

McDevitt & Miller LLP

Lawyers

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420 W. Bannock Street

P.O. Box 2564-83701

Boise, Idaho 83702

January 10, 2007

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IDAHO PUBLIC
UTILITIES COMMISSION

(208) 343-7500
(208) 336-6912 (Fax)

Chas. F. McDevitt
Dean J. (Joe) Miller

Via Hand Delivery

Jean Jewell, Secretary
Idaho Public Utilities Commission
472 W. Washington St.
Boise, Idaho 83720

Re: Case No. UWI-W-07-01

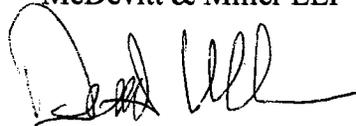
Dear Ms. Jewell:

Enclosed for filing, please find the original and seven (7) copies of United Water Idaho's Application and Request for Modified Procedure. Also enclosed are nine (9) copies of the testimony of Gregory P. Wyatt, with a copy designated as "Reporter's Copy". A computer disc containing the testimony is also enclosed.

Kindly return a file stamped copy of this letter and Application.

Very Truly Yours,

McDevitt & Miller LLP



Dean J. Miller

DJM/hh
Enclosures

Dean J. Miller (ISB No. 1968)
McDEVITT & MILLER LLP
420 West Bannock Street
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IDAHO PUBLIC
UTILITIES COMMISSION

Attorneys for United Water Idaho Inc.

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)
UNITED WATER IDAHO INC., FOR)
AUTHORITY TO AMEND AND REVISE)
CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY NO. 143 AND FOR)
APPROVAL OF A SPECIAL FACILITIES)
AGREEMENT WITH AVIMOR LLC.)

CASE NO. UWI-W-07-01
APPLICATION AND REQUEST
FOR MODIFIED PROCEDURE

COMES NOW, UNITED WATER IDAHO INC., ("United Water") and, pursuant to Idaho Code Section 61-526 and IPUCRP 112 and 201, applies to the Commission to amend and revise its Certificate of Convenience and Necessity No. 143, as amended, to include an area located in Ada County, Idaho, as hereinafter set forth, and to approve a Special Facilities Agreement ("SFA"), and in support of this Application respectfully shows as follows, to-wit:

I.

United Water is a public utility water corporation within the meaning of the Idaho Public Utility Law, is duly organized and existing under the laws of the State of Idaho and engaged in conducting a general water business in and about Boise City, Ada County, Idaho and in Canyon County, having its principal office and place of business at 8248 West Victory Road, Boise, Idaho 83707.

II.

Communications in reference to this application should be addressed to:

Gregory P. Wyatt
UNITED WATER IDAHO INC.
P.O. Box 190420
Boise, Idaho 83719-0420
208-362-7327
208-362-7069 (fax)

Dean J. Miller, Esq.
McDEVITT & MILLER LLP
P.O. Box 2564
Boise, Idaho 83701
208-343-7500
208-336-6912 (fax)

III.

A certified copy of United Water's Articles of Incorporation, together with all amendments to date, is on file with the Commission.

IV.

For over 100 years, United Water, together with its predecessors in interest, has owned and operated and now owns and operates an extensive and integrated water system in Boise City, Idaho, and in certain territory within Ada County in the vicinity of, but outside the present corporate limits of said Boise City, and renders general water service within such territory and to the inhabitants thereof.

V.

United Water's current Certificate is Amended Certificate No. 143.

VI.

Avimor LLC (Avimor) is an Idaho Limited Liability Company engaged in development of residential planned communities. Avimor owns or has an interest in a certain tract of land located in Ada County, Idaho known as the Spring Valley Ranch and intends to develop a planned community known as Avimor (the "Project") consisting initially of approximately 700 residential and commercial building lots.

VII.

Avimor has requested that United Water provide public water service to the Project and to future developments located within the Spring Valley Ranch property. The location of the Project and the boundaries of the Spring Valley Ranch property are depicted on Exhibit A of the Special Facilities Agreement, a true copy of which is attached hereto as Exhibit 1. An exact legal description will be provided upon filing of an Amended Certificate No. 143.

VIII.

