably distributed as follows:
 - a. To pay the just proportion of the general costs of the action
 - b. To pay the costs of the reference

- c. To satisfy and cancel the Foreign Judgment of Grazer
- d. The residue among the parties in accordance with their respective interests as determined by this Court.

8. For an Order of this Court determining the respective rights of the parties in the Franklin County property and for an Order appointing three referees to allot portions of the Franklin County property to the respective parties, quality and quantity relatively considered according to the respective rights of the parties as determined by this Court.

9. For an injunction prohibiting Jones, J&J Livestock, LLC and each of them from further disposing of property, real and personal held in Franklin County, State of Idaho.

10. For an order of execution against the Franklin County property and the water shares in satisfaction of the Judgment in the civil case.

11. For attorneys fees and costs pursuant to (I.C. 12-121, 10-1201) and the parties' contract.

12. For such other and further relief as this Court deems just and equitable.

DATED this _____ day of October 2009.

HOBBS & OLSON, L.C.

Lincoln W. Hobbs
Margaret H. Olson
Of Counsel
Attorneys for Plaintiff Allen F. Grazer

Plaintiff's address:
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c/o Hobbs & Olson, L.C.
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Salt Lake City, UT 84111

CERTIFICATE OF DELIVERY

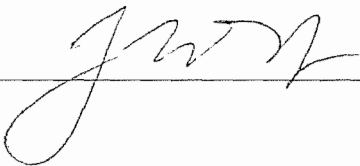
I hereby certify that on the 2 day of ^{Nov}October, 2009, I caused a true and correct copy of the foregoing to be served upon the following in the manner indicated:

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FILED

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FRANKLIN COUNTY CLERK

K Jones

DEPUTY

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IN THE SIXTH JUDICIAL DISTRICT COURT
IN AND FOR FRANKLIN COUNTY, STATE OF IDAHO

ALLEN F. GRAZER, an individual,
Plaintiff,

v.

GORDON A. JONES, an individual; LINDA
G. JONES, an individual; J&J LIVESTOCK,
LLC, a Utah Limited Liability Company; and
John Does 1-10,

Defendants.

NOTICE OF HEARING

Civil No. CV-2005-183

Judge _____

Notice is hereby given that the Plaintiff's Motion to file a Second Amended Complaint has been set for hearing on Tuesday, December 8, 2009 at 10:00 a.m. Judge Nye has agreed to have counsel participate by telephone; Plaintiff's counsel will be making arrangements for a call to counsel and the Court in the event that the other counsel wish to participate by telephone. Counsel wishing to participate by telephone should advise Plaintiff's counsel by 5:00 p.m. on Friday, December 4, 2009, of the phone number at which they can be reached at 10:00 on Tuesday, December 8.

DATED this 25 day of November, 2009.

HOBBS & OLSON, L.C.

[Signature]

LINCOLN W. HOBBS
MARGARET H. OLSON

Attorneys for Plaintiff Allen F. Grazer

CERTIFICATE OF DELIVERY

I hereby certify that on the 25 day of November, 2009, I caused a true and correct copy of the foregoing to be served upon the following in the manner indicated:

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FILED

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FRANKLIN COUNTY CLERK

K. Olson

DEPUTY

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ALLEN F. GRAZER, an individual,
Plaintiff,

v.

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G. JONES, an individual; J&J LIVESTOCK,
LLC, a Utah Limited Liability Company; and
John Does 1-10,
Defendants.

**STIPULATION FOR FILING
SECOND AMENDED COMPLAINT**

Civil No. CV-2005-183

Judge _____

Comes now the Plaintiff and Defendants, by and through counsel of record, and hereby stipulate and agree that Plaintiff may file a Second Amended Complaint in the above-entitled matter. A copy of the Second Amended Complaint is attached hereto.

DATED this 4 day of December, 2009.

HOBBS & OLSON, L.C.

Lincoln W. Hobbs

LINCOLN W. HOBBS
MARGARET H. OLSON
Attorneys for Plaintiff Allen F. Grazer


MERRILL & MERRILL, CHARTERED

Kent L. Hawkins
Attorneys for Defendant Linda G. Jones

RACINE, OLSON, NYE, BUDGE &
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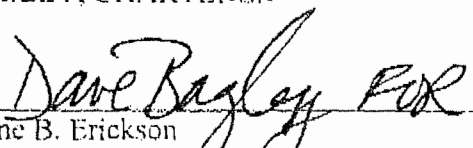
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Lane B. Erickson
Attorneys for Defendants Gordon A. Jones
and J&J Livestock, LLC

FILED

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FRANKLIN COUNTY CLERK

K Jones

DEPUTY

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ALLEN F. GRAZER, an individual,
Plaintiff,

v.

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LINDA G. JONES, an individual; JASON
JONES, an individual. J&J LIVESTOCK,
LLC, a Utah Limited Liability Company;
and John Does 1-10,
Defendants.

SECOND AMENDED COMPLAINT

Case No. CV-2005-183

Judge David C. Nye

Plaintiff hereby complains of Defendants as follows:

1. This is an action under the Uniform Fraudulent Transfer Act, Title 55, Chapter 9 of the Idaho Code. In anticipation of judgment, Defendants Gordon A. and Linda G. Jones formed a limited liability company and transferred real property located in Franklin County, Idaho to that LLC. This action seeks to avoid the transfer, attach the property and enjoin further disposition by Defendants of the Franklin County property or of other property.
2. In further anticipation of the entry of that Judgment, Gordon A. Jones transferred 66 water shares in the Twin Lakes Canal Company to his wife Linda G. Jones and Jason Jones. This

action also seeks to avoid the transfer of water shares and attach the property.

3. This is also an action under Title 6, Particular Actions, Chapter 5, Partition of Real Estate of the Idaho Code to partition the interests of the Defendants Gordon A. Jones, Linda Jones and Jason Jones according to their respective rights, if any, in the Franklin County property, or of other property and for a sale of such property, or a part thereof, if it appears that a partition cannot be made without great prejudice to the other interest holders therein.

PARTIES AND JURISDICTION

4. Plaintiff Allen Grazer is an individual residing in Missoula County, State of Montana.

5. Defendants Gordon A. Jones and Linda G. Jones are husband and wife residing in Davis County, State of Utah. Jones own real property in Franklin County, State of Idaho “the Franklin County property.”

6. Gordon Jones and Linda Jones acquired the Franklin County property by Warranty Deed dated November 8, 2002.

7. In connection therewith, Gordon Jones obtained 66 shares in the Twin Lakes Canal Company on April 2, 2003 (“the water shares”).

8. The interests of Jones in the Franklin County property and the water shares are community property under I.C. 32-906(1).

9. Defendant Jason Jones is the son of Gordon Jones and Linda Jones. Plaintiff is informed and believes Jason Jones is a resident of Franklin County, Idaho, lives on the Franklin County property owned by Jones, and farms and/or raises livestock thereon.

10. Defendant Jason Jones claims an interest in the Franklin County property by

reason of a Notice of Interest dated August 12, 2005, recorded at the request of Jason Jones in the office of the Franklin County Recorder on August 12, 2005 as Entry 230848 (the “Notice of Interest”).

11. The interest of Jason Jones in the Franklin County property is unknown, uncertain, contingent or executory.

12. Defendant J&J Livestock, LLC was a Utah Limited Liability Company formed in the State of Utah. J&J Livestock, LLC’s registration as a business entity in the State of Utah expired on April 5, 2007. On information and belief, Gordon A. Jones and Linda Jones do business under the name of J&J Livestock, LLC business in Franklin County, State of Idaho.

13. The interest of J&J Livestock, LLC in the Franklin County property is unknown, uncertain or contingent.

14. Plaintiff has no knowledge of the names of John Does 1 – 10 and the interests they may claim in the Franklin County property are unknown, uncertain or contingent. Plaintiff will amend this complaint to allege their true names and extent of their interests, if any, when such become ascertained.

15. Jurisdiction over Defendants is proper under I.C. 5-514c(c) and I.C. 6-501.

16. Venue is proper in this county under I.C. 5-401(1) and I.C. 6-504.

GENERAL ALLEGATIONS

17. On November 8, 2002, Gordon Jones and Linda Jones received, by Warranty Deed in excess of 200 acres of land in Franklin County, Idaho. The Warranty Deed was recorded in the Office of the Franklin County Recorder on November 12, 2002 as Entry No.219428. The land conveyed by the Warranty Deed was identified as Parcels Nos. 908.00,

908.01 and 915.00 with the legal description:

COMMENCING AT A POINT 53-3/4 RODS NORTH OF THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF SECTION 35, TOWNSHIP 14 SOUTH, RANGE 38 EAST OF THE BOISE MERIDIAN, FRANKLIN COUNTY, IDAHO, AND RUNNING THENCE WEST 240 RODS, THENCE NORTH 53-3/4 RODS, THENCE EAST 240 RODS; THENCE SOUTH 53-3/4 RODS TO THE PLACE OF BEGINNING.

EXCEPTING AND RESERVING A RIGHT-OF-WAY FOR ANY AND ALL IRRIGATION DITCHES AND CANALS, AND PUBLIC ROADS NOW EXISTING OR IN USE UPON AND ACROSS SAID PREMISES, AND EXCEPTING AND RESERVING THEREFROM A STRIP OF LAND 3 RODS WIDE ALONG THE EAST SIDE OF THE ABOVE-DESCRIBED LAND.

ALSO, THE SOUTH HALF OF THE SOUTHWEST QUARTER, THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER, AND THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 34, TOWNSHIP 14 SOUTH, RANGE 38 EAST OF THE BOISE MERIDIAN, FRANKLIN COUNTY, IDAHO.

TOGETHER WITH 36 SHARES OF THE CAPITAL STOCK OF TWIN LAKES CANAL COMPANY.

(hereinafter “the Franklin County property”).

18. Commencing in 1993 Gordon Jones, as general contractor, built a home for Grazer, the Plaintiff in this case, in Davis County, Utah.

19. On November 1, 2002 Jones initiated litigation against Grazer seeking to collect approximately \$17,000 of unpaid invoices. Grazer counterclaimed alleging construction defects, negligence and breaches of contract and warranty. This action is known as *Gordon Jones and Richard Barney v. Allen Grazer*, Second District Court, Davis County, Farmington Department, State of Utah, Case No. 020700570 CN (“the civil case”).

20. The parties commenced the discovery phase of the civil case. In late 2004 Grazer

and his experts began to discuss significant construction defects in the home, and began advising counsel for Gordon Jones of the severity of these defects.

21. On December 15, 2004, the Judge in the civil case sent a notice of trial, scheduling the matter for trial on April 26-29, 2005.

22. On December 22, 2004 Gordon Jones and Linda Jones transferred, by quit claim deed, the Franklin County property to J&J Livestock, LLC. *See* Exhibit "A" ("the quit claim deed"). The quit claim deed was recorded on December 27, 2004.

23. J&J Livestock, LLC was formed in the state of Utah on December 28, 2004.

24. On March 7, 2005 Gordon Jones transferred the water shares to his wife, Linda Jones and son, Jason Jones.

25. The Jones made other transfers in the State of Utah relating to significant assets in the State of Utah during this same time period.

26. On April 26-29, 2005 Judge Allphin of the Second District Court in Utah heard the civil case. On April 26, 2005 Judge Allphin dismissed the claims brought by Jones and ruled in favor of Grazer on Gordon Jones' claims. On April 29, 2005 Judge Allphin declared his preliminary intention to award judgment in favor of Grazer and against Gordon Jones on Grazer's counterclaim. Judgment was entered on July 7, 2005 in the amount of \$1,886,727.87 with interest accruing thereafter at a per diem rate of \$70.59 (the "Judgment"). *See* Exhibit "B" hereto.

27. Beginning immediately after the trial, Grazer began to discover that the defendants in the civil case had been transferring assets to insiders. On May 18, 2005 Grazer filed a fraudulent transfer action in Utah for transfers occurring in that jurisdiction. *See* Exhibit

“C” hereto. On May 11, 2005 Grazer filed this action for transfers occurring in Idaho. *See* Complaint dated May 11, 2005.

28. On May 13, 2005, a Lis Pendens was recorded in the Office of the Franklin County Recorder as Entry No. 229796 in connection with the filing of this action and giving notice that the action “affects title to specific real property or the right to possession of specific real property as identified in the Complaint in this action. The Lis Pendens further set forth the legal description of the Franklin County property. *See* Exhibit “D” hereto.

29. On the advice of counsel, many of the transfers involved in the Utah and Idaho fraudulent transfer cases were “undone.” As a part of this, the Franklin County property was deeded back to Gordon and Linda Jones.

30. Defendants claimed at the time of trial that no water rights existed for the Franklin County property. Since that time the existence of the water shares and the fraudulent conveyance of the water shares to insiders have been confirmed.

31. On August 5, 2005, Grazer filed a Notice of Filing Foreign Judgment which was recorded in the Office of the Franklin County Recorder as Entry No. 231394 and became a lien against the Franklin County property as of that date (the “Notice of Foreign Judgment”). *See* Exhibit “E” hereto.

32. The amount remaining due under the Judgment is in excess of \$1,672,886.69 as of January 17, 2008 exclusive of interest, costs and attorneys’ fees as allowed under the Judgment which continue to accrue.

33. The value of the Franklin County property and the water shares which are the subject of this action is less than the amount due to the plaintiff under the Judgment.

34. The Notice of Interest of Defendant Jason Jones, filed on August 12, 2005, was filed after the Lis Pendens and the Notice of Foreign Judgment and states that the interest of Jason Jones “is based upon improvements made, payments made and services rendered on the property. The agreed upon arrangement was that the undersigned would receive a portion of the property for compensation for the work performed (the “arrangement”).” See Exhibit “F” hereto.

35. Gordon Jones filed for protection under chapter 7 of the United States Bankruptcy Code in the District of Utah on April 18, 2006.

36. Grazer was the principal creditor in the Chapter 7 bankruptcy.

37. The Trustee of Gordon Jones’ bankruptcy estate and Grazer entered into a Settlement Agreement on or about January 31, 2007 which was attached to the Trustee’s Motion to Approve Settlement Agreement and For Order Authorizing Abandonment of Property of Estate dated February 16, 2007. See Exhibit “G” hereto.

38. The Settlement Agreement states that

Upon the Effective Date of the Agreement, except for the reserves set forth in paragraph 2 of this Agreement, any and all property of the Debtor’s bankruptcy estate of any kind whatsoever, known or unknown, tangible and intangible, including, but not limited to real property...personal property...causes of action...[including] the Idaho Fraudulent Transfer Action...shall be deemed abandoned and no longer property of the Debtor’s bankruptcy estate and Grazer shall be deemed to have relief from the stay to pursue any and all state court remedies against the Debtor and such property.

Exhibit “F” (Settlement Agreement), p. 10.

39. The Settlement Agreement specifically covers real property and personal property located in Idaho, including the Franklin County property. *Id.*, at 4-5.

40. The Settlement Agreement further states that “Grazer shall be entitled to fully pursue all his rights and claims against the aforesaid property, which rights and claims are not

altered, amended or affected in any way by this Agreement or by the filing of the Debtor's Bankruptcy Case." *Id.*, at 10.

41. The Settlement Agreement was approved by the Bankruptcy Court in an Order dated April 19, 2007. A copy of the Order is attached hereto as Exhibit "G."

42. The Order specifically states that Grazer has a "valid, enforceable security interest in all the remaining property of the estate" including the Idaho Fraudulent Conveyance Action (this current action) and "Fraudulent Conveyance Actions or any other action that could have been filed by a creditor prior to the filing of the Debtors bankruptcy case...to recover property owed to the Debtor or transferred to third parties by the Debtor" as property that was abandoned by the bankruptcy estate and/or for which Mr. Grazer obtained relief from the automatic stay. *Id.*, 4, 8.

43. On January 20, 2009, the Honorable Judith A. Boulden issued an Order granting a discharge of Gordon Jones' remaining unsecured debt under 11 USC § 727. A copy of the Order of Discharge of Debtor is attached hereto as Exhibit "H."

44. The Order of Discharge "prohibits any attempt to collect from the debtor a debt that has been discharged....However, a creditor may have the right to enforce a valid lien such as a mortgage or security interest, against the debtor's property after the bankruptcy, if that lien was not avoided or eliminated in the bankruptcy case." *Id.* (Order, p. 2, "Explanation of Bankruptcy Discharge in a Chapter 7 Case").

45. Grazer's Judgment and Grazer's Notice of Foreign Judgment were not avoided by the Chapter 7 Trustee of Gordon Jones' bankruptcy estate and remain in place as a valid lien against the Franklin County property.

FIRST CLAIM FOR RELIEF

(Declaratory Judgment re: Quit Claim Deed to J&J Livestock, LLC)

46. Grazer realleges and incorporates by reference paragraphs 1 - 45 above.

47. The quit claim deed from Jones to J&J Livestock, LLC was recorded on December 27, 2004.

48. J&J Livestock, LLC did not exist until December 28, 2004. The quit claim deed, which purports to transfer all right, title and interest in the Franklin County property is void ab initio.

49. This court has the power under the Uniform Declaratory Judgment Act, I.C. 10-1201 *et seq.* to declare the deed void and to declare title to the Franklin County property remained at all times in the Jones, grantors under the quit claim deed.

SECOND CLAIM FOR RELIEF

(Declaratory Judgment re: Jason Jones' Notice of Interest)

50. Plaintiff incorporates by reference paragraphs 1 – 49 above.

51. Defendant Jason Jones' Notice of Interest against Franklin County property is based upon an oral agreement that Jason Jones “would receive a portion of the property for compensation for the work performed. (emphasis added)” *See* Exhibit “E.”

52. Conveyances of an estate in real property are required to be made in writing and Defendant Jason Jones' Notice of Interest refers only to a prior oral “arrangement” which violates the Idaho Statute of Frauds. I.C. 9-503.

53. The Notice of Interest does not describe the “portion” of the property, the “improvements made, payments made and services rendered on the property” subject to the

“arrangement” which is the subject of the Notice of Interest and, therefore, is void. *See* Exhibit “E”.

54. The Notice of Interest is an executory contract for the conveyance of a portion of the Franklin County property and Defendant Jason Jones would be entitled to a conveyance only upon proving that he had satisfied conditions precedent to the grant, that all improvements, payments and services had been made or or rendered as required under the “arrangement.”

55. The Notice of Interest was recorded after and is junior to the Notice of Foreign Judgment and the Lis Pendens filed in this action, both of which have priority over the Notice of Interest.

56. This Court has the power under the Uniform Declaratory Judgment Act, I.C. 10-1201 *et seq.* to declare the Notice of Interest void or junior to the prior claim of Grazer’s Foreign Judgment.

THIRD CLAIM FOR RELIEF

(Uniform Fraudulent Transfer Act)

57. Grazer realleges and incorporates by reference paragraphs 1 - 56 above.

58. As manager, member and registered agent, Gordon Jones at all times material hereto controlled J&J Livestock, LLC.

59. J&J Livestock, LLC was formed for the purpose of holding title to the Franklin County property.

60. The quit claim deed by Gordon Jones and Linda Jones to J&J Livestock, LLC was made at a time in discovery when Gordon Jones became aware of the extent of his potential and likely liability to Grazer.

61. Gordon Jones' transfer of the water shares to his wife and son on March 7, 2005 was made at a time in discovery when he became aware of the extent of his potential and likely liability to Grazer.

62. Gordon Jones transferred the Franklin County property to J&J Livestock, LLC and transferred the water shares to his wife and son with actual intent to hinder, delay and defraud Grazer in the collection of a judgment.

63. Jason Jones' Notice of Interest was filed after the Notice of Foreign Judgment was filed when he became aware of the extent of Gordon Jones' potential and likely liability to Grazer.