The area of requested expansion is not within the authorized territory of any other public utility water corporation under the jurisdiction of the Commission. The extension requested herein will not interfere with the operations of any other water utility corporation under the jurisdiction of the Commission. There are no known public entities, persons or corporations with whom the expansion is likely to compete. United Water will provide service to the area pursuant to its Tariff No. 1, General Metered Service, as the same exists or may hereafter be amended. In all respects service will be provided pursuant to United Water's Rules and Regulations as the same are now approved by the Commission or may hereafter be amended.

IX.

In order to provide service to the Project it is necessary for United Water to extend facilities to the project, as more fully described herein. United Water and Avimor have executed a Special Facilities Agreement specifying the terms and conditions upon which facilities will be extended.

X.

Pursuant to the SFA, the following facilities will be constructed to serve the project

- Approximately 30,500 feet of 16-inch transmission main line with associated land, easements and appurtenances from United Water's existing facilities at Hidden Springs to the Project.
- An intermediate booster station with associated land, easements and communications and control equipment along the run of transmission main line supplying the Project.
- A 600,000 gallon water storage reservoir with associated land, easements and communications and control equipment along the run of transmission main line supplying the Project for fire protection and storage.

The location of the facilities is also depicted on Exhibit A of the SFA, attached hereto.

Avimor will be responsible for the initial funding of the above construction and shall also fund required land, easements, inspection, project management and other appurtenances. Avimor's total cost of construction and installation of said system as described above is estimated to be \$6,308,805.00.

XI.

The terms and conditions of the SFA are generally consistent with the terms and conditions of other special facilities agreements approved by the Commission and with United Water's Rules and Regulations 74—77. Given, however, the unique nature and size of the Project, the following matters have been individually negotiated:

- The financial terms of the Project-on-site, off-site mains and over sizing.
- Refunds of on-site advances and over sizing.

- Off-site main reimbursement.
- Overheads.

XII.

Filed contemporaneously herewith is the Direct Testimony of Gregory P. Wyatt, General Manager of United Water Idaho which testimony explains in more detail the terms and rationale of the SFA.

XIII.

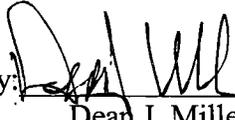
United Water does not believe that the public interest requires a hearing on the issues presented hereby and requests that the matter be processed by Modified Procedure. If, however, the Commission determines that a hearing is necessary, United Water stands ready for immediate hearing, based on the Direct Testimony of Gregory P. Wyatt.

WHEREFORE, United Water respectfully requests of the Commission:

1. That the Commission determine that a hearing is not required herein and process the matter by Modified Procedure;
2. That the Commission approve the expansion of United Water's service area as herein requested;
3. That the Commission authorize the preparation and filing of an Amended Certificate No. 143 to include the areas described herein;
4. That the Commission approve the SFA and determine that the Company's investments made pursuant to the Agreement are prudently incurred and recoverable in a future rate proceeding; and,
5. That the Commission grant such other and further relief as the Commission may determine proper herein.

DATED this 10 day of September, 2007.

UNITED WATER IDAHO INC.

By: 

Dean J. Miller

McDevitt & Miller LLP

420 West Bannock

Boise, Idaho 83702

P: 208.343.7500

F: 208.336.6912

Attorney for United Water

SPECIAL FACILITIES AGREEMENT

THIS AGREEMENT is made and entered into between **UNITED WATER IDAHO INC.**, (“Company”) and **AVIMOR, LLC**, (“Avimor”), and is dated as of the 4th day of January, 2007.

WHEREAS, United Water Idaho Inc. is a corporation organized and existing under the laws of the State of Idaho having its principal place of business at 8248 West Victory Road Boise, Idaho 83711, and is a water corporation regulated by the Idaho Public Utilities Commission (“IPUC”).

WHEREAS, Avimor is a development company, organized and existing under the laws of the State of Idaho, having its principal place of business at 485 East Riverside Drive, Suite 300, Eagle, Idaho 83616.

WHEREAS, Avimor owns and/or has an interest in a certain tract of land comprised of approximately 23,000 acres known as the Spring Valley Ranch. Avimor is interested in developing the first village of a Planned Community named Avimor consisting of approximately 700 residential and commercial building lots (the “Project”). Avimor has requested public water supply service for the Project from the Company.

WHEREAS, a pipeline, an intermediate booster station and a water storage reservoir are required to serve the proposed Project, as well as other potential developments in the vicinity of the Project, and Avimor has requested the Company to extend its system as follows and in accordance with the map or plan attached as **Exhibit A** hereto, and made a part hereof:

- a. Approximately 30,500 feet of 16-inch transmission main, land, easements, and appurtenances from the Company’s existing facilities at Hidden Springs to the Project; and
- b. One intermediate booster station, land, easements, and associated communications and control equipment along the run of transmission main line supplying the Project; and
- c. One 600,000-gallon water storage reservoir, land, easements, and associated communications and control equipment along the run of transmission main line supplying the Project for fire protection and storage.

WHEREAS, the 16-inch pipeline, the booster station and the storage reservoir, along with all associated land, easements, equipment, and associated Company costs for engineering, inspection, accounting, legal, and administrative costs, hereafter called the “System Extension” is estimated to cost a total of \$6,308,805.00.

WHEREAS, the Company is willing to make such System Extension upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the promises and of the mutual covenants and agreements herein contained, THE PARTIES HERETO AGREE AS FOLLOWS:

1. **Application for System Extension.** Avimor hereby applies to the Company for the said System Extension, and the Company agrees to allow the said System Extension upon the terms and conditions hereinafter set forth and in accordance with its Rules and Regulations approved by the IPUC.
2. **Labor and Materials In-Lieu-of-Cash.** Avimor has requested and the Company has agreed that the System Extension will be constructed on a labor and materials in-lieu-of-cash basis. Avimor hereby agrees that it will hire only those contractors that have been approved by the Company and that it will require all such contractors to comply with Avimor's Standard Construction Agreement, attached hereto and made a part hereof as **Exhibit B**. Avimor further agrees that it will require its contractors to comply, via its contract with contractor, with all terms and conditions set forth herein.

Construction of the System Extension shall be subject to the Company's inspection, testing and acceptance, however, absence of such inspection or testing by the Company shall not relieve Avimor or its contractor(s) of any of its obligations. Avimor's contractor(s) shall warrant the System Extension work in accordance with Paragraph 4 below.

3. **Insurance.** Avimor and its contractors (via their contract with Avimor) shall be required to maintain, at a minimum, insurance in accordance with the requirements as outlined in attached **Exhibit C**.
4. **Warranty.** Each of Avimor's contractors shall warrant that the work performed in installing the System Extension is free of any defect of equipment, material or workmanship. Such warranty shall extend to Avimor and to the Company and shall continue for a period of two (2) years for the transmission mainline and associated appurtenances portion of the work only, and one (1) year for the balance of the System Extension work from completion and acceptance of the facilities by the Company or within such longer period of time as may be prescribed by law. Pursuant to the warranty, Avimor's contractors, under Company supervision, shall remedy at their own expense any such failure to conform or any such defect upon receipt of written notice from the Company within a reasonable time after the discovery of any failure, defect or damage. In addition, during the aforesaid warranty period, the contractors shall remedy at their own expense, under Company supervision, any damage to real or personal property, when that damage is the result of any such defect of equipment, material or workmanship installed by the contractors. The warranty with respect to work repaired or replaced hereunder will run for a period of one year from the date of such repair or replacement or shall run for the remainder of the original warranty period, whichever is greater. During the warranty periods as defined herein, the contractors shall reimburse the Company for the costs of any emergency repairs undertaken by the Company to maintain the system in good working order. Without limiting any other provision herein contained, these warranty provisions are hereby assigned to the Company effective as of the date of execution of the contract with each contractor. If any contractor fails to reimburse the Company as set forth in this Paragraph, the Company shall have the right to

proceed directly against the contractor. Avimor shall cooperate fully in any such action and provide such assignments and documentation as may be necessary for the Company to maintain any such action.