64. The Notice of Interest was filed with actual intent to hinder, delay and defraud Grazer in the collection of a judgment.

65. At the time of the quit claim deed and transfer of water shares, Jones had received Grazer's expert's report, was facing a trial date on Grazer's claims and believed or reasonably should have believed that a judgment was imminent.

66. On information and belief, Gordon Jones and Linda Jones did not receive a reasonable equivalent value in exchange for the transfer to J&J Livestock, LLC and did not receive a reasonably equivalent value in exchange for the transfer by Gordon Jones to his wife and son of the water shares.

67. On information and belief, Jason Jones did not give a reasonable equivalent value in exchange for a "portion" of the Franklin County property.

68. Grazer is entitled to an avoidance of the transfers of the Franklin County property and the water shares to the extent necessary to satisfy his judgment.

69. Grazer is entitled to an avoidance of the Notice of Interest to the extent necessary to satisfy his judgment.

70. This Court should attach the Franklin County property and the water shares pursuant to I.C. 55-916(b) and I.C. 8-505.

71. Defendants and each of them should be enjoined from further disposing of property, real and personal, held in Franklin County, State of Idaho.

FOURTH CLAIM FOR RELIEF

(Partition by Sale of Interests in the Franklin County Property)

72. Plaintiff realleges and incorporates by reference paragraphs 1 – 71 above.

73. There are no liens or encumbrances on the property appearing of record or otherwise known to plaintiff except the interests of the Defendants as set forth herein which will be materially affected by this action.

74. The interest of Gordon Jones and Linda Jones is community property and the entire community interest is subject to execution to satisfy the Judgment of Grazer.

75. In the event that this Court determines that the interest of Linda Jones in the Franklin County property is separate property and not subject to execution, this Court should make a determination as to the amount and extent of her interest therein.

76. During the course of this action, it was necessary for plaintiff to procure a title report at an expense to plaintiff in the amount of \$68.00. Such amount is the reasonable expense thereof.

77. The property is so situated that a partition cannot physically be made without great prejudice to the parties and this Court should order a sale of the property.

78. Partition by sale of the property is more equitable than division in kind of the property because the property is operated as a functioning whole together with the water shares which provide necessary water to the property as a whole.

79. This action is brought and partition is sought herein, for the common benefit of the parties to preserve and secure to each of them an interest in the proceeds from the sale of the property after applying the proceeds to satisfy all amounts due to Grazer under the Judgment.

80. The proceeds from the sale of the Franklin County property should be applied to satisfy:

- a. The general costs of this action;
- b. The costs of the reference;
- c. The satisfaction and cancellation of record of the liens in the order of priority, with the Foreign Judgment having first priority;
- d. The residue among the owners of the property sold, according to their respective shares therein.

FIFTH CLAIM FOR RELIEF

(Physical Partition of Franklin County Property)

81. Plaintiff realleges and incorporates by reference paragraphs 1 – 80 above.

82. In the event this Court should determine that the property should be physically partitioned, Grazer requests this Court to appoint three (3) referees to divide the property and allot the several proportions thereof to the respective parties, quality and quantity relatively considered according to the respective rights of the parties as determined by this Court and direct the referees to make a report of their proceedings.

83. This Court shall confirm, change, modify or set aside the report and enter judgment to effect such partition, which judgment shall be binding and conclusive.

84. The expenses of the referees, including those of a surveyor and his assistants if employed, must be ascertained by the Court, together with the fees allowed by the Court in its discretion to the referees to be apportioned among the different parties to this action equitably.

WHEREFORE, Plaintiff prays for relief as follows:

1. For a declaratory order declaring the quit claim deed void ab initio and vesting title to the Franklin County property in Jones.
2. For a declaratory order declaring the Notice of Interest to be void, executory or junior in priority to the Foreign Judgment of Grazer.
3. For judgment avoiding the transfer of the Franklin County property from Jones to J&J Livestock, LLC under the Uniform Fraudulent Transfer Act, I.C. 55-916(a).
4. For judgment avoiding the transfer of the water shares from Jones to his wife and son under the Uniform Fraudulent Transfer Act, I.C. 55-916(a).
5. For a writ of attachment attaching the Franklin County property to satisfy Grazer's judgment against Jones.
6. For a writ of attachment attaching the water shares to satisfy Grazer's judgment against Jones.
7. For an Order of Partition ordering that the Franklin County property be sold and the proceeds equitably distributed as follows:
 - a. To pay the just proportion of the general costs of the action
 - b. To pay the costs of the reference

- c. To satisfy and cancel the Foreign Judgment of Grazer
- d. The residue among the parties in accordance with their respective interests as determined by this Court.

8. For an Order of this Court determining the respective rights of the parties in the Franklin County property and for an Order appointing three referees to allot portions of the Franklin County property to the respective parties, quality and quantity relatively considered according to the respective rights of the parties as determined by this Court.

9. For an injunction prohibiting Jones, J&J Livestock, LLC and each of them from further disposing of property, real and personal held in Franklin County, State of Idaho.

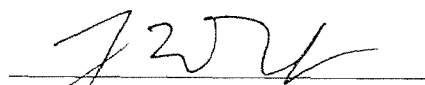
10. For an order of execution against the Franklin County property and the water shares in satisfaction of the Judgment in the civil case.

11. For attorneys fees and costs pursuant to (I.C. 12-121, 10-1201) and the parties' contract.

12. For such other and further relief as this Court deems just and equitable.

DATED this 4 day of December, 2009.

HOBBS & OLSON, L.C.



Lincoln W. Hobbs
Margaret H. Olson
Of Counsel
Attorneys for Plaintiff Allen F. Grazer

Plaintiff's address:
Allen F. Grazer
c/o Hobbs & Olson, L.C.
466 East 500 South, Suite 300
Salt Lake City, UT 84111

CERTIFICATE OF DELIVERY

I hereby certify that on the 4 day of December, 2009, I caused a true and correct copy

of the foregoing to be served upon the following in the manner indicated:

Kent L. Hawkins
MERRILL & MERRILL CHARTERED
109 n Arthur – 5th Flr
P.O. Box 991
Pocatello, ID 83204-0991
Attorneys for Defendant Linda G. Jones

- Email
- Mail
- Fax 208-232-2499
- Fed Ex
- Hand Delivery
- Personally Served

Lane V. Erickson
RACINE, OLSON, NYE, BUDGE & BAILEY
CHARTERED
P.O. Box 1391
Pocatello, ID 83204-1391
Attorneys for Defendants Gordon A. Jones and
J&J Livestock, LLC

- Email lve@racinelaw.net
- Mail
- Fax 801-621-4436
- Fed Ex
- Hand Delivery
- Personally Served

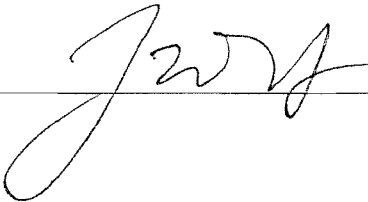


EXHIBIT A

228503

Recorded at the request of

Jason Jones

10:10 a.m. DEC 27 2004 p.m.

Mail Tax Notice To:
Gordon & Linda Jones
235 West 1400 North, Bountiful, UT 84010

V. ELLIOTT LARSEN, RECORDER
By Shauna Geddes Deputy
FRANKLIN COUNTY, IDAHO

QUIT-CLAIM DEED

GORDON A. JONES and LINDA G. JONES, Grantors of Davis County, State of Utah, hereby QUIT CLAIM to J&J LIVESTOCK L.L.C. for the sum of TEN DOLLARS AND OTHER GOOD AND VALUABLE CONSIDERATION, the following described tract of land in Franklin County, State of Idaho:

COMMENCING AT A POINT 53-3/4 RODS NORTH OF THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF SECTION 35, TOWNSHIP 14 SOUTH, RANGE 38 EAST OF THE BOISE MERIDIAN, FRANKLIN COUNTY, IDAHO, AND RUNNING THENCE WEST 240 RODS, THENCE NORTH 53-3/4 RODS, THENCE EAST 240 RODS; THENCE SOUTH 53-3/4 RODS TO THE PLACE OF BEGINNING.

EXCEPTING AND RESERVING A RIGHT-OF-WAY FOR ANY AND ALL IRRIGATION DITCHES AND CANALS, AND PUBLIC ROADS NOW EXISTING OR IN USE UPON AND ACROSS SAID PREMISES, AND EXCEPTING AND RESERVING THEREFROM A STRIP OF LAND 3 RODS WIDE ALONG THE EAST SIDE OF THE ABOVE-DESCRIBED LAND.

ALSO, THE SOUTH HALF OF THE SOUTHWEST QUARTER, THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER, AND THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 34, TOWNSHIP 14 SOUTH, RANGE 38 EAST OF THE BOISE MERIDIAN, FRANKLIN COUNTY, IDAHO.

TOGETHER WITH 36 SHARES OF THE CAPITAL STOCK OF TWIN LAKES CANAL COMPANY.

TAX SERIAL NO:
ADDRESS:

SUBJECT TO easements, restrictions, covenants and rights of way appearing of record or enforceable in law or equity.

WITNESS the hand of said Grantor(s) this 22 day of December, 2004.

Gordon A. Jones
GORDON A. JONES

Linda G. Jones
LINDA G. JONES

STATE OF UTAH

COUNTY OF DAVIS

On the 22 day of December, 2004, personally appeared before me GORDON A. JONES and LINDA G. JONES who duly acknowledged they are the signers of the foregoing Deed.

Dominic J. Sutt
NOTARY PUBLIC



NOTARY PUBLIC
DOMINIC J. SHAFER
2141 Timothy Way
Bountiful, Utah 84010
My Commission Expires
February 10, 2006
STATE OF UTAH

CLIPFACE.com Order VOM29202

EXHIBIT B

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R W DESIGN, INC., a Utah corporation;
ROBERT W. SPEIRS PLUMBING, INC.,
a Utah corporation; SCOTT SESSIONS, an
individual; and NU-TREND ELECTRIC
COMPANY, a Utah corporation.

Third Party Defendants.

The above-entitled matter was tried before The Honorable Michael G. Allphin on April 26 through 29, 2005. Plaintiffs were represented by their counsel, David A. Van Dyke and Kent B. Scott; Defendant was represented by his counsel, Lincoln W. Hobbs and Tamara K. Prince.

Having heard the testimony, having reviewed the exhibits offered to and received by the Court, and having considered the law, and the Court having entered Findings of Fact and Conclusions of Law on June 17, 2005.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. Defendant Allen F. Grazer be awarded judgment against Gordon A. Jones and Richard Barney, jointly and severally, in the amount of \$1,585,000.00 plus additional consequential damages of \$40,669.97 for the contractor's fee, \$ 31,062.50 for payments to Vanel for repairs, \$9,968.41 for moving and storage expenses, \$133,512.61 for reasonable attorney's fees and costs through May 31, 2005, \$1,783.12 for direct legal costs through April 24, 2005, \$1,457.81 for direct legal costs after April 24, 2005, \$7,305.00 paid to expert Matthew Roblez, P.E., and prejudgment interest in the amount of \$75,968.45 through June 22, 2005 for a total amount of \$1,886,727.87;

2. Together with interest at the at the prejudgment rate accruing at the rate of \$70.59 until the date of judgment;

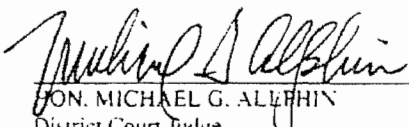
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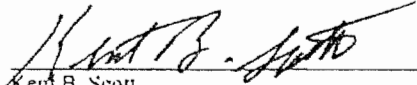
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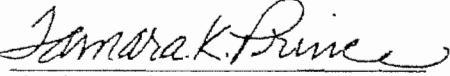
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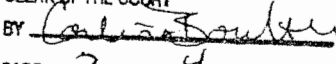
3. Together with post-judgment interest accruing at the judgment rate, until paid;
 IT IS FURTHER ORDERED that this Judgment shall be augmented by reasonable costs and attorneys' fees expended in connection with efforts that have been incurred since May 31, 2005 and that are necessitated in collecting this Judgment by execution or otherwise as shall be established by Affidavit.

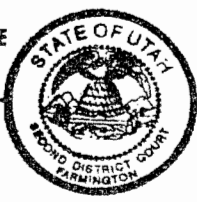
DATED this 7th day of July, 2005.

BY THE COURT:

 HON. MICHAEL G. ALPHIN
 District Court Judge

APPROVED AS TO FORM:
 BABCOCK, SCOTT & BABCOCK

 Kent B. Scott
 David A. Van Dyke
 Attorneys for Plaintiffs

HOBBS & OLSON

 Lincoln W. Hobbs & Olsen
 Margaret H. Olson
 Tamara K. Prince
 Attorneys for Defendant

STATE OF UTAH }
 COUNTY OF DAVIS } ss.
 I HEREBY CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL ON FILE IN MY OFFICE.
 DATED THIS 19th DAY OF Sep 2005
 ALYSON E. BROWN
 CLERK OF THE COURT
 BY  DEPUTY
 PAGE 3 OF 4



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CERTIFICATE OF DELIVERY

I hereby certify that on the 1 day of July, 2005, I caused a true and correct copy of the foregoing to be sent via facsimile and to be and mailed, first class, postage prepaid, to the following:

David A. Van Dyke, Esq.
2900 West Highway 24
Post Office Box 17
Teasdale, UT 84773
Attorney for Plaintiffs/Counterclaim
Defendants/Third Party Plaintiffs
Gordon A. Jones and Richard Barney
FAX #435-425-3329

Kent B. Scott, Esq.
BABCOCK, SCOTT & BABCOCK
505 East 200 South, Suite 300
Salt Lake City, UT 84102
Co-Counsel for Plaintiffs/Counterclaim
Defendants/Third Party Plaintiffs
Gordon A. Jones and Richard Barney
FAX #531-7060

Stephen F. Noel, Esq.
SMITH KNOWLES P.C.
4723 Harrison Blvd., Suite 200
Ogden, UT 84403
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R W Design, Inc. and Robert W. Speirs
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FAX #476-0399

Nu-Trend Electric Company
57 West 200 North
Bountiful, UT 84010
Third-Party Defendant *Pro Se*

Scott Sessions
289 West Tobe Drive
Centerville, UT 84014
Third-Party Defendant *Pro Se*

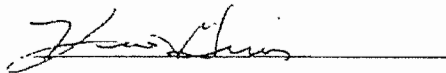


EXHIBIT C

LINCOLN W. HOBBS, ESQ. (4848)
MARGARET H. OLSON, ESQ. (6296)
TAMARA K. PRINCE, ESQ. (5224)
HOBBS & OLSON, L.C.
Attorneys for Plaintiff Allen F. Grazer
525 South 300 East
Salt Lake City, Utah 84111
Telephone: (801) 519-2555
Facsimile: (801) 519-2999

IN THE SECOND JUDICIAL DISTRICT COURT OF DAVIS COUNTY
FARMINGTON DEPARTMENT, STATE OF UTAH

ALLEN F. GRAZER,

Plaintiff.

v.

GORDON A. JONES and LINDA G. JONES,
husband and wife; RICHARD H. BARNEY
and RENAE CARNON BARNEY, husband
and wife; THE LINDA G. JONES FAMILY
PARTNERSHIP; and JOHN DOES 1-10,

Defendants.

COMPLAINT

Civil No. _____

Judge _____

Plaintiff hereby complains of Defendants as follows:

1. This is an action under the Uniform Fraudulent Transfer Act, Title 26, Chapter 5 of the Utah Code. In anticipation of judgment, Defendants Gordon A. Jones and Richard H. Barney transferred real property located in Davis County, Utah, to their wives and to a "family partnership". This action seeks to avoid the transfer, attach the property, and enjoin further disposition by Defendants of the Davis County property or of other property.

PARTIES AND JURISDICTION

2. Plaintiff Allen F. Grazer is an individual residing in Davis County, State of Utah.

3. Defendants Gordon A. Jones and Linda G. Jones are husband and wife residing in Davis County, State of Utah.

4. Defendants Richard H. Barney and Renae Carnon Barney are husband and wife residing in Davis County, State of Utah.

5. On information and belief, Defendant Linda G. Jones Family Partnership is a Utah entity; however, no registration exists with the Utah Department of Commerce. On information and belief Linda G. Jones is a partner of Linda G. Jones Family Partnership.

6. Jurisdiction over Defendants is proper under Utah Code Ann. § 78-3-4 (2000).

7. Venue is proper in this county under Utah Code Ann. § 78-13-1 (1953).

GENERAL ALLEGATIONS

8. Beginning in August 24, 2000, Gordon A. Jones and Richard H. Barney owned an Apartment Building in Davis County, Utah. The real property is identified as Parcel No. 07-031-0075 with the following legal description:

BEGINNING AT A POINT 82.50 FEET WEST ALONG THE NORTH LINE OF A STREET FROM THE SOUTHEAST CORNER OF LOT 1, BLOCK 12, PLAT "A", FARMINGTON TOWNSITE SURVEY, IN THE CITY OF FARMINGTON, THENCE WEST 32.5 FEET; THENCE NORTH 00°04'38" WEST 65.00 FEET; THENCE NORTH 45°02'19" WEST 42.46 FEET; THENCE WEST 85.00 FEET TO THE WEST LINE OF PROPERTY CONVEYED IN WARRANTY DEED IN BOOK 984 AT PAGE 838 IN THE RECORDS OF DAVIS COUNTY, UTAH; THENCE NORTH 00°04'38" WEST 153.86 FEET, MORE OR LESS, TO THE NORTH LINE OF LOT 2 OF SAID BLOCK 12; THENCE NORTH 89°59'37" EAST 263.00 FEET ALONG SAID NORTH LINE OF LOT 2 TO THE WEST LINE OF A STREET; THENCE SOUTH 00°04'38" EAST

156.00 FEET ALONG SAID STREET; THENCE WEST 115.00 FEET, MORE OR LESS, TO THE WEST LINE OF THE EAST HALF OF SAID LOT 1; THENCE SOUTH 00°04'38" EAST 92.89 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 07-031-0075

SUBJECT TO: County and/or City Taxes not delinquent, Bonds and/or Special Assessments not delinquent and Covenants, Conditions, Restrictions, Rights-of-Way, Easements, and Reservations now of Record.

(hereinafter "the Apartment Building").

9. Upon information and belief, by August of 2001, Gordon A. Jones, Linda G. Jones, and Richard H. Barney owned real property in Davis County, Utah. The real property is identified as Parcel Nos. 06-027-0007 and 06-027-0008.

10. Upon information and belief, by August of 2001, Gordon A. Jones Construction owned real property in Davis County, Utah. The real property is located at 1440 North 1445 West, Bountiful City in Davis County, Utah with the following legal description:

A PART OF THE SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 2 NORTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT SOUTH 1071.04 FEET AND EAST 305.30 FEET FROM THE CENTER OF SECTION 14, TOWNSHIP 2 NORTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN, AND RUNNING THENCE NORTH OD21M31S WEST 501.36 FEET; THENCE EAST 100.00 FEET; THENCE SOUTH OD21M31S EAST 501.36 FEET TO THE NORTH LINE OF A 50 FOOT RIGHT OF WAY; THENCE WEST 100.00 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH AND SUBJECT TO THE FOLLOWING DESCRIBED REIGHT OF WAY: BEGINNING AT THE INTERSECTION OF THE WEST LINE OF HOWARD STREET AND THE NORTH LINE OF LELAND M. ARGYLE PROPERTY AT A POINT 1072.50 FEET SOUTH AND 295.675

FEET WEST FROM THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 14, AND RUNNING THENCE WEST 2569.5 FEET; THENCE NORTH 50 FEET; THENCE EAST 2569.50 FEET; THENCE SOUTH 50 FEET TO THE POINT OF BEGINNING.

ALSO, TOGETHER WITH AND SUBJECT TO A RIGHT OF WAY FROM THE SOUTHWEST CORNER OF THE ABOVE DESCRIBED PROPERTY RUNNING SOUTH OVER THE LAND RESERVED FOR ROAD, TO THE DAVIS COUNTY SEWAGE DISPOSAL ROAD.

11. Upon information and belief, by August of 2001, Gordon A. Jones dba Gordon A. Jones Construction owned real property in Davis County, Utah. The real property is identified as Parcel Nos. 06-027-0014 and 06-027-0015 with the following legal description:

PARCEL 1:

A PART OF THE SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 2 NORTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT SOUTH 1071.04 FEET AND EAST 33.00 FEET FROM THE CENTER OF SECTION 14, TOWNSHIP 2 NORTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN, AND RUNNING THENCE NORTH 501.36 FEET; THENCE EAST 169.17 FEET; THENCE SOUTH 0°21'31" EAST 501.36 FEET TO THE NORTH LINE OF A 500 FOOT RIGHT OF WAY; THENCE WEST 172.30 FEET TO THE POINT OF THE BEGINNING.

TOGETHER WITH AND SUBJECT TO THE FOLLOWING DESCRIBED RIGHT OF WAY: BEGINNING AT THE INTERSECTION OF THE WEST LINE OF HOWARD STREET AND THE NORTH LINE OF LELAND M. ARGYLE PROPERTY AT A POINT 1072.50 FEET SOUTH AND 295.675 FEET WEST FROM THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 14, AND RUNNING THENCE WEST 2569.5 FEET; THENCE NORTH 50 FEET; THENCE EAST 2569.40 FEET; THENCE SOUTH 50 FEET TO THE POINT OF BEGINNING.

ALSO, TOGETHER WITH AND SUBJECT TO A RIGHT OF WAY FROM THE SOUTHWEST CORNER OF THE ABOVE DESCRIBED PROPERTY, RUNNING SOUTH OVER THE LAND RESERVED FOR ROAD, TO THE DAVIS COUNTY SEWAGE DISPOSAL ROAD (06-027-0014).

PARCEL 2:

A PART OF THE SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 2 NORTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT SOUTH 1071.04 FEET AND EAST 205.30 FEET FROM THE CENTER OF SECTION 14, TOWNSHIP 2 NORTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN, AND RUNNING THENCE NORTH 0°21'31" WEST 501.36 FEET; THENCE EAST 100.00 FEET; THENCE SOUTH 0°21'31" EAST 501.36 FEET TO THE NORTH LINE OF A 50 FOOT RIGHT OF WAY; THENCE WEST 100.00 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH AND SUBJECT TO THE FOLLOWING DESCRIBED RIGHT OF WAY: BEGINNING AT THE INTERSECTION OF THE WEST LINE OF HOWARD STREET AND THE NORTH LINE OF LELAND M. ARGYLE PROPERTY AT A POINT 1072.50 FEET SOUTH AND 295.675 FEET WEST FROM THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 14, AND RUNNING THENCE WEST 2569.5 FEET; THENCE NORTH 50 FEET; THENCE EAST 2569.50 FEET; THENCE SOUTH 50 FEET TO THE POINT OF BEGINNING.

ALSO, TOGETHER WITH AND SUBJECT TO A RIGHT OF WAY FROM THE SOUTHWEST CORNER OF THE ABOVE DESCRIBED PROPERTY, RUNNING SOUTH OVER THE LAND RESERVED FOR ROAD, TO THE DAVIS COUNTY SEWAGE DISPOSAL ROAD (06-027-0015).

SUBJECT TO EASEMENTS, RIGHTS, RESERVATIONS, RESTRICTIONS AND RIGHTS OF WAY, COVENANTS, TAXES AND ASSESSMENTS APPEARING OF RECORD OR ENFORCEABLE IN LAW OR EQUITY.

(collectively the real property in paragraphs 9, 10, and 11 of this Complaint are hereinafter the "Condemned Parcels").

12. Commencing in 1993 Gordon A. Jones and Richard H. Barney, as general contractor, built a home for Grazer in Davis County, Utah.

13. On November 1, 2002, Jones and Barney initiated litigation against Grazer seeking to collect approximately \$42,000.00 of unpaid invoices. Grazer counterclaimed alleging

construction defects, negligence, and breaches of contract and warranty. This action is known as *Gordon Jones and Richard Barney v. Allen Grazer*, Second District Court, Davis County, Farmington Department, State of Utah, Case No. 020700570 CN ("the Civil Case").

14. On or about March 3, 2005, a Final Order of Condemnation was recorded with the Davis County Recorder against the Condemned Parcels, as Entry No. 2055978 in Book 3738 at Page 296 of Official Records, and Gordon A. Jones Construction, Gordon Jones Construction, Gordon A. Jones, Linda G. Jones, and Richard H. Barney received \$178,000.00 on or about February 11, 2005 as payment on the judgment. The Final Order of Condemnation was entered in an action known as *Utah Department of Transportation v. Gordon A. Jones Construction*, Second District Court, Davis County, Farmington Department, State of Utah, Case No. 010700265 ("the Condemnation Case").

15. Shortly after receiving the proceeds from the Condemnation Case, on or about March 8, 2005, the Trust Deed Note to Barnes Banking Company was paid in full on the Apartment Building and a Deed of Reconveyance was recorded with the Davis County Recorder on or about March 18, 2005 as Entry No. 2059773 in Book 3748 at Page 670 of Official Records.

16. Upon information and belief, the proceeds from the Condemnation Case, in the condemnation of the Condemned Parcels, were used to pay off the Trust Deed Note on the Apartment Building.

17. On April 26-29, 2005 Judge Allphin of the Second District Court in Utah heard the Civil Case. On April 26, 2005 Judge Allphin dismissed the claims brought by Jones and Barney and ruled in favor of Grazer on Jones' and Barney's claims. On April 29, 2005 Judge

Allphin declared his preliminary intention to award judgment in favor of Grazer and against Jones and Barney on Grazer's counterclaim. That judgment has not yet been entered, pending arguments by counsel respecting the amount of damages to be awarded.

CLAIM FOR RELIEF

(Fraudulent Transfer)

18. Grazer realleges and incorporates by reference paragraphs 1 through 17 above.

19. Gordon A. Jones and Richard H. Barney executed a quit claim deed, on or about May 6, 2005, transferring the Apartment Building to their wives Linda G. Jones and Renae Carnon Barney within days of Judge Allphin's announcement of his intended verdict in the Civil Case.

20. At the same time, Gordon A. Jones' wife, Linda G. Jones, quit claimed her interest in the Apartment Building to the Linda G. Jones Family Partnership.

21. Gordon A. Jones and Richard H. Barney transferred the Apartment Building to their wives, and Linda G. Jones transferred the Apartment Building to her family partnership, with actual intent to hinder, delay, and defraud Grazer in the collection of a judgment.

22. Linda G. Jones and Renae Carnon Barney are definitionally "insiders" for purposes of the Uniform Fraudulent Transfer Act, Utah Code Ann. § 25-6-2(7)(a)(i). Similarly, the Linda G. Jones Family Partnership is an insider under Utah Code Ann. § 25-6-2(7)(a)(iii).

23. At the time of the quit claim deeds, Defendants had actual knowledge of Judge Allphin's intended verdict and believed or reasonably should have believed that a judgment was imminent.

24. On information and belief, Linda G. Jones, Renae Carnon Barney, and the Linda G. Jones Family Partnership did not receive a reasonably equivalent value in exchange for the transfer to them.

25. Grazer is entitled to an avoidance of the transfer to the extent necessary to satisfy his judgment.

26. This Court should attach the Apartment Building pursuant to Utah Code Ann. § 25-6-8(b).

27. Defendants and each of them should be enjoined from further disposing of property, real and personal, held in Davis County, State of Utah, or elsewhere.

28. Upon information and belief, pursuant to the provisions of the parties' contract, Mr. Grazer is entitled to reasonable attorney's fees and costs in pursuing this action.

29. The Defendants' fraudulent transfers were not in good faith. Pursuant to Utah Code Ann. § 78-27-56, Mr. Grazer is entitled to reasonable attorney's fees to be awarded for the use and benefit of his counsel.

WHEREFORE Plaintiff prays for relief as follows:

A. For judgment avoiding the transfer of the Apartment Building from Gordon A. Jones and Richard H. Barney to their wives and to the Linda G. Jones Family Partnership under the Uniform Fraudulent Transfer Act, Utah Code Ann. § 25-6-8(1)(a)(1988).

B. For a writ of attachment attaching the Apartment Building to satisfy Grazer's judgment against Gordon A. Jones and Richard H. Barney.

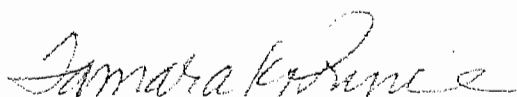
C. For an injunction prohibiting Gordon A. Jones and Richard H. Barney from further disposing of property, real and personal, held in Davis County, State of Utah, and elsewhere.

D. For attorneys' fees and costs.

E. For such other and further relief as this Court deems just and equitable.

DATED this 13th day of May, 2005.

HOBBS & OLSON, L.C.



LINCOLN W. HOBBS

MARGARET H. OLSON

TAMARA K. PRINCE

Attorneys for Plaintiff Allen F. Grazer

Plaintiff's address:

ALLEN F. GRAZER
1685 South Stone Hollow Court
Bountiful, UT 84010-1069

MARGARET H. OLSON (ID BAR #04680)
Of Counsel
HOBBS & OLSON, L.C.
Attorneys for Plaintiff Allen F. Grazer
466 East 500 South
Salt Lake City, Utah 84111
Telephone: (801) 519-2555
Facsimile: (801) 519-2999

IN THE SIXTH JUDICIAL DISTRICT COURT
IN AND FOR FRANKLIN COUNTY, STATE OF IDAHO

ALLEN F. GRAZER, an individual,
Plaintiff,

v.

GORDON A. JONES, an individual;
LINDA G. JONES, an individual;
J&J LIVESTOCK, LLC, a Utah
Limited Liability Company; and
John Does 1-10,
Defendants.

ORDER TO AMEND COMPLAINT

Civil No. CV-2005-183

Judge Don L. Harding

Based upon Plaintiff Allen F. Grazer's Motion to Amend
Complaint the Memorandum in Support of the Motion to Amend
Complaint filed herein, and good cause appearing therefore,

IT IS HEREBY ORDERED, that Plaintiff be allowed to amend
the Complaint previously filed in this matter in the manner set
forth in the (proposed) Amended Complaint attached to the
Memorandum.

DATED this _____ day of _____, 2005.

BY THE COURT:

DISTRICT COURT JUDGE

CERTIFICATE OF DELIVERY

I hereby certify that on the 18th day of November, 2005,
I caused a true and correct copy of the foregoing to be mailed,
first class, postage prepaid, to the following:

Shawn W. Potter, Esq.
TESCH LAW OFFICES
314 Main Street, #200
P.O. Box 3390
Park City, UT 84060-3390
Fax 435-649-2561
Attorney for Defendants

Kent B. Scott, Esq.
BABCOCK, SCOTT & BABCOCK
505 East 200 South, Suite 300
Salt Lake City, UT 84102
Fax No. 531-7060

Carvel R. Shaffer, Esq.
SHAFFER LAW OFFICE, P.C.
Key Bank Building
562 South Main
Bountiful, UT 84010
Fax No. 298-1576

Linda B. Ogden

EXHIBIT D

229796 1-2

FILED

05 MAY 12 PM 12:56

FRANKLIN COUNTY CLERK

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

MARGARET H. OLSON (ID BAR #04680)
Of Counsel
HOBBS & OLSON, L.C.
Attorneys for Plaintiff Allen F. Grazer
525 South 300 East
Salt Lake City, Utah 84111
Telephone: (801) 519-2555
Facsimile: (801) 519-2999

Recorded at the request of

Margaret H. Olson

1:50
a.m. MAY 13 2005 p.m.

V. ELLIOTT LARSEN, RECORDER
By Shauna Gaddis Deputy
FRANKLIN COUNTY, IDAHO

IN THE SIXTH JUDICIAL DISTRICT COURT
IN AND FOR FRANKLIN COUNTY, STATE OF IDAHO

ALLEN F. GRAZER, an individual,
Plaintiff,

v.

GORDON A. JONES, an individual;
LINDA G. JONES, an individual;
J&J LIVESTOCK, LLC, a Utah
Limited Liability Company; and
John Does 1-10,
Defendants.

LIS PENDENS

Case No. CV-2005-153

Judge Harding

Notice is given that the above-entitled action was filed
in the above-entitled court on May 12, 2005 by Allen Grazer
against Gordon A. Jones, Linda G. Jones and J&J Livestock, LLC,
defendants. The action affects title to specific real property

LIS PENDENS

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or the right to possession of specific real property as identified in the Complaint in this action.

The specific real property affected by the action is located in Franklin County, State of Idaho and is described as follows:


COMMENCING AT A POINT 53-3/4 RODS NORTH OF THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF SECTION 35, TOWNSHIP 14 SOUTH, RANGE 38 EAST OF THE BOISE MERIDIAN, FRANKLIN COUNTY, IDAHO, AND RUNNING THENCE WEST 240 RODS, THENCE NORTH 53-3/4 RODS, THENCE EAST 240 RODS; THENCE SOUTH 53-3/4 RODS TO THE PLACE OF BEGINNING.

EXCEPTING AND RESERVING A RIGHT-OF-WAY FOR ANY AND ALL IRRIGATION DITCHES AND CANALS, AND PUBLIC ROADS NOW EXISTING OR IN USE UPON AND ACROSS SAID PREMISES, AND EXCEPTING AND RESERVING THEREFROM A STRIP OF LAND 3 RODS WIDE ALONG THE EAST SIDE OF THE ABOVE-DESCRIBED LAND.

ALSO, THE SOUTH HALF OF THE SOUTHWEST QUARTER, THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER, AND THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 34, TOWNSHIP 14 SOUTH, RANGE 38 EAST OF THE BOISE MERIDIAN, FRANKLIN COUNTY, IDAHO.

TOGETHER WITH 36 SHARES OF THE CAPITAL STOCK OF TWIN LAKES CANAL COMPANY.

DATED May 11 2005


MARGARET H. OLSON, ESQ., of Counsel
HOBBS & OLSON, L.C.
Attorneys for Allen F. Grazer

LIS PENDENS

367

EXHIBIT E

231394 1-2

FILED

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FRANKLIN COUNTY CLERK

A. Hampton
DEPUTY

MARGARET H. OLSON (ID BAR #04680)
Of Counsel
HOBBS & OLSON, L.C.
Attorneys for Plaintiff Allen F. Grazer
525 South 300 East
Salt Lake City, Utah 84111
Telephone: (801) 519-2555
Facsimile: (801) 519-2999

IN THE SIXTH JUDICIAL DISTRICT COURT
IN AND FOR FRANKLIN COUNTY, STATE OF IDAHO

<p>ALLEN F. GRAZER, an individual, Plaintiff,</p> <p>v.</p> <p>GORDON A. JONES, an individual; and RICHARD BARNEY, an individual,</p> <p>Defendants.</p>	<p>NOTICE OF FILING FOREIGN JUDGMENT</p>
	<p>Civil No. CV-2005-183</p> <p>Judge Don L. Harding</p>

Pursuant to I.C. 10-1303, Plaintiff Allen F. Grazer hereby gives notice by through counsel, Margaret H. Olson, to the Defendants herein of his filing in this matter of the foreign judgment obtained in the Second Judicial District Court of Davis County, Farmington Department, State of Utah more particularly entitled *Gordon Jones and Richard Barney, Plaintiffs v. Allen Grazer*, with the Counterclaim action denoted as *Allen F. Grazer, Counterclaim Plaintiff v. Gordon A. Jones and Richard Barney, Counterclaim Defendants*, Consolidated Civil No. 020700570 CN.

369

231394 2-2

DATED this 29 day of July, 2005.

STATE OF IDAHO } ss
 County of Franklin }
 I HEREBY CERTIFY that the above and foregoing is a full and correct copy of original thereof, as filed in and to be filed in the
 Date: September 23, 2005
 V. ELLIOTT LARSEN
 Clerk of the District Court
 By Linda A. Gaddes
 Deputy Clerk



Margaret H. Olson
 MARGARET H. OLSON

CERTIFICATE OF DELIVERY

I hereby certify that on the 29 day of July, 2005, I caused a true and correct copy of the foregoing to be mailed, first class, postage prepaid, to the following:

Shawn W. Potter, Esq.
 RABCOCK, SCOTT & BABCOCK
 505 East 200 South, Suite 300
 Salt Lake City, UT 84102
 Attorney for Defendants

Gordon A. Jones
 235 West 1400 North
 Bountiful, Utah 84010
 Defendant/Judgment Debtor

Gordon A. Jones
 3369 North Westside Highway,
 Clifton, Idaho 83228
 Defendant/Judgment Debtor

Richard Barney is 131 North
 Terrace Drive, Clearfield, Utah
 84015.
 Defendant/Judgment Debtor

[Signature]

Recorded at the request of
Hobbs & Olson

3:10 a.m. SEP 23 2005 p.m.

V. ELLIOTT LARSEN, RECORDER
 By Shauna Gaddes Deputy
 FRANKLIN COUNTY, IDAHO

7/12/2005 5:07:51 PM

231395 1-4

FILED
JUL 11 2005
SECOND DISTRICT COURT

LINCOLN W. HOBBS, ESQ. (4848)
MARGARET H. OLSON, ESQ. (6296)
TAMARA K. PRINCE, ESQ. (5224)
HOBBS & OLSON, L.C.
Attorneys for Defendant/Counterclaim
Plaintiff Allen F. Grazer
525 South 300 East
Salt Lake City, Utah 84111
Telephone: (801) 519-2555
Facsimile: (801) 519-2999

IN THE SECOND JUDICIAL DISTRICT COURT OF DAVIS COUNTY
FARMINGTON DEPARTMENT, STATE OF UTAH

GORDON JONES, an individual; and
RICHARD BARNEY, an individual,

Plaintiffs,

v.

ALLEN GRAZER, an individual,

Defendant.

ALLEN F. GRAZER,

Counterclaim Plaintiff,

v.

GORDON A. JONES; and RICHARD
BARNEY,

Counterclaim Defendants,

GORDON JONES, an individual; and
RICHARD BARNEY, an individual;

Third Party Plaintiffs,

v.

**JUDGMENT AGAINST
COUNTERCLAIM DEFENDANTS
GORDON A. JONES AND RICHARD
BARNEY**

Recorded at the request of

HOBBS & OLSON

_____ a.m. SEP 23 2005 p.m. 3:15

V. ELLIOTT LARSEN, RECORDER
By Shauna Goddes Deputy
FRANKLIN COUNTY, IDAHO

Civil No. 020700570 CN

Judge Michael G. Alphin

JUDGMENT ENTERED

BY X

Judgment against Counterclaim Defendants Gordon A.



020700570 JD18538733 HU-TREND ELECTRIC COMPANY.

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R W DESIGN, INC., a Utah corporation;
ROBERT W. SPEIRS PLUMBING, INC.,
a Utah corporation; SCOTT SESSIONS, an
individual; and NU-TREND ELECTRIC
COMPANY, a Utah corporation.

Third Party Defendants.