5. **Advances and Contributions for the System Extension.** Avimor shall advance to the Company upon the execution hereof the sum of One-Hundred-fifty-Four-Thousand-Six-Hundred Dollars (\$154,600.00), in cash, which represents the estimated cost of the Company's direct charges for engineering, inspection, accounting, legal, and administrative costs, chargeable to the System Extension. Such amount shall be subject to reconciliation after completion of the System Extension and all such costs are known and the difference shall be either refunded to or collected from Avimor without interest.

Avimor will be responsible for funding all System Extension facilities required to serve the Project listed below:

- Approximately 30,500 feet of 16-inch transmission main
- 1-intermediate booster station
- 1-600,000 gallon storage reservoir
- Associated communications and control equipment
- Land, easements, inspection, project management, and all other required appurtenances

Avimor's total cost of construction and installation of the said System Extension as described above is estimated to be \$6,308,805.00.

The parties understand and agree that of the approximately 30,500 feet of transmission water main line extension to and within the Project, approximately 18,000 feet will be classified as "on-site main", and approximately 12,500 feet will be classified as "off-site main". This delineation between on-site and off-site main is as shown on the attached **Exhibit A**.

At the request of the Company, the intermediate booster station will be oversized and so equipped to enable the Company to utilize the intermediate booster station to provide emergency supply redundancy to the Company's existing Hidden Springs customers. The total cost of the booster station over sizing is estimated to be \$63,000. The Company shall refund Avimor for the cost of the over sizing as outlined in Paragraph 9 below.

The Company and Avimor have agreed to use RS Means Heavy Construction Cost - 2006 (20th edition) to estimate the over sizing cost for the booster station. The over sizing has been estimated using RS Means data as shown on **Exhibit D - Plant Account Summary**. After the System Extension has been constructed, the over sizing will be recalculated based on the actual construction cost and the methodologies described in **Exhibit D** for the booster station.

All costs for the construction of the aforesaid on-site main, booster station (less the cost of over sizing), storage reservoir, and associated facilities, including the Company's direct engineering, inspection, accounting, legal, and administrative costs, charged to these portions of the System Extension, shall be paid for by Avimor, and shall be recorded on the Company's

books as an advance in aid of construction. These actual costs shall be referred to as the "advanced cost of the System Extension"

All costs for the construction of the aforesaid "off-site main" and associated facilities, including the Company's direct engineering, inspection, accounting, legal, and administrative costs charged to these portions of the System Extension, shall be paid for by Avimor, and shall be recorded on the Company's books as a contribution in aid of construction. These actual costs shall be referred to as the "contributed cost of the System Extension".

6. **Construction Overheads.** The Company's standard construction overhead factor will not be applied to the costs of the System Extension facilities funded by Avimor, and Avimor will not be required to pay those overhead costs. Avimor will, however, be responsible to pay for all System Extension planning, design, engineering, management and inspection costs incurred, including the Company's direct engineering, inspection, accounting, legal, and administrative costs charged to the System Extension, as referenced in Paragraph 5 above, in addition to the construction cost, in lieu of paying the Company's standard construction overheads on these facilities.

7. **Source of Supply for the Project.** The Company shall provide from existing facilities the required source of supply capacity for the Project, which has been estimated by Avimor's engineers to be approximately 500 gallons per minute (gpm) peak demand at build-out. The parties anticipate that additional source of supply capacity will be required for development in Spring Valley Ranch and other areas outside of the Project that are within the Company's Service Area expansion as shown on Exhibit E.

The Company shall supply source water for future Avimor developments outside the Project but within the Company's Service Area expansion as shown on **Exhibit E**, all subject to approval by the Idaho Public Utilities Commission. If, because of the absence of economically feasible source of supply or because of regulatory constraints imposed by the Idaho Public Utilities Commission, the Company is unable to supply source water sufficient to meet the domestic, commercial, public authority, and associated irrigation water supply needs for future Avimor developments within the Company's Service Area expansion as shown on Exhibit E, then the Company shall not object to Avimor's reliance on alternative sources of water.

8. **Deeds and/or Easement(s) for Location of System Extension.** Avimor shall cause the owners of property on which the System Extension will be located to execute any and all easement agreement(s) as required in favor of the Company in substantially the form of the attached **Exhibit F**. To the extent that any of the Project water facilities lie within lands not owned by Avimor, Avimor shall, without cost or expense to the Company, cause the owners of property on which the water facilities reside to execute any and all deeds and/or easements required by the water facilities in favor of the Company.