The above-entitled matter was tried before The Honorable Michael G. Allphin on April 26 through 29, 2005. Plaintiffs were represented by their counsel, David A. Van Dyke and Kent B. Scott; Defendant was represented by his counsel, Lincoln W. Hobbs and Tamara K. Prince.

Having heard the testimony, having reviewed the exhibits offered to and received by the Court, and having considered the law, and the Court having entered Findings of Fact and Conclusions of Law on June 17, 2005.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. Defendant Allen F. Grazer be awarded judgment against Gordon A. Jones and Richard Barney, jointly and severally, in the amount of \$1,585,000.00 plus additional consequential damages of \$40,669.97 for the contractor's fee, \$31,062.50 for payments to Vanel for repairs, \$9,968.41 for moving and storage expenses, \$133,512.61 for reasonable attorney's fees and costs through May 31, 2005, \$1,783.12 for direct legal costs through April 24, 2005, \$1,457.81 for direct legal costs after April 24, 2005, \$7,305.00 paid to expert Matthew Roblez, P.E., and prejudgment interest in the amount of \$73,968.45 through June 22, 2005 for a total amount of \$1,886,727.87;

2. Together with interest at the at the prejudgment rate accruing at the rate of \$70.59 until the date of judgment;

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3. Together with post-judgment interest accruing at the judgment rate, until paid:
IT IS FURTHER ORDERED that this Judgment shall be augmented by reasonable costs and attorneys' fees expended in connection with efforts that have been incurred since May 31, 2005 and that are necessitated in collecting this Judgment by execution or otherwise as shall be established by Affidavit.

DATED this 7th day of July, 2005.

BY THE COURT:

Michael G. Alphin
HON. MICHAEL G. ALPHIN
District Court Judge

APPROVED AS TO FORM:

BABCOCK, SCOTT & BABCOCK

Ken B. Seon
Ken B. Seon
David A. Van Dyke
Attorneys for Plaintiff's

HOBBS & OLSON

Tamara K. Prince
Lincoln W. Hobbs & Olsen
Margaret H. Olson
Tamara K. Prince
Attorneys for Defendant

STATE OF UTAH }
COUNTY OF DAVIS } ss.

I HEREBY CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL ON FILE IN MY OFFICE

DATED THIS 14th DAY OF Sept, 2005

ALYSON E. BROWN
CLERK OF THE COURT

BY Carol E. Brubaker DEPUTY

PAGE 3 OF 4



231395 4-4

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CERTIFICATE OF DELIVERY

I hereby certify that on the 1 day of July, 2005, I caused a true and correct copy of the foregoing to be sent via facsimile and to be and mailed, first class, postage prepaid, to the following:

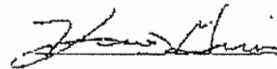
David A. Van Dyke, Esq.
2900 West Highway 24
Post Office Box 17
Treasdale, UT 84773
Attorney for Plaintiffs/Counterclaim
Defendants/Third Party Plaintiffs
Gordon A. Jones and Richard Barney
FAX #435-425-3329

Kent B. Scott, Esq.
BABCOCK, SCOTT & BABCOCK
505 East 200 South, Suite 300
Salt Lake City, UT 84102
Co-Counsel for Plaintiffs/Counterclaim
Defendants/Third Party Plaintiffs
Gordon A. Jones and Richard Barney
FAX #531-7060

Stephen F. Noel, Esq.
SMITH KNOWLES P.C.
4723 Harrison Blvd., Suite 200
Ogden, UT 84403
Attorneys for Third-Party Defendants
R W Design, Inc. and Robert W. Speirs
Plumbing, Inc.
FAX #476-0399

Nu-Trend Electric Company
57 West 200 North
Bountiful, UT 84010
Third-Party Defendant *Pro Se*

Scott Sessions
289 West Tube Drive
Centerville, UT 84014
Third-Party Defendant *Pro Se*



242441-2

Recorded at the request of

Debra Coleman

COPY

FILED
AM

PM

_____ a.m. AUG 04 2008 p.m. 3:08

NOV 30 2004

V. ELLIOTT LARSEN, RECORDER
By [Signature] Deputy
FRANKLIN COUNTY, IDAHO

J. DAVID NAVARRO, Clerk
By PAULA GROSSMAN
DEPUTY

IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF ADA

GORDON JONES,

Plaintiff,

vs.

STEVEN R. COLEMAN and DEBBIE
COLEMAN, husband and wife,

Defendants.

Case No. CV OC 0403395D

ORDER GRANTING STIPULATION
FOR DISMISSAL OF DEFENDANT
DEBBIE COLEMAN WITH PREJUDICE

This matter having come before the Court on the parties' Stipulation to Dismiss
Defendant Debbie Coleman With Prejudice, and good cause appearing therefor;

IT IS HEREBY ORDERED and this Court does order that this action against Defendant
Debbie Coleman is DISMISSED WITH PREJUDICE, each party to bear his/her own costs and
attorney fees.

DATED THIS 30th day of November, 2004.

STATE OF IDAHO
COUNTY OF ADA
J. David Navarro, Clerk of the District Court of the Fourth
Judicial District of the State of Idaho, in and for the County
of Ada, do hereby certify that the foregoing is a true and
correct copy of the original on file in this office. In witness
whereof, I have hereunto set my hand and official seal this
day of November, 2004.
By [Signature] Deputy

CHERI C. COPSEY

Cheri Copsey, District Judge

ORDER GRANTING STIPULATION FOR DISMISSAL OF DEFENDANT
DEBBIE COLEMAN WITH PREJUDICE - 1

COPY

242441 2-2

CLERK'S CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 30 day of NovemberNovember, 2004, I caused to be served a true copy of the foregoing ORDER GRANTING STIPULATION FOR DISMISSAL OF DEFENDANT DEBBIE COLEMAN WITH PREJUDICE by the method indicated below, and addressed to each of the following:

Michael O. Roe
MOFFATT THOMAS BARRETT
ROCK & FIELDS, CHARTERED
101 S. Capitol Blvd., 10th Floor
P.O. Box 829
Boise, ID 83701
[Attorneys for Plaintiff]

- U.S. Mail, Postage Prepaid
- Hand Delivered
- Overnight Mail
- Telecopy

Steven F. Schossberger
HAWLEY TROXELL ENNIS & HAWLEY LLP
P.O. Box 1617
Boise, ID 83701-1617
[Attorneys for Defendants]

- U.S. Mail, Postage Prepaid
- Hand Delivered
- Overnight Mail
- Telecopy

J. DAVID NAVARRO
Clerk of the Court

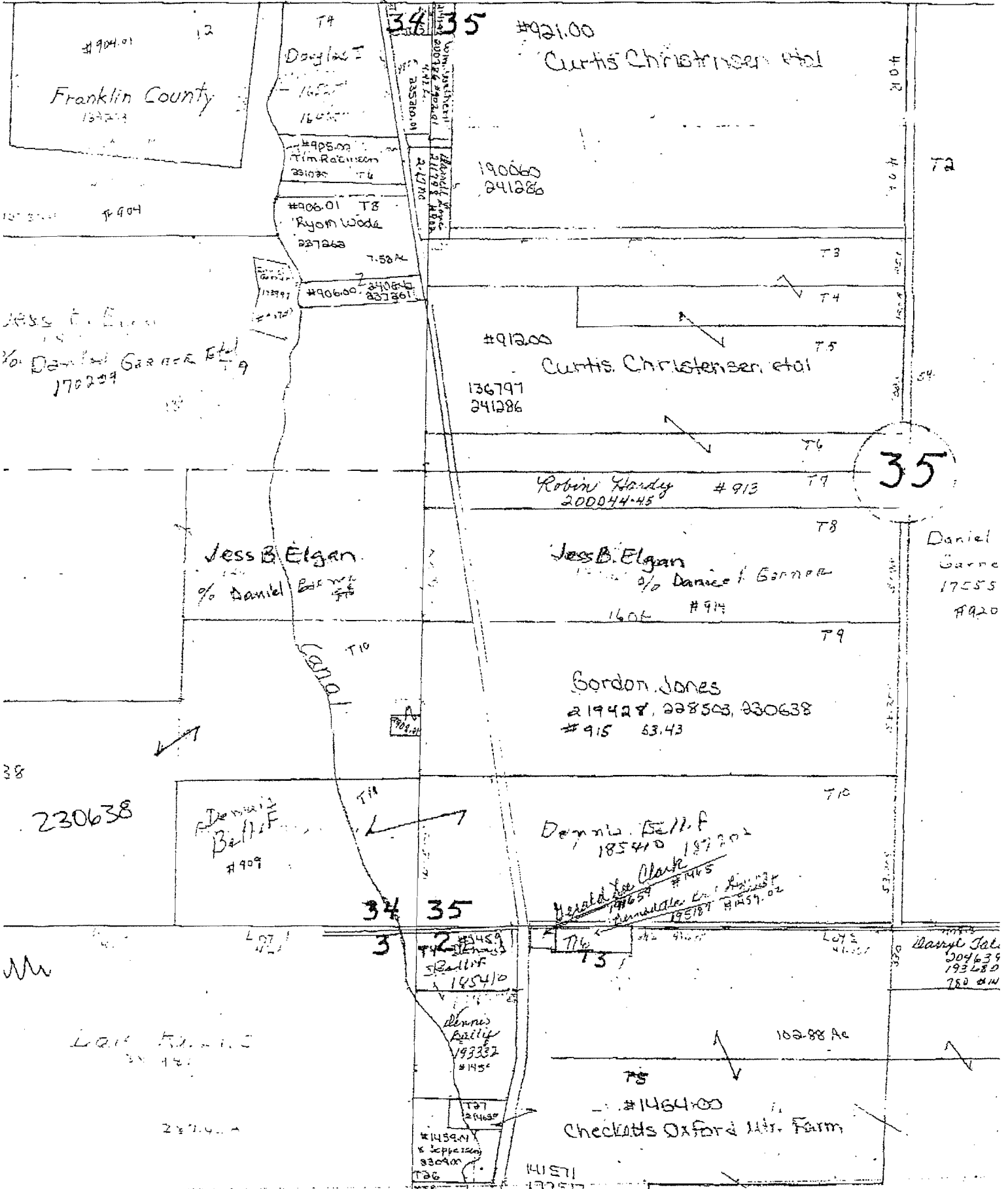
By PAULA GROSSMAN
Deputy Clerk

SEAL

W

27 26

Syma-York Co., Printers & Binders, Boise 855489



35

377

28 * Lot No.
33 34

RBC LLC 2/13/74
Richard W. Clark
115005
#916.50

Daniel S. G...
#911

7-20001
#904.02

34

#908.00
Gordon Jones
219428, 228503, 231
186.5A
230638

33 34
4 3

Dale Harper
#1148

378

EXHIBIT F

230848

NOTICE OF INTEREST

NOTICE IS HEREBY GIVEN by JASON JONES that he claims an interest in and to the hereinafter described real property. This claim of interest is based upon improvements made, payments made and services rendered on the property. The agreed upon arrangement was that the undersigned would receive a portion of the property for compensation for the work performed.

The real property is located in Franklin County, State of Idaho, and more particularly described as follows: *owned by Gordon and Linda Jones*

COMMENCING AT A POINT 53-3/4 RODS NORTH OF THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF SECTION 35, TOWNSHIP 14 SOUTH, RANGE 38 EAST OF THE BOISE MERIDIAN, FRANKLIN COUNTY, IDAHO, AND RUNNING THENCE WEST 240 RODS, THENCE NORTH 53-3/4 RODS, THENCE EAST 240 RODS; THENCE SOUTH 53-3/4 RODS TO THE PLACE OF BEGINNING.

EXCEPTING AND RESERVING A RIGHT-OF-WAY FOR ANY AND ALL IRRIGATION DITCHES AND CANALS, AND PUBLIC ROADS NOW EXISTING OR IN USE UPON AND ACROSS SAID PREMISES, AND EXCEPTING AND RESERVING THEREFROM A STRIP OF LAND 3 RODS WIDE ALONG THE EAST SIDE OF THE ABOVE-DESCRIBED LAND.

ALSO, THE SOUTH HALF OF THE SOUTHWEST QUARTER, THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER, AND THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 14 SOUTH, RANGE 38 EAST OF THE BOISE MERIDIAN, FRANKLIN COUNTY, IDAHO.

DATED this 12 day of August, 2005.

[Signature]
JASON JONES

Recorded at the request of

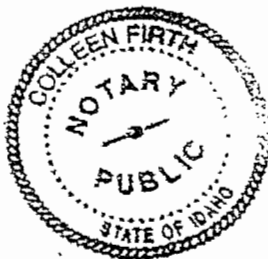
Jason Jones

 a.m. 12 AUG 12 2005 4:50 p.m.

STATE OF IDAHO :
 : ss :
COUNTY OF FRANKLIN :

V. ELLIOTT LARSEN, RECORDER
By Carville Larsen Deputy
FRANKLIN COUNTY, IDAHO

SUBSCRIBED and sworn to before me this 12 day of August, 2005.



Colleen Firth
NOTARY PUBLIC exp 06/10/2011

EXHIBIT G
(Settlement Agreement)

Peter W. Billings, A0330
Gary E. Jubber, A1758
FABIAN & CLENDENIN
A Professional Corporation
Twelfth Floor
215 South State Street
P.O. Box 510210
Salt Lake City, Utah 84151
Telephone: 531-8900

Attorneys for Gary E. Jubber,
Chapter 7 Bankruptcy Trustee

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION

In re:	)	Bankruptcy No. 06-21277 JAB
	)	(Chapter 7)
GORDON A. JONES,)	
	)	TRUSTEE'S MOTION TO APPROVE
Debtor.	)	SETTLEMENT AGREEMENT AND
	)	FOR ORDER AUTHORIZING
	)	ABANDONMENT OF PROPERTY OF
	)	ESTATE
)	
)	

Gary E. Jubber, the duly-appointed Chapter 7 Trustee ("Trustee"), through his counsel Fabian & Clendenin, hereby moves this Court, pursuant to Fed. R. Bankr. P. 9019 and 11 U.S.C. §§ 105, 362 and 554(a) for an order approving a Settlement Agreement, dated January 31, 2007, a copy of which is attached hereto as Exhibit "A" (the "Settlement Agreement")¹ between the

¹ The Settlement Agreement is incorporated herein by reference. Creditors and other parties-in-interest should refer to the Settlement Agreement for all the terms and conditions thereof. In the event of a conflict between the contents of this Motion and the Settlement Agreement, the Settlement Agreement controls.

Trustee and Allen F. Grazer (“Grazer”), a creditor herein. In support of the motion, the Trustee represents as follows:

BACKGROUND

1. The Debtor filed a voluntary petition for relief under Chapter 7 of the Bankruptcy Code on April 18, 2006. Gary E. Jubber was thereafter appointed as the Chapter 7 trustee.
2. This Court has jurisdiction over this motion pursuant to 28 U.S.C. § 1334. Venue in this Court is proper pursuant to 28 U.S.C. § 1409. This Motion consists of a “core proceeding” under 28 U.S.C. § 157(b)(2).
3. At the time of the filing of the Debtor’s petition, the bankruptcy estate included the Debtor’s interests in following real property:
 - (i) residential property located at 235 West 1400 North, Bountiful, Davis County, Utah, (the “Residence”);
 - (ii) A condominium unit located at 1851 South Maple View Drive, Bountiful, Davis County, Utah (the “Maple Hills Condo”);
 - (iii) The Mountain View Apartments located at 175 East State Street, Farmington, Davis County, Utah (the “Apartments”);
 - (iv) Parcels of undeveloped real property located in West Bountiful, Davis County, Utah (“West Bountiful Lots”);
 - (v) Real Property located in Sanpete County, Utah (“Sanpete Property”); and
 - (vi) Real property and improvements located at or about 3369 No. Westside Hwy., Clifton, Idaho (the “Idaho Ranch”).

4. As more particularly described in the Settlement Agreement, at the time of the filing of the Bankruptcy Case, the Debtor also disclosed an interest in various vehicles, equipment and other personal property located in Utah and Idaho, including a 1955 Ford T-Bird. In addition, has a 70% interest in Gordon Jones Construction, LLC ("Construction LLC") which may have notes receivable in the face amount of \$389,000 (the "Notes Receivable").

5. On July 11, 2005 the Second Judicial District Court of Davis County, Farmington Department entered a judgment in favor of Grazer and against the Debtor in the amount of \$1,866,727.87, plus pre and post judgment interest, attorneys' fees and costs, (the "Judgment") in the case *Gordon Jones et al. v. Allen Grazer*, Consolidated Civil No. 020700570 CN (the "State Court Action"). Grazer has filed a proof of claim in the Debtor's bankruptcy case, asserting that the Judgment has a balance owed of \$2,100,124.00, plus any applicable interest, fees and costs pursuant to 11 U.S.C. § 506(b) (the "Grazer Claim"). The Judgment is also against Richard Barney ("Barney") who is thirty percent (30%) co-owner of the Apartments.

6. Prior to the filing of the Debtor's bankruptcy petition, Grazer (a) recorded the Judgment with the Davis County Recorder on July 18, 2005, (b) recorded the Judgment with the Sanpete County Recorder on October 3, 2005, and (c) filed a Notice of Foreign Judgment in Franklin County, Idaho on August 5, 2005. Accordingly, Grazer asserts that that he holds a judgment lien against the Residence, the Maple Hills Condo, the Apartments, the West Bountiful Lots, the Sanpete Property and the Idaho Ranch.

7. Grazer obtained writs of execution pursuant to the Judgment on September 19, 2005 directing execution of all non-exempt personal property in Salt Lake County, including the 1955 Ford T-Bird.

8. The validity of the Grazer's lien against the Debtor's interest in real and personal property is subject to dispute. No final judgment was entered in the State Court Action. The Trustee could argue that absent a final judgment, the Judgment is not a lien on the Debtor's interest in the real and personal property. On the other hand, the Grazer contends that pursuant to Utah Code Ann. § 78-22-1, a judgment need not be final in order to create a lien on real property.

9. Pursuant to the Court's *Order Approving Sale of Properties Free and Clear of Liens and for Approval of Compromise Regarding Sale of Co-Owner's Interest and Homestead Exemption Claims*, entered on September 14, 2006, and with Grazer's consent, the Trustee sold the Maple Hills Condo and the Debtor's interest in the Residence, with Grazer's consent. Pursuant to *Order Approving Sale of Property* entered on October 25, 2006, and with Grazer's consent, the Trustee sold the 1955 Ford T-Bird, with Grazer's consent. The Trustee has also been collecting rents from the Apartments.

10. As a result of liquidation of assets and the collection of rents, as of January 31, 2007, there is \$243,011.46 in the estate. Most of the funds are proceeds from the sale of the Maple Hills Condo, the Residence and the 1955 Ford T-Bird. Grazer asserts a lien on the funds held by the Estate.

11. On August 24, 2006, the Trustee filed a complaint commencing Adversary Proceeding No. 06-02449 (the Trustee's 727 Action") in which the Trustee objected to the Debtor's discharge pursuant to 11 U.S.C. § 727.