9. **Refunds.** The Company will make a one-time refund to Avimor per each new customer served by the System Extension, the amount of which shall be determined in accordance with the table set forth in **Exhibit G**, attached hereto and incorporated herein by reference. The refund amount will be based upon the actual annual revenue received by the Company from the customer for water utility service as determined by using the most recent twelve months of

billing data, after the customer which is the subject of the calculation, has received permanent water utility service from the Company for a period of twenty-four (24) consecutive months.

The lots eligible for refund shall include all lots within the Project as well as areas adjacent to the Project for which new customers are connected that are directly served by the System Extension up to the expiration date of this Agreement. New customer shall be defined as any permanently installed United Water meter (whether residential, commercial, or irrigation related). The geographic areas capable of being directly served by the System Extension for which refunds are available are shown on attached **Exhibit H**. New lots or customers in this geographic area outside of the Project that are subject to any other refundable agreement with the Company shall not be eligible for refunds under this Agreement.

The average annual consumption per customer is estimated to be 154 hundred cubic feet (ccf) which results in a refund of \$600 as per **Exhibit G**. The Company agrees to refund to Avimor 80% of this amount (\$480) as new customers are connected. These payments will occur on a quarterly basis beginning with the first customer connected to the System Extension. Quarterly payments shall be made no later than 30 days following the end of each calendar quarter. Final adjustment to the refund amount will occur at the conclusion of the 12 months of billing data, as referenced above, with the Company paying Avimor the balance of the refund amount above \$480 or Avimor paying the Company the difference if the final refund amount is less than \$480. No refunds will be owed on account of any new customer receiving service from the System Extension after the expiration of this Agreement as provided in Paragraph 17 below. The total aggregate refund amount shall not exceed the final "advanced cost of the System Extension" funded by Avimor.

In addition, the Company shall reimburse Avimor for the actual over sizing cost of the intermediate booster station within 45 days after the System Extension is conveyed to the Company as described in Paragraph 11 below.

10. Off-Site Main Reimbursement. The parties understand and agree that the cost of the 12-inch portion of the "off-site main," referenced in Paragraph 5, and funded by Avimor, will be subject to repayment to Avimor in accordance with the Company's current standard method for off-site reimbursements by latecomers as outlined below.

An applicant for service for which a main and/or service lateral (including laterals to a fire hydrant(s)) will be directly connected to said "off-site main," within the term of this Agreement, shall deposit with the Company one half the cost per front foot of the "off-site" water main times the applicant's total front footage. The cost per front foot shall be the actual cost of the "off-site" water main, divided by the total serviceable footage. The Company will forward this deposit to Avimor without interest within thirty (30) days of receipt. The total monies thus deposited with the Company and forwarded to Avimor shall not exceed the total amount of the "contributed cost of the System Extension". All future applicants for main and/or service lateral connections to the "off-site main" after the term of this Agreement expires shall not be subject to the aforesaid deposit, nor shall Avimor be entitled to or receive any reimbursement after the expiration of this Agreement.

11. **Conveyance of System Extension and Final Accounting.** Conveyance of the System Extension from Avimor to the Company will occur via a Bill of Sale in a form substantially similar to that attached as **Exhibit I**. Along with the Bill of Sale, Avimor shall provide all contractor "as-built" maps and drawings, equipment manufacturer owner's manuals, and facilities construction and acceptance test results. Avimor shall also provide original or photocopy evidence of all invoices paid showing all actual costs incurred related to the construction and installation of the System Extension, along with a cost summary clearly identifying each cost as it relates to each major item of the System Extension, including a breakdown of the on-site, off-site, and over sizing costs. Likewise, the Company shall provide a similar summary of its actual engineering, inspection, accounting, legal and administrative costs charged to the System Extension project. Upon conveyance, the Company shall record the actual costs so determined on its books and records as advances and contributions in aid of construction as referred to in Paragraph 5.

The amount, if any, of said "advanced cost for the System Extension," less the total amount refunded over the term of this agreement, shall be retained by the Company and booked as a contribution in aid of construction after the expiration of this Agreement.

12. **Covenants to Complete.** The Company will use commercially reasonable efforts to commence and carry to completion as soon as possible its responsibilities with regard to installation of said System Extension, but will not be responsible for delays which may be occasioned by weather, acts of God or the public enemy, strikes or other matters not within its control. Avimor will use commercially reasonable efforts to commence and carry to completion as soon as possible its responsibilities with regard to the installation of said System Extension, but will not be responsible for delays which may be occasioned by weather, acts of God or the public enemy, strikes or other matters not within its control.

13. **Failure to Obtain Required Consents.** It is further understood and agreed by and between the parties hereto that this Agreement to construct the said System Extension is subject to both the Company and Avimor obtaining all necessary consents, orders, permits and approvals of public officers or public bodies having jurisdiction over or lawful interest in any of the subject matters herein. In the event that either the Company or Avimor, after prompt application and diligent effort, is unable to obtain any necessary consent, order, permit or approval as aforesaid, or in the event that either the Company or Avimor is enjoined or prevented by lawful action of any such public officer or official body from constructing the said System Extension, the Company's sole obligation will be to repay Avimor the difference between the amount advanced and estimated expenses incurred by the Company in conjunction with the System Extension which is the subject of this Agreement. Avimor shall not be responsible to the Company for any direct or consequential damages arising from Avimor's failure to obtain required consents.

14. **Facilities Construction and Ownership of System Extension.** All facilities shall be constructed in compliance with the Company's specifications for materials and installation, and the Company shall have approval authority over all System Extension design and installation.

It is further mutually understood and agreed that any and all parts of the System Extension located within the limits of the streets, avenues, roads, ways or easement areas, whether or not attached to or serving customers but constructed as part of the System Extension shall be and remain the property of the Company, its successors and assigns. The Company shall have the right to extend any main installed pursuant to the terms of this Agreement in or to other lands, streets, or avenues, subject to the terms of any easement or right of way obtained by Avimor, without incurring any liability to Avimor whatsoever.

15. Water Facilities Within the Project. The approximate 700-building unit Project will be broken down into phases. All distribution facilities associated with each phase will be considered contributed plant and will be constructed and installed at Avimor's cost under the Company's standard "Residential, Multiple Family Housing, Commercial, Industrial, or Municipal Development Water Main Extension Agreement" as approved by the IPUC. The cost of these distribution facilities will not be available for refund.

Avimor agrees to pay the Company's applicable construction overheads on contributed investments in facilities such as distribution facilities required to provide water service within the Project and to each lot.

16. Agreement Subject to Idaho Public Utilities Commission Approval. It is agreed and mutually understood that the terms of this Agreement, particularly Paragraphs five (5), six (6), seven (7), and nine (9) and expansion of the Company's Service Area are subject to approval by the Idaho Public Utilities Commission (IPUC) before the water facilities for the Project may be connected to and receive service from the Company's existing water facilities. If approval by the IPUC of the Agreement and the expansion of the Company's Service Area cannot be obtained in a manner acceptable to the Company or Avimor, at their respective discretion, then such party shall have the right to attempt to cure the Agreement and resubmit the Agreement for approval by the IPUC. If approval by the IPUC can still not be obtained in a manner acceptable to the Company or Avimor, at their respective discretion, then such party shall have the right to declare this Agreement null and void and the parties will have no further obligations to each other except as provided for in Paragraph 13.

17. Term of Agreement. The term of this agreement shall be for fifteen (15) years from the date on which the System Extension is first placed in service, which date is estimated to be May 1, 2007, or for such additional periods of time as may be permitted by the IPUC by subsequent changes to the standard methods.

18. Miscellaneous. This Agreement shall be governed by and construed in accordance with the laws of the State of Idaho.

This Agreement may only be amended in whole or in part by an agreement in writing duly signed and delivered by both parties.

This Agreement may not be assigned by any party, whether voluntarily, involuntarily or by operation or law without the prior written consent of the other party given as an amendment of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be signed by their duly authorized representatives this 4TH day of JANUARY, 2007.