12. Pursuant to *Notice of Assets and Deadline to File a Proof of Claim*, the Court fixed September 15, 2006 as the deadline for the filing of proofs of claim in this Bankruptcy Case. Five proofs of claim have been filed:

<u>Claim No.</u>	<u>Claimant</u>	<u>Amount</u>
1	Babcock, Scott & Babcock	\$ 26,473.00 unsecured
2	Grazer	\$ 2,100,124.00 secured
3	G.S. Jones Construction	\$ 20,000.00 unsecured
4	Linda G. Jones	\$ 36,000.00 unsecured
5	Steven E. Barton	\$ 2,300.00 unsecured ²
		<hr/> \$ 2,184,897.00

13. The Trustee has investigated assets of the estate and believes that if he liquidated all estate assets (excluding the Debtor's interest in Construction LLC, but including all real and personal property, causes of action and intangibles), the gross proceeds of the liquidation would not exceed \$1,300,000, and administrative expenses would have to be paid before any distribution to unsecured creditors. Based on the Trustee's investigation of the Notes Receivable due Construction LLC to date, the Trustee does not know whether any amounts can be collected on the notes, but is highly doubtful that a significant amount can be collected. Of the \$389,000 face

² Claim No. 5 lists \$2,300.00 as both a priority and general unsecured claim. The Trustee and Grazer believe that the total claim is \$2,300.00, and that the claim is not entitled to priority status.

amount of the notes, an unknown portion is believed to be an obligation of the Debtor himself, and \$198,000 is owed by the Apartments. The obligation of the Apartments is either uncollectible due to Grazer's judgment lien, or would reduce the amount received from the sale of the Apartments. \$82,000 of the Notes Receivable is owed by G.S. Jones Construction, Inc., a creditor herein (Claim No. 3). Although the information as to the collectability of the Notes Receivable is limited, the Trustee believes that a very optimistic recovery would yield no more than an additional \$130,000 to the estate.

14. The Trustee estimates that even if the Grazer Claim is determined to be an unsecured claim, the distribution to unsecured creditors would not exceed sixty-five cents on the dollar (65%) and would probably be materially less.³ In such event, Grazer would hold approximately 95% of the unsecured claims. If the Grazer Claim is determined to be a secured claim, unsecured creditors would probably not receive any distribution and it is possible, if not probable, that the estate would be administratively insolvent.

15. The Trustee and Grazer believe that litigation regarding the validity of Grazer's secured claim would require the expenditure of resources that would decrease the funds available to be used to pay unsecured creditors. Moreover, since even if the Trustee prevails and Grazer's claim is deemed unsecured, Grazer would still hold 95% of the unsecured claims, the Trustee and Grazer have agreed, after protracted negotiations, to compromise issues regarding Grazer's claim and the disposition of property of the estate pursuant to the terms of the Settlement

³ The 65% estimate is the very best case, assuming maximum recovery and minimal administrative expenses and no taxes.

Agreement. The Trustee believes, in the exercise of his business judgment, that the Settlement is in the best interests of the Estate and creditors of the Estate.

SUMMARY OF THE SETTLEMENT AGREEMENT

16. The Settlement Agreement provides that upon the Effective Date, the funds held by the Trustee shall be used and reserved according to the following priority:

- i. An Administrative Expense Reserve of \$192,000.00 shall be established to pay administrative expenses of the estate, including taxes. Assuming the Settlement Agreement is approved, the Trustee, his counsel (Fabian & Clendenin "F&C") and accountants (PricewaterhouseCoopers, LLC "PwC") have agreed to seek fees and costs totaling no more than \$110,000.00, provided no appeal is filed. PwC has estimated that the taxes incurred by the estate should be no more than \$82,000.00. Any funds not used to pay tax due from the administration of the bankruptcy estate shall be paid, first to fund any unfunded portion of the Unsecured Creditors' Reserve (described below), and then to Grazer. If the allowed fees and costs for the Trustee, F&C and PwC are less than \$110,000.00, the difference shall be paid to Grazer.
- ii. An Unsecured Creditors' Reserve of \$63,579.76 shall be established to pay allowed unsecured claims. Claim Nos. 1, 3, 4 and 5. Provided the reserve is fully funded, allowed unsecured claimants shall be paid 75% of

the allowed amount of these claims. If the reserve is not fully funded, then the percentage paid will be reduced pro rata. To the extent that any claim is disallowed, the amount of the Unsecured Creditors' Reserve shall be reduced by 75% (or the lesser percentage if not fully funded) for each dollar of disallowed claims, and such amount shall be paid to Grazer.

- iii. Monies due Grazer from 30% of rents collected from the Apartments attributable to Barney's interest in the apartments. Grazer shall obtain a writ of execution on Barney's 30% interest in the rents and after fully funding of the Administrative Expense Reserve and the Unsecured Creditors' Reserve, any surplus funds shall be paid to Grazer.

17. Pursuant to the Settlement Agreement, the Trustee has agreed (a) that Grazer has a valid, enforceable security interest in all remaining property of the estate except for the reserves described in paragraph 16 above, and (b) that there is not equity in such property for the benefit of unsecured creditors. The Trustee has further agreed to abandon all property of the Debtor's bankruptcy estate on the Effective Date of the Settlement Agreement except for the reserves described in paragraph 16 above. The Settlement Agreement provides that Grazer shall have relief from the automatic stay imposed under 11 U.S.C. § 362 and that Grazer may pursue any and all state court remedies against the Debtor and the abandoned property.

18. The Trustee will dismiss the Trustee's 727 Action if the Settlement Agreement is approved.

19. Pursuant to the Settlement Agreement, except as otherwise expressly provided in the Settlement Agreement, Grazer releases any and all claims against the Debtor's bankruptcy estate. Grazer specifically retained the right, *inter alia*, to prosecute his non-dischargeability action against the Debtor and to exercise all of his rights to collect on the Judgment in the State Court Action (or any other action) with respect to the property abandoned by the Trustee.

20. Grazer shall have 150 days from the Effective Date of the agreement to file objections to the claims of any unsecured creditors. In the event a claim is disallowed, Grazer shall be entitled to distribution as provided in paragraph 14 (ii) above.

21. Pursuant to the Settlement Agreement, the Trustee disclaims any interests in any fraudulent transfers and the Trustee shall not pursue any preference actions under 11 U.S.C. § 547. Grazer shall have relief from the stay to pursue such actions or any action that Grazer could have pursued against parties other than the Debtor.

BASIS FOR THE SETTLEMENT AGREEMENT

22. Bankruptcy Rule 9019(a) provides that, "[o]n motion by the trustee and after a notice and a hearing, the court may approve a compromise or settlement." Fed. R. Bankr. Pro. 9019(a). "[A] bankruptcy court's approval of a compromise may be disturbed only when it achieves an unjust result amounting to a clear abuse of discretion." *Reiss v. Hagmann*, 881 F.2d 890, 891-92 (10th Cir. 1989).

23. The decision to approve a settlement or compromise lies within the discretion of the Court and is warranted when the settlement is found to be reasonable and fair in light of the particular circumstances of the case. *See, Protective Comm. for Indep. Stockholders of TMT*

Trailer Ferry v. Anderson (TMT Trailer), 390 U.S. 414, 424-25 (1968); *Rivercity v. Herpel (In re Jackson Brewing Co.)*, 624 F.2d 599, 604 (5th Cir. 1980); *In re Bicoastal Corp.*, 164 B.R. 1009, 1016-17 (Bankr. M.D. Fla. 1993). Courts generally weigh the following factors in considering whether a proposed compromise is fair and equitable: (1) the probability of success in the litigation; (2) the potential difficulty in collecting on a judgment; (3) the complexity and expense of the litigation; and (4) the best interests of creditors. See, *TMT Trailer, supra* at 424-25; see also, *Kopp v. All American Life Ins. Co. (In re Kopexa Realty Venture Co.)*, 213 B.R. 1020, 1022 (10th Cir. B.A.P. 1997). The court is to make an informed decision "based upon an objective evaluation of developed facts." *In re Kopexa Realty Venture Co.*, 213 B.R. 1020 (10th Cir. 1997) quoting *Reiss v. Hagmann*, 881 F.2d 892 (10th Cir. 1989).

24. The Trustee submits that in applying the foregoing standard to the Settlement Agreement, there is strong basis for approval of the agreement for the following reasons:

A. Probability of Success in the Litigation

The Trustee believes that he may prevail in an action against Grazer to have Grazer's judgment lien declared invalid; however, there is a risk that the Trustee may not prevail. There is no Utah case directly on point, creating additional risks. In the event the Trustee did prevail, he would then proceed to liquidate the remaining property in the estate. As noted previously, the Trustee believes that the value of the estate would not exceed \$1,300,000.00, and possibly considerably less, and the Grazer Claim would comprise approximately 95% of the unsecured claims. Even in the most optimistic of estimates, the distribution to unsecured creditors would not exceed 65%, and would probably be significantly less. In the event the Trustee did not

prevail, the estate would probably be administratively insolvent and unsecured creditors would get nothing. The Settlement Agreement facilitates a greater return to unsecured creditors and eliminates the downside risk associated with the litigation.

B. Potential Difficulty in Collecting Judgment

To the extent the Trustee prevailed in an action challenging the validity of Grazer's lien, any such determination by the Court would be self-executing and therefore "collection" is not an issue.

C. Complexity and Potential Expense of the Litigation

Any action by the Trustee against Grazer would be contested and expensive. As discussed above, there is no binding precedent. Appeals could possibly also add to the expense and delay. As such, the potential expense of the litigation weighs in favor of the settlement, particularly when the upside of prevailing probably does not increase recovery for the unsecureds above the recovery provided by this Settlement Agreement, and in fact is probably less. (See "D" below.)

D. Best Interests of Creditors and the Estate

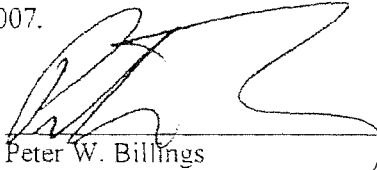
The Trustee submits that the terms of Settlement Agreement are fair and equitable. The agreement makes funds available for distribution to unsecured creditors without the expense or

or risk of litigation and probably⁴ provides for a better return than if the Trustee prevailed. Moreover, if the Trustee prevailed and liquidated the assets, tax consequences from the sale of assets could further reduce the distribution to creditors. The settlement resolves the dispute regarding the Grazer Claim without the risk or expense of continued litigation. Accordingly, the Trustee respectfully submits that the settlement is in the best interest of creditors and the estate.

WHEREFORE, the Trustee requests that the Court, pursuant to Fed. R. Bankr. P. Rule 9019 and 11 U.S.C. § 554, enter an order:

- A. Approving the Settlement Agreement;
- B. Authorizing the abandonment of estate property as provided in the Settlement Agreement;
- D. Authorizing the Trustee to execute such documents as may be necessary and appropriate to effect, implement and consummate the Settlement Agreement; and
- F. For such other and further relief as the court deems just and equitable.

DATED this 16th day of February, 2007.


Peter W. Billings
Gary E. Jubber
FABIAN & CLENDENIN
A Professional Corporation
Attorneys for Gary E. Jubber, Trustee

⁴ The Trustee's accountants have estimated worst case for taxes under the settlement to be \$82,000.00, although the accountant believes this worst case to be unlikely. If the taxes are in fact that high, the unsecured creditors would receive approximately 59%.

Peter W. Billings. A0330
Gary E. Jubber. A1758
FABIAN & CLENDENIN
A Professional Corporation
Twelfth Floor
215 South State Street
P.O. Box 510210
Salt Lake City, Utah 84151
Telephone: 531-8900

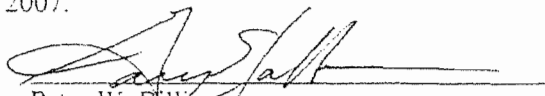
Attorneys for Gary E. Jubber,
Chapter 7 Bankruptcy Trustee

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION

In re:	)	Bankruptcy No. 06-21277 JAB
	)	(Chapter 7)
GORDON A. JONES,)	
	)	EXHIBIT "A" TO
Debtor.	)	TRUSTEE'S MOTION TO APPROVE
	)	SETTLEMENT AGREEMENT AND
	)	FOR ORDER AUTHORIZING
	)	ABANDONMENT OF PROPERTY OF
	)	ESTATE
)	

Attached hereto is Exhibit "A" to the *Trustee's Motion to Approve Settlement Agreement and for Order Authorizing Abandonment of Property of Estate.*

DATED this 20th day of February, 2007.


Peter W. Billings
Gary E. Jubber
FABIAN & CLENDENIN
A Professional Corporation
Attorneys for Gary E. Jubber, Trustee

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT is made and entered into as of the 31st day of January 2007, by and between Gary E. Jubber (the "Trustee"), Trustee of the Chapter 7 Bankruptcy Estate of Gordon A. Jones, d/b/a J&J Livestock, d/b/a Gordon Jones Construction, L.C. Case No. 06-21277, and Allen F. Grazer ("Grazer"). The foregoing are individually referred to as "Party" and collectively referred to as the "Parties."

RECITALS

- A. Gordon A. Jones, d/b/a J&J Livestock, d/b/a Gordon Jones Construction, L.C. (the "Debtor") filed a voluntary petition under Chapter 7 of the Bankruptcy Code on April 18, 2006, commencing Case Number 06-21277 (the "Bankruptcy Case") in the United States Bankruptcy Court for the District of Utah ("Bankruptcy Court"). The Trustee is the duly appointed and acting Chapter 7 Trustee of the Debtor's bankruptcy estate.
- B. The Debtor's bankruptcy estate holds, formerly held, or may hold, an interest in real property (along with all improvements and fixtures attached thereto), including, but not limited to the following;

- (i) A condominium located at 175 East State Street, Bountiful, Utah (the "Maple Hills Condominium"), more particularly described as follows:

1851 MAPLE VIEW DRIVE BOUNTIFUL
UNIT 106, RIDGEWOOD OF MAPLE HILLS COND PHASE V.
TAX SERIAL NO.: 05-087-0106

- (ii) A residence located at 235 West 1400 North, Farmington, Utah (the "Residence"), more particularly described as follows:

All of Lot 147 Bay, View Park Subdivision, Plat E, according to the official plat thereof

TAX SERIAL NO.: 03-013-0147

ADDRESS: 235 West 1400 North Bountiful, Utah 84010

SUBJECT TO easements, restrictions, covenants and rights of way appearing of record or enforceable in law or equity.

- (iii) The Mountain View Apartments of Farmington located at 175 East State Street, Farmington, Utah (the "Apartments"), more particularly described as follows:

BEGINNING AT A POINT 82.50 FEET WEST ALONG THE NORTH LINE OF A STREET FROM THE SOUTHEAST CORNER OF LOT 1, BLOCK 12, PLAT "A", FARMINGTON TOWNSITE SURVEY, IN THE CITY OF FARMINGTON, THENCE WEST 32.5 FEET; THENCE NORTH 00°04'38" WEST 65.00 FEET; THENCE NORTH 45°02'19" WEST 42.46 FEET; THENCE WEST 85.00 FEET TO THE WEST LINE OF PROPERTY CONVEYED IN WARRANTY DEED IN BOOK 984 AT PAGE 838 IN THE RECORDS OF DAVIS COUNTY, UTAH; THENCE NORTH 00°04'38" WEST 153.86 FEET, MORE OR LESS, TO THE NORTH LINE OF LOT 2 OF SAID BLOCK 12; THENCE NORTH 89°59'37" EAST 263.00 FEET ALONG SAID NORTH LINE OF LOT 2 TO THE WEST LINE OF A STREET; THENCE SOUTH 00°04'38" EAST 156.00 FEET ALONG SAID STREET; THENCE WEST 115.00 FEET; MORE OR LESS, TO THE WEST LINE OF THE EAST HALF OF SAID LOT 1; THENCE SOUTH 00°04'38" EAST 92.89 FEET TO THE POINT OF BEGINNING.
PARCEL NO. 07-031-0075

- (iv) Parcels of real property located in Davis County, Utah, including:

- (a) Tax Parcel I.D. No. 06-027-0006, with the following legal

description:

A PART OF THE SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 2 NORTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN: BEGINNING AT A POINT ON THE SOUTH RIGHT OF WAY LINE OF AN EXISTING GRAVEL ROAD, SAID POINT BEING SOUTH 68.33 FEET AND EAST 33 FEET; FT CENTER OF SAID SECTION 14, THENCE NORTH 89°43'58" EAST ALONG AN EXISTING FENCE 166.0 FEET; THENCE SOUTH 0°21'31" EAST 502.14 FEET; THENCE WEST 169.17 FEET TO AN EXISTING FENCE; THENCE ALONG SAID EXISTING FENCE 501.35 FEET TO THE POINT OF BEGINNING.

("West Bountiful Parcel 6").

- (b) Two Tax Parcel Nos. 06-027-0117, 0123 (fka 06-027-

0007) and 06-027-0116, 0122, 0123 (fka 06-027-0008), with the following legal descriptions:

A PART OF SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 2 NORTH, RANGE 1 WEST, SALT LAKE MERIDIAN DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE SOUTH RIGHT OF WAY LINE OF AN EXISTING GRAVEL ROAD, SAID POINT BEING SOUTH 68.33 FEET AND EAST 33 FEET AND NORTH 89°43'58" EAST 166.02 FEET FROM CENTER OF SAID SECTION 14, THENCE NORTH 89°43'58" EAST ALONG AN EXISTING FENCE 100 FEET; THENCE SOUTH 0°21'31" EAST 502.61 FEET; THENCE WEST 100 FEET; THENCE NORTH 502.14 FEET TO THE POINT OF BEGINNING. (Parcel No. 06-027-0117, 0123 (fka 06-027-0007))

A PART OF THE SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 2 NORTH, RANGE 1 WEST, SALT LAKE MERIDIAN; BEGINNING ON SAID RIGHT OF WAY LINE OF AN EXISTING GRAVEL ROAD SAID POINT BEING SOUTH 68.33 FEET AND EAST 33 FEET AND NORTH 89°43'58" EAST ALONG AN EXISTING FENCE 366.02 FEET FROM CENTER OF SAID SECTION 14, THENCE SOUTH 89°43'58" WEST ALONG AN EXISTING FENCE 100 FEET; THENCE SOUTH 0°21'31" EAST 502.61 FEET; THENCE EAST 100 FEET; THENCE NORTH 0°21'31" WEST 503.08 FEET TO THE POINT OF BEGINNING. (Parcel No. 06-027-0116, 0122, 0123 (fka 06-027-0008))

("West Bountiful Parcels 7 and 8"); and

(c) Tax Parcel No. 06-027-0118, 024, 0125 (fka 06-027-0009),

with the following legal description:

A PART OF THE SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 2 NORTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE SOUTH RIGHT OF WAY LINE OF AN EXISTING GRAVEL ROAD, SAID POINT BEING SOUTH 68.33 FEET AND EAST 399.02 FEET FROM THE CENTER

OF SAID SECTION 14 AND RUNNING THENCE NORTH 89°43'58" EAST ALONG AN EXISTING FENCE 100 FEET; THENCE SOUTH 0°21'31" EAST 503.55 FEET; THENCE WEST 100 FEET; THENCE NORTH 0°21'31" WEST 503.08 FEET TO THE POINT OF BEGINNING.

(Parcel No. 06-027-0118, 024, 0125 (fka 06-027-0009))

("West Bountiful Parcel 9").

- (v) Real property located in Sanpete County, Utah, more particularly described as follows:

LOT 3, SEC J, INDIAN RIDGE RANCH, CONT. 1.13 AC

- (vi) Real property and improvements located at or about 3369 No. Westside Hwy, Clifton, Idaho (the "Idaho Ranch"), more particularly described as follows:

COMMENCING AT A POINT 53-3/4 RODS NORTH OF THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF SECTION 35, TOWNSHIP 14 SOUTH, RANGE 38 EAST OF THE BOISE MERIDIAN, FRANKLIN COUNTY, IDAHO, AND RUNNING THENCE WEST 240 RODS, THENCE NORTH 53-3/4 RODS, THENCE EAST 240 RODS; THENCE SOUTH 53-3/4 RODS TO THE PLACE OF BEGINNING.

EXCEPTING AND RESERVING A RIGHT-OF-WAY FOR ANY AND ALL IRRIGATION DITCHES AND CANALS, AND PUBLIC ROADS NOW EXISTING OR IN USE UPON AND ACROSS SAID PREMISES, AND EXCEPTING AND RESERVING THEREFROM A STRIP OF LAND 3 RODS WIDE ALONG THE EAST SIDE OF THE ABOVE-DESCRIBED LAND.

ALSO, THE SOUTH HALF OF THE SOUTHWEST QUARTER, THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER, AND THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 34, TOWNSHIP 14 SOUTH, RANGE 38 EAST OF THE BOISE MERIDIAN, FRANKLIN COUNTY, IDAHO.

TOGETHER WITH 36 SHARES OF THE CAPITAL STOCK OF TWIN LAKES CANAL COMPANY.

TAX SERIAL NO:
ADDRESS:

SUBJECT TO easements, restrictions, covenants and rights of way appearing of record or enforceable in law or equity.

- C. The Trustee has recently learned that the Debtor's 70% interest in Gordon Jones Construction LLC ("Construction LLC") may possibly have some value. Investigation to date indicates that Construction LLC may have notes receivable in the face amount of approximately \$389,000. Of this face amount, an unknown portion is believed to be an obligation from the Debtor himself, and \$198,000 is purportedly owed by Mountain View Apartments. The obligation of Mountain View Apartments is either uncollectible due to Grazer's judgment lien or would reduce what is collectible from selling the Mountain View Apartments. In addition, \$82,000 of the notes receivable is a note from G. S. Jones Construction, Inc., which is owned by the Debtor's son and an unsecured creditor in this case. Based on investigation to date, the Trustee does not know whether any amounts can be collected on these notes, but is highly doubtful that a significant portion can be collected.
- D. At the time of the filing of the Bankruptcy Case, the Debtor disclosed an interest in various vehicles, equipment and other personal property located in Utah and Idaho, including a 1955 Ford T-Bird.
- E. On July 11, 2005, the Second Judicial District Court, Davis County, Utah, presiding over Case No. 02-0700570 (the "State Court Case"), entered Judgment which favored Grazer and against the Debtor and Richard Barney ("Barney") in the amount of \$1,886,727.87, plus pre- and post-judgment interest and reasonable costs and attorneys' fees expended in collection of the judgment after May 31, 2005 (the "Judgment"). Grazer has filed a proof of claim in the Debtor's bankruptcy estate, asserting that the Judgment has a balance owing of \$2,100,124.00, plus any applicable interest fees or costs as permitted by 11 U.S.C. § 506(b) (the "Grazer Claim").
- F. The Judgment and the Judgment Information Statement were recorded by the Davis County Recorder on July 18, 2005. As a result of that recording, Grazer asserts that he holds a judgment lien against all real property located in Davis County owned by the Debtor, including the Residence, the Maple Hills Condominium, the West Bountiful Lots and the Apartments.
- G. The Judgment was recorded by the Sanpete County Recorder on October 3, 2005. As a result of that recording, Grazer asserts that he holds a judgment lien against all real property owned by the Debtor located in

Sanpete County, including the Indianola Property.

- H. A Notice of Foreign Judgment was recorded in Franklin County, Idaho on August 5, 2005. The Judgment was recorded with Franklin County, Idaho Recorder on September 23, 2005. As a result of that recording, Grazer asserts that he holds a judgment lien against all real property owned by the Debtor in Franklin County, Idaho, including the Idaho Ranch.
- I. On or about October 4, 2005, Writs of Execution on the Judgment were served, which had been issued by the Court presiding over the State Court Action, on September 19, 2005, directing execution of all non-exempt personal property located in Salt Lake County, including the 1955 Ford T-Bird.
- J. Prior to the filing of the Bankruptcy Case, Grazer filed a fraudulent transfer action against Gordon A. Jones, Linda G. Jones, and J&J Livestock, LLC in the Sixth Judicial District Court in and for Franklin County, Idaho, commencing Civil Action No. CV-2005-183, which causes of action were amended in the proposed Amended Complaint pursuant to the court's Order to Amend dated January 22, 2005 against these Defendants and Jason Jones, (the "Idaho Fraudulent Transfer Action"). The Trustee removed the Idaho Fraudulent Conveyance Action to the Bankruptcy Court, but the action has been subsequently remanded back to state court.
- K. On or about August 5, 2005, Grazer commenced an action in the Second District Court of Davis County, State of Utah against the Debtor, Linda G. Jones, Richard Barney and Renae Carnon Barney, and the Linda G. Jones Family Partnership, which causes of action were amended in the Amended Complaint dated January 5, 2006 against these Defendants and Jason Jones; GS Jones Construction, Inc.; J&J Livestock, LLC; Cheryl J. Gudmundson; G. Scott Jones; Richillyn Woodin, and Rochelle C. Barney (the "Utah Fraudulent Transfer Action"). The Trustee removed the Utah Fraudulent Conveyance Action to the Bankruptcy Court, but the action has been subsequently remanded back to state court.
- L. Grazer believes that the Debtor has fraudulently transferred funds, personal property, and real property, in addition to the transfers referenced in the Utah Fraudulent Transfer Action and the Idaho Fraudulent Transfers Action (the "Other Fraudulent Transfer Actions").
- M. The validity of the Grazer's lien against the Debtor's interest in real and personal property is subject to dispute. Specifically, the Trustee could argue that the lien against real property is not valid because no final judgment was entered in the State Court Case. On the other hand, while execution under Rule 64E of the Utah Rules of Civil Procedure requires

entry of a "final judgment" before a writ of execution may issue, Utah Code Ann. § 78-22-1 provides that a "judgment" properly recorded creates a lien against real property. The Trustee is not aware of any basis by which Grazer would have a lien on the Debtor's 70% interest in Construction LLC. However, the Trustee recognizes that even if Grazer is deemed unsecured, he would hold over 96% of the unsecured claims.

- N. Time for filing proofs of claim has expired, and, other than the claim of Grazer, unsecured claims total \$84,773.00 and consist of: (1) a claim filed by Kent B. Scott of Babcock & Scott, in the amount of \$26,473.00; (2) a claim filed by G.S. Jones, Construction Inc., an entity purportedly owned by the Debtor's son, in the amount of \$20,000.00 (there may be an offset to this claim due to the 70% interest in the \$82,000 note receivable held by Construction LLC); (3) a claim filed by Linda G. Jones, the Debtor's spouse, in the amount of \$36,000.00; and (4) a claim filed by Steven Barton in the amount of \$2,300.00.¹ As the claimants set forth in (2) and (3) are insiders, the total of non-insider unsecured creditors is therefore \$28,773.00.
- O. Pursuant to an Order of the Bankruptcy Court entered September 14, 2006, with the consent of Grazer, the Trustee sold the Maple Hills Condominium for \$265,000.00. The order also provided for the sale of the estate's interest in the Residence to Linda Jones for \$72,500.00. Grazer asserts a lien on the proceeds of the sale of the Maple Hills Condominium and the Residence.
- P. Pursuant to an Order of the Bankruptcy Court entered October 25, 2006, with the consent of Grazer, the Trustee sold the 1995 Ford T-Bird, generating net proceeds of \$19,170.50. Grazer asserts a lien on those proceeds.
- Q. Based upon the Trustee's investigation and information now available to the Trustee, the Trustee estimates that, if all property of the Debtor's bankruptcy estate (excluding the Debtor's interest in Construction LLC, but including, but not limited to real and personal property, causes of action, intangibles, etc.) is properly and timely liquidated, such property would generate no more than \$1,300,000.00, less the costs, such as fees for the Trustee and his professionals and other costs of administering the estate and liquidating the property of the estate. Although the Trustee's information is limited as to the collectability of the notes receivable in Construction LLC, the Trustee believes that even a very optimistic recovery would be no more than an additional \$130,000 for the estate.
- R. All pre-petition claims, including Grazer's Claim and the unsecured

¹ Barton filed a Proof of Claim, Claim number 5, listing \$2,300.00 as both a priority and general unsecured claims. The parties believe that the total claim is \$2,300.00 and is not entitled to priority status.

claims set forth in "Recital N" of this Agreement, total \$2,184,897.00.

- S. Accordingly, the Trustee estimates that, with accruing administrative expenses, even if Grazer's Claim were deemed an unsecured claim (which Grazer denies), then distribution to unsecured creditors would be no more than sixty-five cents on the dollar (65%) and probably less. In the event that Grazer's Claim was deemed to be secured, distribution to unsecured creditors would likely be zero and the estate would likely be administratively insolvent.
- T. The Trustee and Grazer believe that litigation regarding the validity of Grazer's secured claim would involve costs and fees that would decrease the possible funds available to be paid to unsecured creditors.
- U. After arm's-length, good faith negotiations, the Trustee and Grazer agreed to resolve and compromise any and all claims and disputes which currently exist between them regarding Grazer's Claim and how to deal with all property of the bankruptcy estate of the Debtor, pursuant to the terms and conditions more fully set forth in this Agreement.

NOW, THEREFORE, based upon the foregoing recitals, which are incorporated into this Agreement, and for good and valuable consideration, including the covenants set forth herein, and subject to approval of this Agreement by the Bankruptcy Court, the Parties agree as follows:

1. Effectiveness of Agreement. This Agreement shall become effective on the second business day following ten days after the entry of an order by the Bankruptcy Court in the Debtor's Bankruptcy Case approving this Agreement, unless the order is stayed prior to the expiration of such period. (hereinafter, the "Effective Date"). The order approving this Agreement described herein shall be in a form expressly approved in writing by Grazer. In the event that the order approving this Agreement is stayed, the Trustee and Grazer shall each, independently, have the right to cancel this Agreement by filing a Notice of Cancellation with the Bankruptcy Court in the Bankruptcy Case. Upon filing of a Notice of Cancellation, this Agreement shall become null and void and the Trustee and Grazer shall each retain all rights and remedies that they would hold if this Agreement did not exist.
2. Priority for Use of Estate Cash and Reserves

The Trustee estimates that as of January 31, 2007, the estate will have approximately \$242,850.00 in cash primarily from the sale of assets and rents received. At the Effective Date, the cash shall be used and reserved in following priority:

First: An Administrative Expense Reserve of \$192,000 shall be established to pay administrative expenses, including taxes. PricewaterhouseCoopers, the Trustee's accountants estimate that the "worst case" for taxes incurred by the estate is \$82,000.00, assuming this Settlement is approved and there is no further liquidation of estate assets. The current best estimate of administrative expenses through the Effective Date is \$110,000.00, assuming this Settlement is approved. Assuming this Settlement is approved, the Trustee, his counsel and his accountants agree to seek court approval of final fees and costs of administrative claims of no more than \$110,000.00, provided, however, if the Trustee incurs additional fees and costs related to defending any appeal of the order approving this Agreement, such additional fees and costs, to the extent they are allowed by the Bankruptcy Court, may be added to the \$110,000.00 maximum fee. To the extent that such administrative fees and costs are allowed by the Bankruptcy Court as reasonable and necessary costs of administering the bankruptcy estate, the Trustee may pay the allowed administrative expenses from the Administrative Expense Reserve. The Trustee shall file all necessary tax returns pursuant to 11 U.S.C. § 505(b)(2). Provided the Trustee's accountant has the necessary information, the Trustee shall prepare such returns within thirty (30) days after the Effective Date. Before filing any income tax return for the Debtor's bankruptcy estate, the Trustee shall give Grazer not less than fifteen (15) days to review the return. Upon expiration of the time periods set forth in 11 U.S.C. § 505(b)(2), the balance of the Administrative Expense Reserve, including any funds not used to pay the amount of tax due from administration of the Debtor's bankruptcy estate, shall be paid first to fund any unfunded portion of Unsecured Creditors Reserve (less any amount of unsecured claims disallowed pursuant to Paragraph 9) and then to Grazer. If the allowed final fees and costs for the Trustee, his attorneys and his accounts are less than \$110,000.00, then the difference between the total of the final allowed such fees, costs and the \$110,000.00 shall be paid to Grazer.

Second: An Unsecured Creditors' Reserve of \$63,579.75 shall be established to pay the allowed unsecured claims of those creditors set forth in Recital N. Provided the Unsecured Creditors' Reserve is fully funded, each allowed claim shall be paid 75% of the allowed amount. If the Unsecured Creditors' Reserve is not fully funded after the expiration of the time period under 11 U.S.C. § 505(b)(2), then there shall be a pro rata reduction of the percentage paid. By way of example only, if the Unsecured Creditors' Reserve is funded in the amount of \$50,839.80, then the each allowed claim shall be paid 60% of the allowed amount. To the extent that any unsecured claims have been disallowed pursuant to Paragraph 9, the amount of Unsecured Creditors' Reserve shall be reduced by 75% (or the lesser percentage if not fully funded) for each dollar of disallowed claims, and such amount shall be paid to Grazer.

Third: Monies due to Grazer from 30% of rents collected from the apartments pursuant to Paragraph 3 below, which monies shall be paid as provided in paragraph 3 below.

3. Apartments. The Trustee has been collecting rents from the administration of the Apartments. After paying all costs associated with the Apartments (which costs do not include fees and costs of the Trustee, his attorneys or accountants), the Trustee acknowledges that from the net proceeds generated from the Apartments seventy percent (70%) of the funds are property of the estate and the other thirty percent (30%) are the property of Barney, who is also subject to the Judgment in favor of Grazer. Upon approval of this Agreement and the full funding of the Administrative Expense Reserve and the Unsecured Creditors' Reserve, the aforesaid 70% of the funds (or any portion thereof after the funding of the reserves) shall be paid to Grazer. Grazer shall obtain a writ of execution on the aforesaid 30% of the funds and, upon service of the execution, the funds shall be paid to Grazer.
4. Stipulation Abandonment/Relief From Stay. Except for the reserves and as otherwise expressly provided herein, the Trustee stipulates and agrees that Grazer has a valid, enforceable security interest in all the remaining property of the Debtor's bankruptcy estate and that there is no equity in said property for the benefit of unsecured creditors. Upon the Effective Date of the Agreement, except for the reserves set forth in paragraph 2 of this Agreement, any and all property of the Debtor's bankruptcy estate of any kind whatsoever, known and unknown, tangible and intangible, including, but not limited to real property (including, but not limited to that real property set forth in "Recital B" of this Agreement), personal property (including, but not limited to, the Debtor's interest in Construction LLC), causes of action (including, but not limited to, claims or causes of action against Barney and including, but not limited to, the Other Fraudulent Transfer Actions, the Utah Fraudulent Transfer Action and the Idaho Fraudulent Transfer Action) and accounts receivable (including, but not limited to, notes or accounts receivable in Construction LLC), shall be deemed abandoned and no longer property of the Debtor's bankruptcy estate, and Grazer shall be deemed to have relief from the stay to pursue any and all state court remedies against the Debtor and such property. Upon the Effective Date of this Agreement, Grazer shall be entitled to fully pursue all his rights and claims against the aforesaid property, which rights and claims are not altered, amended or affected in any way by this Agreement or by the filing of the Debtor's Bankruptcy Case.
5. Relief From Stay From Fraudulent Transfer Actions. Upon the Effective Date, the Trustee shall disclaim any interest in any and all fraudulent

transfer actions, known and unknown, and Grazer shall be deemed to have relief from the stay to pursue said fraudulent transfer actions including, but not limited to, the Utah Fraudulent Transfer Action, the Idaho Fraudulent Transfer Action, and the Other Fraudulent Transfer Actions, and all such actions shall no longer be the property of the Debtor's bankruptcy estate.

6. Non-Dischargeability Claims. Upon the Effective Date, the Trustee shall dismiss the non-dischargeability adversary proceeding (Adv. No. 06-2449) filed by the Trustee. Dismissal of that adversary proceeding shall in no way affect or prejudice the claims or causes of action for denial of discharge under 11 U.S.C. §§ 523 and 727 set forth by Grazer against the Debtor in Adversary Proceeding No. 06-02411.
7. Preference Actions. The Trustee shall not pursue actions under 11 U.S.C. § 547. To the extent that the facts may give rise to a preference action under state law or federal law (other than 11 U.S.C. § 547), then the Trustee disclaims any interest in such claims; Grazer shall be deemed to have relief from the stay to pursue any preference claims under state law or federal law (other than 11 U.S.C. § 547).
8. Effective Date and Distributions to Grazer. Upon the Effective Date, any funds of the Debtor's bankruptcy estate held by the Trustee or his professionals in excess of the amount contained in the Administrative Expense Reserve and the Unsecured Creditors' Reserve, as established under paragraph 2 of this Agreement, shall be distributed to Grazer for payment on his secured claim. If after the Effective Date, any surplus in the bankruptcy estate above that amount needed to fully fund the reserves in Paragraph 2 shall be paid to Grazer.
9. Distribution to Unsecured Creditors. Grazer shall have 150 days from the Effective Date to file an objection to the claims of any or all unsecured creditors, including, but not limited to those set forth in "Recital N" of this Agreement. In the event that such claims are disallowed, Grazer shall be entitled to distribution of any amounts due Grazer under the provisions of Paragraph 2 of this Agreement. If an unsecured claim set forth in "Recital N" is not the subject of an objection within 150 days of the Effective Date of this Agreement, then such claim shall be deemed allowed and such creditor shall be entitled to be paid on the creditor's claim under the provisions of Paragraph 2 of this Agreement. The Trustee agrees not to close the Bankruptcy case until all claims have been finally allowed or disallowed.
10. Release of Claims by Grazer. Except as otherwise expressly provided in this Agreement, upon the Effective Date Grazer releases any and all claims against the Debtor's bankruptcy estate, including, but not limited to, the right to assert a deficiency claim or any an unsecured claim against

the Debtor's bankruptcy estate; provided, however, that Grazer shall have the unconditional and absolute right and to be able to assert, pursue and prosecute any and all claims and rights of any kind whatsoever against the Debtor in Grazer's non-dischargeability action against the Debtor and shall have the unconditional and absolute right to enforce and execute in the State Court Case against the property abandoned by the bankruptcy estate pursuant to paragraph 4 of this Agreement. Except as otherwise expressly provided in this Agreement, upon the Effective Date, Grazer further releases and forever discharges the Trustee, attorneys, accountants and agents of the Trustee from any and claims, counterclaims, cross-claims, actions, demands, liabilities and responsibilities of every kind and nature whatsoever, whether known or unknown, suspected or unsuspected, asserted or unasserted, fixed or contingent, matured or unmatured, and whether existing now or in the past.

11. Release of Claims by the Trustee. Except as otherwise expressly provided in this Agreement, upon the Effective Date, the Trustee, on behalf of himself and Debtor's bankruptcy estate, herein releases and forever discharges Grazer and Grazer's successors, assigns, subsidiaries, affiliates, related entities, attorneys, accountants and agents, of and from any and all claims, counterclaims, cross-claims, actions, demands, liabilities, and responsibilities of any kind in nature whatsoever, whether known or unknown, suspected or unsuspected, asserted or unasserted, fixed or contingent, matured or unmatured, and whether existing now or in the past.
12. Amendment. This Agreement may not be modified, except by written instrument signed by all of the Parties.
13. Reservation of Rights. Nothing contained herein shall be deemed a waiver or release by any Party against any person or entity, other than as against a Party hereto and other than as against the persons and entities affiliated with a Party that are identified in the releases above, with respect to any rights, choses in action or claims that such Party may have against any other such person or entity. Grazer expressly reserves all claims, rights and causes of action of any nature whatsoever known or unknown, fixed or contingent, against the Debtor, and all other persons or entities not expressly released in paragraph 10 of this Agreement, including, but not limited to, the claims and causes of action set forth in the Complaint objecting to discharge of Adversary Proceeding No. 06-02411 pending in this Bankruptcy Case. This reservation of all claims, rights and causes of action of any nature whatsoever known or unknown, fixed or contingent, by Grazer includes any and all claims, rights and causes of action of any nature whatsoever known or unknown, fixed or contingent, against any person or entity not expressly released in paragraph 10 of this Agreement. Such persons or entities against whom Grazer is reserving any and all

claims, rights and causes of actions of any nature whatsoever known or unknown, fixed or contingent, against include, but are not limited to, creditors of the Debtor or the Bankruptcy Case, Renae Carnon Barney, Barney and Barney's family and other insiders of Barney, the Debtor, the Debtor's family, insiders of the Debtor, the children of the Debtor, J&J Livestock, Carvell Shaffer, G.S. Jones Construction, Inc., George Jones Construction, Construction LLC, Mountain View Apartments of Farmington and Linda Jones. Nothing contained herein shall in any way alter, affect, amend or change Grazer's claim against the Debtor or in any alter, affect, amend or change any judgment which Grazer may have against the Debtor or any other person or entity. Nothing contained herein shall in any way alter, affect, amend or change Grazer's right to execute in the State Court Case against the property abandoned by the bankruptcy estate pursuant to paragraph 4 of this Agreement.

14. No Intended Third-Party Beneficiaries. There are no intended third-party beneficiaries of this Agreement.
15. Attorneys' Fees and Costs. The Trustee's attorneys' fees and other costs incurred in negotiating, executing, obtaining approval of this Agreement and implementing this Agreement shall be included in the Administrative Expense Reserve set forth in paragraph 2 of this Agreement and shall be paid therefrom if the Bankruptcy Court allows such fees and costs as an administrative claim (with such fees and costs being limited as set forth in paragraph 2 of this Agreement). Grazer shall bear his own attorneys' fees and costs. However, if legally permissible, Grazer reserves the right to add to his claim and to seek an augmentation of the judgment in state court for the attorneys' fees and costs incurred in conjunction with this Agreement and with dealing with all issues that arose because of the Debtor's filing of his Bankruptcy Case.
16. Bankruptcy Court Approval. The Parties acknowledge that this Agreement is subject to notice to creditors in the Debtor's Bankruptcy Case and approval of the Bankruptcy Court. Within ten (10) days of the date of the execution of this Agreement, the Trustee shall cause to be drafted and filed in the Bankruptcy Case a motion seeking Bankruptcy Court approval of this Agreement and the Trustee shall set such motion for hearing as soon as possible.
17. Governing Law. This Agreement and the rights and obligations of the Parties hereunder shall be construed in accordance with and governed by the internal laws of the State of Utah, except to the extent such laws are superseded by the laws of the United States of America, and, in such instances, the laws of the United States shall be controlling.
18. Binding Effect, Entire Agreement, Amendment. Subject to the reservation

of rights as set forth in paragraph 13 of this Agreement, this Agreement is binding upon and shall inure to the benefit of the Parties and their respective heirs, successors, assigns, subsidiaries, affiliates, related entities, officers, directors, employees, agents, attorneys and representatives, subrogees, and to all persons or entities claiming by, through or under them, including any successor trustee for the Debtor's bankruptcy estate, and the Debtor. This Agreement is fully integrated and represents the entire understanding between the Parties, and there are no written or oral agreements between them which are not set forth herein. None of the provisions of this Agreement may be changed, discharged or terminated orally and may be modified or amended. Likewise, the rights available to each of the Parties under this Agreement cannot be waived or released orally, and may be waived or released only by an instrument, in writing, signed by the Party whose rights will be diminished or adversely affected by the waiver.

19. No Admissions. This Agreement has been drafted for settlement purposes only. Nothing in this Agreement, including the Recitals set forth herein, shall be deemed an admission of law or fact by any Party for any purpose, other than the settlement contemplated in this Agreement. If this Agreement is not approved by the Bankruptcy Court, it shall be null and void, and thereafter this Agreement may not be used by any Party for any purpose.
20. Advice of Counsel. Each Party acknowledges that it has been represented by counsel in the negotiation and preparation of this Agreement and that such Party (and, if applicable, such Party's counsel) have participated in and contributed to drafting of this Agreement. Accordingly, neither this Agreement, nor any portion hereof, may be construed against any of the Parties on the basis that such Party or such Party's counsel was the drafter hereof.
21. Construction. The headings are for reference and convenience only and shall not affect the construction or interpretation of any of the terms of this Agreement.
22. Authorization. The persons executing this Agreement on behalf of a Party hereby represent and warrant that they are duly authorized and empowered to execute the same, that they have carefully read this Agreement, and that this Agreement represents a binding and enforceable obligation of such Party. Each Party represents and warrants that they have not assigned any of the claims being released under this Agreement.
23. No Inducement. The Parties represent, warrant and agree that upon executing and entering into this Agreement, they, and each of them, are not relying upon and have not relied upon any representation, promise or

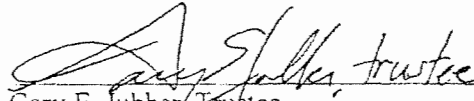
statement made by anyone which is not recited, contained or embodied in this Agreement.

24. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all such counterparts shall constitute one and the same Agreement. Facsimile signatures shall have the same force and effect as original signatures.

IN WITNESS WHEREOF, the parties have each executed this Agreement as of the date first set forth above.

GARY E. JUBBER, Trustee of the Chapter 7 Bankruptcy
Estate of Gordon A. Jones, d/b/a J&J Livestock, d/b/a
Gordon Jones Construction, L.C.

By:



Gary E. Jubber, Trustee
FABIAN & GLENDENIN
215 South State Street, 12th Floor
Salt Lake City, Utah 84151
Telephone: (801) 531-8900

ALLEN F. GRAZER

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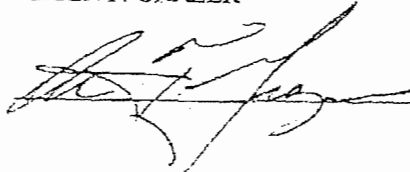
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GARY E. JUBBER, Trustee of the Chapter 7 Bankruptcy
Estate of Gordon A. Jones, d/b/a J&J Livestock, d/b/a
Gordon Jones Construction, L.C.

By: _____

Gary E. Jubber, Trustee
FABIAN & CLENDENIN
215 South State Street, 12th Floor
Salt Lake City, Utah 84151
Telephone: (801) 531-8900

ALLEN F. GRAZER



CERTIFICATE OF SERVICE

I hereby certify that on the 20th day of February, 2007, I caused to be served a true and correct copy of *Exhibit "A" to Trustee's Motion to Approve Settlement Agreement and for Order Authorizing Abandonment of Property of Estate* via first class mail, postage pre-paid to all parties on the attached mailing matrix.



A handwritten signature in black ink, appearing to read "Michael J. Park", is written over a horizontal line.

Label Matrix for local noticing
1088-2
Case 06-11877
District of Utah
Salt Lake City
Tue Feb 20 12:17:20 MST 1997

Arthur Timothy
1169 N. 275 W.
Centerville UT 84014

Julie A. Bryan
Cohne Rappaport & Segal
257 East 200 South, Suite 700
P.O. Box 11008
Salt Lake City, UT 84147-0008

David A. Van Dyke
Attorney at Law
1900 W. Highway 24
P.O. Box 17
Teasdale, UT 84771

Farmington City
PO Box 160
Farmington UT 84025

Allen Grazer
c/o Lincoln Hobbs
Hobs & Olson
525 South 300 East
Salt Lake City, UT 84111

Gordon A. Jones
235 West 1400 North
Bountiful, UT 84010 U.S.A.

Julie Bryan
Cohne, Rapport & Segal
257 E. 200 S., Ste. 700
Salt Lake City UT 84111

Kirsten Wilssen
7300 South 300 West #166
Midvale UT 84047

John W. Lish
Wilde & Lish
1424 S. Legend Hills Dr.
Suite 120
Clearfield, UT 84015

A-1 Disposal
624 N. 300 E.
SLC UT 84103

Benchland Water District
485 E. Shepard Lane
Raysville UT 84037

Carvel Shaffer
Shaffer Law Office
Key Bank Building
562 South Main
Bountiful, UT 84010

Davis County Treasurer
P.O. Box 618
Farmington, UT 84025

G.S. Jones Construction
100 West 100 South
Bountiful, UT 84010

Lincoln W. Hobbs
Hobbs & Olson
466 East 500 South
Suite 300
Salt Lake City, UT 84111

Gary E. Jubber
Fabian and Clendenin
215 South State Street
12th Floor
P.O. Box 510210
Salt Lake City, UT 84151

Kasteler & Associates
1838 E. Fort Union Blvd.
Salt Lake City, Utah 84121

LeRoy Taylor, M.D.
520 E. Medical Drive #210
Bountiful, UT 84010

Robert B. Lochhead
Farr Waddoups Brown Gee & Loveless
185 South State Street
Suite 1300
Salt Lake City, UT 84111-1536

Allen P. Grazer
c/o Lincoln Hobbs
Hobbs & Olson
466 E. 500 S., Suite 300
Salt Lake City, Utah 84111

Bountiful City
799 South 100 East
Bountiful, UT 84010

Countrywide Home Loans, Inc.
c/o McCalla Raymer, LLC
BX Dept.
1544 Old Alabama Rd.
Roswell GA 30076

Dish Network
PO Box 9031
Littleton CO 80160

Grant Bishop, M.D.
405 Medical Drive #110
Bountiful, UT 84010

Intermountain Health Care
P.O. Box 27128
Salt Lake City, UT 84127

Gary E. Jubber tr
Fabian & Clendenin
215 South State Street
12th Floor
P.O. Box 510210
Salt Lake City, UT 84151

Kent B. Scott
Babcock Scott & Babcock
505 E. 200 S., Suite 300
Salt Lake City UT 84102

Linda G. Jones
215 W. 1400 N.
Bountiful UT 84010

Douglas J. Payne
Fabian & Clendenin
215 South State Street
12th Floor
P.O. Box 510210
Salt Lake City, UT 84151

PricewaterhouseCoopers L.L.P.
One Utah Center
201 South Main Street
Suite 900
Salt Lake City, UT 84111

Quasar Gas
P.O. Box 45841
Salt Lake City, UT 84139

Qwest
P.O. Box 2560
Omaha, NE 68103-2560

Richard Barney
155 N. Terrace Dr.
Clearfield UT

Richard W. Jones
Helgeson Waterfall & Jones
Centennial Bank Building, 3rd Floor
4605 Harrison Boulevard
Ogden UT 84403

Ridgewood Owners Association
175 E. 400 S., Ste 1000
SLC UT 84111

Steven E. Barton
1562 South 1000 West
Syracuse, UT 84075

D. Rip Swan
2150 S. 1300 E. Ste. 518
SLC, UT 84106

United States Trustee
Ken Garff Bldg.
405 South Main Street
Suite 300
Salt Lake City, UT 84111

Utah Power
1033 NE 5th Ave.
Portland OR 97256

Verizon
P.O. Box 96088
Bellevue, WA 98009

The following recipients may be/have been bypassed for notice due to an undeliverable (u) or duplicate (d) address.

(u)Countrywide Home Loans Inc.

(u)Paul Thronsdon

End of Label Matrix	
Mailable recipients	40
Bypassed recipients	2
Total	42

EXHIBIT G
(Order Approving
Settlement Agreement)

The below described is SIGNED.

Dated: April 19, 2007

JUDITH A. BOULDEN
U.S. Bankruptcy Judge



Peter W. Billings, A0330
FABIAN & CLENDENIN
A Professional Corporation
Twelfth Floor
215 South State Street
P.O. Box 510210
Salt Lake City, Utah 84151
Telephone: 531-8900
e-mail: pbillings@fabianlaw.com

Attorneys for Gary E. Jubber, Chapter 7 Bankruptcy Trustee

Julie A. Bryan (Bar No. 4805)
COHNE, RAPPAPORT & SEGAL, P.C.
257 East 200 South, Suite 700
Salt Lake City, UT 84111
Telephone: (801) 532-2666
Facsimile: (801) 532-1813
e-mail: julie@crslaw.com

Attorneys for Allen F. Grazer

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION

In re:

GORDON A. JONES,
Debtor.

Bankruptcy No. 06-21277 JAB
(Chapter 7)

**ORDER APPROVING SETTLEMENT
AGREEMENT AND AUTHORIZING
TRUSTEE'S ABANDONMENT OF
PROPERTY OF ESTATE**

The Trustee's Motion to Approve Settlement Agreement and For Order

Authorizing Abandonment of Property of Estate filed by Gary E. Jubber, Chapter 7 Trustee ("Trustee") on February 16, 2007 ("Motion") came on for hearing before the Honorable Judith A. Boulden on March 28, 2007. Peter W. Billings, Fabian & Clendenin, appeared on behalf of the Trustee. Joseph M.R. Covey, Parr, Waddoups, Brown, Gee & Loveless appeared for the Debtor. Julie A. Bryan, Cohne, Rappaport & Segal and Lincoln W. Hobbs, Hobbs & Olson appeared for Allen Grazer. David J. Shaffer, Shaffer Law Offices, P.C. appeared for the Estate of Richard Barney. Other appearances, if any, were noted on the record

The Court having reviewed the pleadings on file, admitting evidence and hearing arguments presented, entered detailed findings of fact and conclusions of law on the record, which findings and conclusions are incorporated herein, and include, but are not limited to, the following:

FINDINGS AND CONCLUSIONS:

1. Gordon A. Jones, d/b/a J&J Livestock, d/b a Gordon Jones Construction, L.C. (the "Debtor") filed a voluntary petition under Chapter 7 of the Bankruptcy Code on April 18, 2006, commencing Case Number 06-21277 (the "Bankruptcy Case") in the United States Bankruptcy Court for the District of Utah ("Bankruptcy Court"). Gary Jubber (the "Trustee") is the duly appointed and acting Chapter 7 Trustee of the Debtor's bankruptcy estate.
2. That notice of the Motion and the hearing thereon was properly given to the Debtor and all parties-in-interest as required under the Bankruptcy Code or the Federal Rules of Bankruptcy Procedure.

3. Objections to the Motion were filed by the Debtor and by the Estate of Richard Barney. The Objections are overruled.
4. The Settlement Agreement was negotiated at arms' length and in good faith.
5. The Trustee's entry into the Settlement Agreement as a fair, reasonable and proper exercise of the Trustee's business judgment.
6. The Settlement Agreement and the relief requested in the Motion are reasonable, fair, equitable and in the best interest of the estate and its creditors.
7. That in considering this matter, the Court has reviewed and applied the standards set forth in the case of In re Kopexa Realty Venture Co., 213 B.R. 1020, 1022 (10th Cir. BAP 1997).

IT IS HEREBY ORDERED:

1. The Motion is granted and the Settlement Agreement is approved;
2. The Trustee is authorized to execute such documents as may be necessary and appropriate to effect, implement and consummate the Settlement Agreement. Except for the reserves set forth in the Settlement Agreement, the Trustee is authorized to abandon all property of the estate, as provided in the Settlement Agreement, and Grazer shall be deemed to have relief from the stay to pursue any and all state court remedies with respect to such property. Upon the Effective Date of the Settlement Agreement, the property that has been abandoned or for which Grazer has obtained relief from stay shall no longer be considered property of the Debtor's bankruptcy estate. Grazer shall be entitled to fully pursue all his rights and claims against the

aforesaid property in any State or Federal Court what would have jurisdiction absent the filing of the Debtor's bankruptcy; and

3. The property abandoned and/or for which Grazer has obtained relief from the automatic stay shall include but not be limited to the following:

A. **Estate's Interests in real property (along with all improvements and fixtures attached thereto), including, but not limited to the following:**

- (i) The Mountain View Apartments of Farmington located at 175 East State Street, Farmington, Utah (the "Apartments"), more particularly described as follows:

BEGINNING AT A POINT 82.50 FEET WEST ALONG THE NORTH LINE OF A STREET FROM THE SOUTHEAST CORNER OF LOT 1, BLOCK 12, PLAT "A", FARMINGTON TOWNSITE SURVEY, IN THE CITY OF FARMINGTON, THENCE WEST 32.5 FEET; THENCE NORTH 00°04'38" WEST 65.00 FEET; THENCE NORTH 45°02'19" WEST 42.46 FEET; THENCE WEST 85.00 FEET TO THE WEST LINE OF PROPERTY CONVEYED IN WARRANTY DEED IN BOOK 984 AT PAGE 838 IN THE RECORDS OF DAVIS COUNTY, UTAH; THENCE NORTH 00°04'38" WEST 153.86 FEET, MORE OR LESS, TO THE NORTH LINE OF LOT 2 OF SAID BLOCK 12; THENCE NORTH 89°59'37" EAST 263.00 FEET ALONG SAID NORTH LINE OF LOT 2 TO THE WEST LINE OF A STREET; THENCE SOUTH 00°04'38" EAST 156.00 FEET ALONG SAID STREET; THENCE WEST 115.00 FEET; MORE OR LESS, TO THE WEST LINE OF THE EAST HALF OF SAID LOT 1; THENCE SOUTH 00°04'38" EAST 92.89 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 07-031-0075

Parcels of real property located in Davis County, Utah, including:

Tax Parcel I.D. No. 06-027-0006, with the following legal description:

A PART OF THE SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 2 NORTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN: BEGINNING AT A POINT ON THE SOUTH RIGHT OF WAY LINE OF AN EXISTING GRAVEL ROAD, SAID POINT BEING SOUTH 68.33 FEET AND EAST 33 FEET; FT CENTER OF SAID SECTION 14, THENCE NORTH 89°43'58" EAST ALONG AN EXISTING FENCE 166.0 FEET; THENCE SOUTH 0°21'31" EAST 502.14 FEET; THENCE WEST 169.17 FEET TO AN EXISTING FENCE; THENCE ALONG SAID EXISTING FENCE 501.35 FEET TO THE POINT OF BEGINNING.

("West Bountiful Parcel 6").

- (iii) Two Tax Parcel Nos. 06-027-01 17, 0123 (fka 06-027-0007) and 06-027-01 16, 0122, 0123 (fka 06-027-0008), with the following legal descriptions:

A PART OF SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 2 NORTH, RANGE 1 WEST, SALT LAKE MERIDIAN DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE SOUTH RIGHT OF WAY LINE OF AN EXISTING GRAVEL ROAD, SAID POINT BEING SOUTH 68.33 FEET AND EAST 33 FEET AND NORTH 89°43'58" EAST 166.02 FEET FROM CENTER OF SAID SECTION 14, THENCE NORTH 89°43'58" EAST ALONG AN EXISTING FENCE 100 FEET; THENCE SOUTH 00°21'31" EAST 502.61 FEET; THENCE WEST 100 FEET; THENCE NORTH 502.14 FEET TO THE POINT OF BEGINNING. (Parcel No. 06-027-0117, 0123 (fka 06-027-0007))

A PART OF SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 2 NORTH, RANGE 1 WEST, SALT LAKE MERIDIAN; BEGINNING ON SAID RIGHT OF WAY LINE OF AN EXISTING GRAVEL ROAD SAID POINT BEING SOUTH 68.33 FEET AND EAST 33 FEET AND NORTH 89°43'58" EAST ALONG AN EXISTING FENCE 366.02 FEET FROM CENTER OF SAID SECTION 14, THENCE SOUTH 89°43'58" WEST ALONG AN EXISTING FENCE 100 FEET; THENCE SOUTH 0°21'31" EAST 502.61 FEET; THENCE EAST 100 FEET; THENCE NORTH 0°21'31" WEST 503.08 FEET TO THE POINT OF BEGINNING.

(Parcel No. 06-027-01 16, 0122, 0123 (fka 06-027-0008))

("West Bountiful Parcels 7 and 8"); and

- (iv) Tax Parcel No. 06-027-01 18, 024, 0125 (fka 06-027-0009), with the following legal description:

A PART OF THE SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 2 NORTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE SOUTH RIGHT OF WAY LINE OF AN EXISTING GRAVEL ROAD, SAID POINT BEING SOUTH 68.33 FEET AND EAST 399.02 FEET FROM THE CENTER OF SAID SECTION 14 AND RUNNING THENCE NORTH 89°43'58" EAST ALONG AN EXISTING FENCE 100 FEET; THENCE SOUTH 0°21'31" EAST 503.55 FEET; THENCE WEST 100 FEET; THENCE NORTH 0°21'31" WEST 503.08 FEET TO THE POINT OF BEGINNING. (Parcel No. 06-027-01 18, 024, 0125 (fka 06-027-0009))

("West Bountiful Parcel 9").

- (v) Real property located in Sanpete County, Utah, more particularly described as follows: LOT 3, SEC J, INDIAN RIDGE RANCH, CONT. 1.13 AC

- (vii) Real property and improvements located at or about 3369 No. Westside Hwy, Clifton, Idaho (the "Idaho Ranch"), more particularly described as follows:

COMMENCING AT A POINT 53-3/4 RODS NORTH OF THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF SECTION 35, TOWNSHIP 14 SOUTH, RANGE 38 EAST OF THE BOISE MERIDIAN, FRANKLIN COUNTY, IDAHO, AND RUNNING THENCE WEST 240 RODS, THENCE NORTH 53-3/4 RODS, THENCE EAST 240 RODS; THENCE SOUTH 53-3/4 RODS TO THE PLACE OF BEGINNING.

EXCEPTING AND RESERVING A RIGHT-OF-WAY FOR ANY AND ALL IRRIGATION DITCHES AND CANALS, AND PUBLIC ROADS NOW EXISTING OR IN USE UPON AND ACROSS SAID PREMISES, AND

EXCEPTING AND RESERVING THEREFROM A STRIP OF LAND 3 RODS WIDE ALONG THE EAST SIDE OF THE ABOVE-DESCRIBED LAND.

ALSO, THE SOUTH HALF OF THE SOUTHWEST QUARTER, THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER, AND THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 34, TOWNSHIP 14 SOUTH, RANGE 38 EAST OF THE BOISE MERIDIAN, FRANKLIN COUNTY, IDAHO.

TOGETHER WITH 36 SHARES OF THE CAPITAL STOCK OF TWIN LAKES CANAL COMPANY.

TAX SERIAL NO:
ADDRESS:

SUBJECT TO easements, restrictions, covenants and rights of way appearing of record or enforceable in law or equity.

B. Personal Property or intangibles of the Debtor's bankruptcy estate of any kind whatsoever including but not limited to:

- (i) accounts receivable;
- (ii) vehicles and equipment that have not been liquidated as part of the Debtors bankruptcy estate.
- (iii) The interest of the Debtor in any entity which the Debtor held (and may still hold) including but not limited to Gordon Jones Construction LLC.

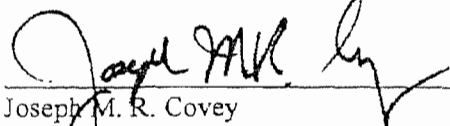
C. Causes of Action or Claims including but not limited to:

- (i) A fraudulent transfer action against Gordon A. Jones, Linda G. Jones, and J&J Livestock, LLC in the Sixth Judicial District Court in and for Franklin County, Idaho, commencing Civil Action No. CV-2005-183 (the "Idaho Fraudulent Conveyance Action"). The Idaho Fraudulent Conveyance Action which may now be pursued by Grazer in the Idaho Court in which it was filed or in any other Court with proper jurisdiction.
- (ii) An action in the Second District Court of Davis County, State of Utah against the Debtor, Linda G. Jones, Richard Barney and Renae Carnon Barney, and the Linda G. Jones Family Partnership, which causes of action were amended in the Amended Complaint dated January 5, 2006 against these Defendants and Jason Jones; GS Jones Construction, Inc.; J&J Livestock, LLC; Cheryl J. Gudmundson; G. Scott Jones; Richillyn Woodin, and Rochelle C. Barney (the "Utah Fraudulent Transfer Action"). The Utah Fraudulent Transfer Action may be pursued by Grazer in the Utah Second District Court of Davis County in which it was filed or in any other Court with proper jurisdiction.
- (iii) Fraudulent Conveyance Actions or any other action that could have been filed by a creditor prior to the filing of the Debtors bankruptcy case, or by the Trustee after the filing of the Debtor's bankruptcy case, to recover property owed to the Debtor or transferred to third parties by the Debtor. Such actions may be pursued by Grazer in any court with proper jurisdiction.

4. The Trustee shall dismiss Adversary Proceeding No 06-2449 filed by the Trustee.

Dismissal of that adversary proceeding shall in no way affect or prejudice the claims or causes of action for denial of discharge under 11 U.S.C. §§ 523 and 727 set forth by Grazer against the Debtor in Adversary Proceeding No. 06-02411.

APPROVED AS TO FORM:



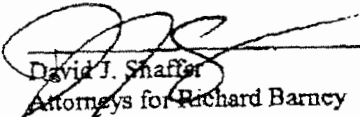
Joseph M. R. Covey
Parr Waddoups Brown Gee & Loveless
Attorneys for Debtor, Gordon A. Jones

David J. Shaffer
Attorneys for Richard Barney

[END OF DOCUMENT]

APPROVED AS TO FORM:

Joseph M. R. Covey
Parr Waddoups Brown Gee & Loveless
Attorneys for Debtor, Gordon A. Jones



David J. Shaffer
Attorneys for Richard Barney

[END OF DOCUMENT]

CLERK OF THE COURT CERTIFICATE OF MAILING

The undersigned hereby certifies that a true and correct executed copy of the foregoing
ORDER APPROVING SETTLEMENT AGREEMENT AND AUTHORIZING
TRUSTEE'S ABANDONMENT OF PROPERTY OF ESTATE was mailed, postage fully
prepaid, this ____ day of April, 2007 to the following:

United States Trustee
Ken Garff Building
405 South Main Street
Suite 300
Salt Lake City, UT 84111

Peter W. Billings
Gary E. Jubber
P.O. Box 510210
Salt Lake City, UT 84151

Gordon A. Jones
235 West 1400 North
Bountiful, UT 84010

Joseph M. R. Covey
Parr Waddoups Brown Gee & Loveless
185 South State Street
Suite 1300
Salt Lake City, UT 84111-1536

Linda G. Jones
235 West 1400 North
Bountiful, UT 84010

Julie Bryan
Cohne, Rappaport & Segal
257 E. 200 S., Ste. 700
Salt Lake City, UT 84111

Lincoln W. Hobbs
Hobbs & Olson
466 East 500 South
Suite 300
Salt Lake City, UT 84111

David J. Shaffer
Key Bank Building
562 South Main Street
Bountiful, UT 84010

EXHIBIT H

United States Bankruptcy Court

District of Utah
Case No. 06-21277
Chapter 7

In re: Debtor(s) (name(s) used by the debtor(s) in the last 8 years, including married, maiden, trade, and address):

Gordon A. Jones
dba Gordon A. Jones d/b/a J & J Livestock,
dba Gordon Jones Construction, L.C.
235 West 1400 North
Bountiful, UT 84010
U.S.A.

Social Security No.:

Employer's Tax I.D. No.:

Petition date: 4/18/06

DISCHARGE OF DEBTOR

It appearing that the debtor is entitled to a discharge,

IT IS ORDERED:

The debtor is granted a discharge under section 727 of title 11, United States Code, (the Bankruptcy Code).

BY THE COURT

Dated: 1/20/09

Judith A. Boulden
United States Bankruptcy Judge

SEE THE BACK OF THIS ORDER FOR IMPORTANT INFORMATION.

EXPLANATION OF BANKRUPTCY DISCHARGE IN A CHAPTER 7 CASE

This court order grants a discharge to the person named as the debtor. It is not a dismissal of the case and it does not determine how much money, if any, the trustee will pay to creditors.

Collection of Discharged Debts Prohibited

The discharge prohibits any attempt to collect from the debtor a debt that has been discharged. For example, a creditor is not permitted to contact a debtor by mail, phone, or otherwise, to file or continue a lawsuit, to attach wages or other property, or to take any other action to collect a discharged debt from the debtor. [*In a case involving community property*: There are also special rules that protect certain community property owned by the debtor's spouse, even if that spouse did not file a bankruptcy case.] A creditor who violates this order can be required to pay damages and attorney's fees to the debtor.

However, a creditor may have the right to enforce a valid lien, such as a mortgage or security interest, against the debtor's property after the bankruptcy, if that lien was not avoided or eliminated in the bankruptcy case. Also, a debtor may voluntarily pay any debt that has been discharged.

Debts That are Discharged

The chapter 7 discharge order eliminates a debtor's legal obligation to pay a debt that is discharged. Most, but not all, types of debts are discharged if the debt existed on the date the bankruptcy case was filed. (If this case was begun under a different chapter of the Bankruptcy Code and converted to chapter 7, the discharge applies to debts owed when the bankruptcy case was converted.)

Debts that are Not Discharged.

Some of the common types of debts which are not discharged in a chapter 7 bankruptcy case are:

- a. Debts for most taxes;
- b. Debts incurred to pay nondischargeable taxes (applies to cases filed on or after 10/17/2005);
- c. Debts that are domestic support obligations;
- d. Debts for most student loans;
- e. Debts for most fines, penalties, forfeitures, or criminal restitution obligations;
- f. Debts for personal injuries or death caused by the debtor's operation of a motor vehicle, vessel, or aircraft while intoxicated;
- g. Some debts which were not properly listed by the debtor;
- h. Debts that the bankruptcy court specifically has decided or will decide in this bankruptcy case are not discharged;
- i. Debts for which the debtor has given up the discharge protections by signing a reaffirmation agreement in compliance with the Bankruptcy Code requirements for reaffirmation of debts.
- j. Debts owed to certain pension, profit sharing, stock bonus, other retirement plans, or to the Thrift Savings Plan for federal employees for certain types of loans from these plans (applies to cases filed on or after 10/17/2005).

This information is only a general summary of the bankruptcy discharge. There are exceptions to these general rules. Because the law is complicated, you may want to consult an attorney to determine the exact effect of the discharge in this case.

AFFIDAVIT OF SERVICE

State of IDAHO

County of Franklin

Sixth District Court

Case Number: CV-2005-183

10 FEB 25 AM 9:20

Plaintiff:

ALLEN F. GRAZER

vs.

Defendant:

GORDON A. JONES, LINDA G. JONES, JASON JONES, J7J LIVESTOCK, LLC

FRANKLIN COUNTY CLERK

[Signature]
DEPUTY

For: Lincoln W. Hobbs
HOBBS & OLSON, L.C.

Received by ANDERSON INVESTIGATIONS, INC. on the 29th day of January, 2010 at 6:11 pm to be served on JASON JONES, 3369 NORTH WESTSIDE HIGHWAY, CLIFTON, ID 83228-5074. 1. *Del S. [Signature]*, being duly sworn, depose and say that on the 10 day of Feb., 2010 at 07:45 a.m., executed service by delivering a true copy of the **SUMMONS & SECOND AMENDED COMPLAINT** in accordance with state statutes in the manner marked below:

() INDIVIDUAL SERVICE: Served the within-named person.

SUBSTITUTED SERVICE: By serving *Barbara Jones* as *wife*

() POSTED SERVICE: After attempting service on 1 at _____ and on 1 at _____ to a conspicuous place on the property described herein.

() OTHER SERVICE: As described in the Comments below by serving _____ as _____.

() NON SERVICE: For the reason detailed in the Comments below. The defendant is is not in the MILITARY service of the United States.

COMMENTS:

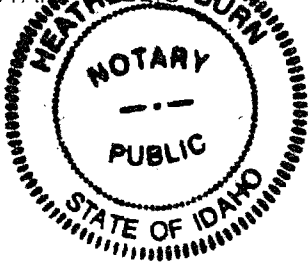
I certify that I have no interest in the above action, am of legal age and have proper authority in the jurisdiction in which this service was made.

[Signature]

Subscribed and Sworn to before me on the 10 day of Feb, 10 by the affiant who is personally known to me.

PROCESS SERVER # 1F2300
Appointed in accordance with State Statutes

Heather Coburn 3-13-12
NOTARY



ANDERSON INVESTIGATIONS, INC.
230 West 200 South
Suite 2302
Salt Lake City, UT 84101
(801) 619-1110
Our Job Serial Number: 2010000549

LINCOLN W. HOBBS (ID BAR # 07325)
MARGARET H. OLSON (ID BAR #04680)
Of Counsel
HOBBS & OLSON, L.C.
Attorneys for Plaintiff Allen F. Grazer
466 East 500 South, Suite 300
Salt Lake City, Utah 84111
Telephone: (801) 519-2555
Facsimile: (801) 519-2999

Server Dale Golightly
Title Process Server
Date 2-10-10 Time 9:15am
P/S Barbara Jones (Spouse)

IN THE SIXTH JUDICIAL DISTRICT COURT
IN AND FOR FRANKLIN COUNTY, STATE OF IDAHO

ALLEN F. GRAZER, an individual,
Plaintiff,

v.

GORDON A. JONES, an individual; LINDA
G. JONES, an individual; JASON JONES, an
individual; J7J LIVESTOCK, LLC, a Utah
Limited Liability Company; and John Does 1-
10,

Defendants.

SUMMONS
(20 Day)
Jason Jones

Civil No. CV-2005-183

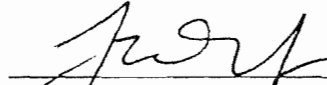
Judge David C. Nye

TO: DEFENDANT JASON JONES
3369 North Westside Highway
Clifton, ID 83228-5074

YOU ARE HEREBY SUMMONED and required to answer the attached Second Amended Complaint that has been filed with the above Court. Within twenty (20) days after service of this Summons, you must file your written answer with the clerk of the court at the following address: Clerk of the Court, Sixth Judicial District Court, 39 West Oneida, Preston, ID 83263, and you must mail or deliver a copy to Plaintiff's attorneys at the address listed above. If you fail to do so, judgment by default may be taken against you for the relief demanded in the Second Amended Complaint.

DATED this 28 day of January, 2010.

HOBBS & OLSON, L.C.



LINCOLN W. HOBBS
MARGARET H. OLSON
Attorneys for Plaintiff Allen F. Grazer

Dave R. Gallafent
 Kent L. Hawkins
 Jared A. Steadman
MERRILL & MERRILL, CHARTERED
 109 North Arthur - 5th Floor
 P.O. Box 991
 Pocatello, ID 83204-0991
 (208) 232-2286
 (208) 232-2499 Telefax
 Idaho State Bar #1745, #3791 and #7804

FILED
 10 FEB 26 PM 1:2
 FRANKLIN COUNTY CLERK
Hampton
 DEPUTY

Attorneys for Defendant Linda G. Jones

IN THE DISTRICT COURT OF THE SIXTH JUDICIAL DISTRICT OF THE
 STATE OF IDAHO, IN AND FOR THE COUNTY OF FRANKLIN

ALLEN F. GRAZER, an individual,)	
)	
Plaintiff,	)	Case No. CV-2005-183
)	
vs.)	
	)	NOTICE OF SPECIAL APPEARANCE
GORDON A. JONES, an individual;)	
LINDA G. JONES, an individual;	)	FEE CATEGORY II
JASON JONES, an individual; J&J)	
LIVESTOCK, LLC, a Utah Limited	)	FEE \$58.00
Liability Company; and John Does 1-10,)	
)	
Defendants.)	
_____)	

COMES NOW Jason Jones, and through his attorneys, Merrill & Merrill, Chartered, pursuant to I.R.C.P. 4(i), hereby gives notice of special appearance on behalf of said Defendant in said cause and controversy by said firm, to contest service and request that all documents and pleadings filed herein be duly and regularly served upon said attorneys at P.O. Box 991, Pocatello, Idaho, 83204.

This Defendant hereby specifically appears for the sole purpose of moving to dismiss the present action pursuant to I.R.C.P. 12(b)(4), 12(b)(5) and 4(a)(2).

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DATED this 25th day of February, 2010.

MERRILL & MERRILL, CHARTERED

By Jared A. Steadman / by Pwt
Jared A. Steadman
Attorneys for Defendant Linda Jones

CERTIFICATE OF SERVICE

I, Jared A. Steadman, the undersigned, one of the attorneys for the Defendant, Linda G. Jones, only, in the above-referenced matter, do hereby certify that a true, full and correct copy of the foregoing Notice of Special Appearance was this 25th day of February, 2010, served upon the following in the manner indicated below:

Lincoln W. Hobbs
Margaret H. Olson
HOBBS & OLSON, L.C.
466 E. 500 S., Ste #300
Salt Lake City, Utah 84111

- U.S. Mail
- Hand Delivery
- Overnight Delivery
- Telefax

Lane V. Erickson
Racine, Olson, Nye, Budge & Bailey, Chtd.
P.O. Box 1391
Pocatello, ID 83204-1391

- U.S. Mail
- Hand Delivery
- Overnight Delivery
- Telefax

Jared A. Steadman / by Pwt
Jared A. Steadman

Dave R. Gallafent
 Kent L. Hawkins
 Jared A. Steadman
MERRILL & MERRILL, CHARTERED
 109 North Arthur - 5th Floor
 P.O. Box 991
 Pocatello, ID 83204-0991
 (208) 232-2286
 (208) 232-2499 Telefax
 Idaho State Bar #1745, #3791 and #7804

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 10 FEB 26 PM 1:22
 FRANKLIN COUNTY CLERK
Hampton
 DEPUTY

Attorneys for Defendant Linda G. Jones

IN THE DISTRICT COURT OF THE SIXTH JUDICIAL DISTRICT OF THE
 STATE OF IDAHO, IN AND FOR THE COUNTY OF FRANKLIN

ALLEN F. GRAZER, an individual,)
)
 Plaintiff,)
)
 vs.)
)
 GORDON A. JONES, an individual;)
 LINDA G. JONES, an individual; JASON)
 JONES, an individual; J&J)
 LIVESTOCK, LLC, a Utah Limited)
 Liability Company; and John Does 1-10,)
)
 Defendants.)
 _____)

Case No. CV-2005-183

**DEFENDANT JASON JONES' MOTION
 TO DISMISS**

COMES NOW Jason Jones, by and through his attorneys, Merrill & Merrill, Chartered, pursuant to Idaho R. Civ. P. 4(a)(2) and 12(b)(4) and (5) to hereby move this Court to dismiss Plaintiff's cause of action against said Defendant for the reasons stated herein and further set forth in the accompanying Brief in Support of Defendant's Motion to Dismiss and the accompanying affidavits, filed herewith.

Defendant's motion is based on Plaintiff's failure to provide service on Defendant within the time limit provided for in the Idaho Rules of Civil Procedure.

WHEREFORE, this Defendant moves this Court for an Order of Dismissal of all claims against him on the grounds that proper service over him has not been obtained.

Oral Argument at the hearing of this matter is requested.

MERRILL & MERRILL, CHARTERED

By Jared A. Steadman
Jared A. Steadman
Attorneys for Defendant Linda Jones

CERTIFICATE OF SERVICE

I, Jared A. Steadman, the undersigned, one of the attorneys for the Defendant, Jason Jones, in the above-referenced matter, do hereby certify that a true, full and correct copy of the foregoing Motion to Dismiss was this ___ day of February, 2010, served upon the following in the manner indicated below:

Lincoln W. Hobbs
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