UNITED WATER IDAHO INC.:

By: 
Gregory P. Wyatt
Vice President


Witness

AVIMOR, LLC:

By: SunCor Idaho, Inc.
Its: Sole Member

By: 
Robert G. Taunton
President


Witness

Transmission Lengths

On-Site: 18,000 feet
Off-Site: 12,500 feet
Total: 30,500 feet

Avimor Property

Avimor Planned Community

Reservoir
600,000 gallons

Booster Station
2,000 gpm

Boise County
Ada County

On-Site Transmission Main
~18,000 feet of 16-inch Water Main

Off-Site Transmission Main
~12,500 feet of 16-inch Water Main

Point of Connection With Existing UWID Facilities

UWID Certificated Area

Hidden Springs

**Exhibit A
New Water Facilities**

0 0.25 0.5
Miles

May 11, 2005



Water Engineering, LLC
water resource consultants

305 E. Row Park Lane, Ste. 100 Boise, Idaho 83720
Ph: 208.383.4160 Fax: 208.383.4166

A
N

Project: Avimor
ICR No. RCE-653

AVIMOR, LLC
485 E. Riverside Drive
Suite 300
Eagle, Idaho 83616
(208) 939-0343

STANDARD CONSTRUCTION AGREEMENT

This Agreement is made this ___ day of _____, 20__, by and between **AVIMOR, LLC** ("Owner") and _____ an _____ corporation (address) ("Contractor"), Idaho Contractor Registration No. _____, or License No. _____, relating to the project known as Avimor (the "Project"). Owner and Contractor agree as follows:

1. The Work and Contract Documents. Contractor agrees to furnish, at its sole expense, to the satisfaction of Owner, all labor, equipment and materials necessary to complete the work described below (the "Work"):

Avimor Transmission Main, as described in the Contract Documents.

The Contract Documents are listed on Exhibit A attached hereto and incorporated herein by this reference. The Contract Documents consist of this Agreement and all other documents set forth in Exhibit A, including United Water Exhibits A1, A2 and A3.

2. Contract Time. Contractor shall commence the Work on or about _____, but in no event later than 24 hours after issuance by Owner of a written Notice to Proceed. Contractor shall complete the Work not later than ___ days after the date of commencement (the "Contract Time"). The date of commencement of the Work shall be the date established in Owner's Notice to Proceed. If there is no Notice to Proceed, the date of commencement shall be the date established in this paragraph.

3. Contract Sum. In consideration of the complete and timely performance of the Work, subject to changes as provided in this paragraph and in Paragraph 5 below, Owner shall pay Contractor the sum of _____ (\$_____) (the "Contract Sum"). The Contract Documents contain an engineer's estimate of the quantities of material to be installed on the Owner's property. These quantities were used in establishing the Contract Sum. The final Contract Sum will be adjusted according to actual field measurements of installed materials multiplied by the Contractor's per unit prices. Lump sum quantities will not be subject to adjustment. All such measurements are subject to confirmation by the Owner.

4. Inspection, Safety and Compliance. Contractor has inspected the jobsite and has thoroughly reviewed the Contract Documents including, without limitation, the Plans and Specifications listed on Exhibit A, as the same may be revised by Owner, and is not relying on any opinions or representations of Owner. Contractor agrees to perform and complete such Work in strict accordance with the Contract Documents and under the general direction of Owner in accordance with the Contract Time described in Paragraph 2 above as the same may be revised. Contractor agrees that any exclusions of any Work must be approved in writing by Owner prior to acceptance of this Agreement or same shall not be excluded hereunder. Contractor is responsible for all safety precautions and programs and shall provide all protection and necessary supervision to implement said precautions and programs. Contractor shall take all reasonable precautions for the safety of and provide reasonable protection to prevent damage, injury or loss to: (a) employees or others on the Project; (b) the Work and materials; and (c) other property at the Project or adjacent thereto. Contractor shall designate a responsible person on the Project whose duty shall be prevention of accidents. Contractor shall provide all competent supervision necessary to execute all Work and any Work incidental thereto in a thorough, first-class workmanlike manner. It is Contractor's responsibility that all of the Work and any work incidental thereto conforms to, and is performed in accordance with all applicable federal, state, county and city laws, codes, ordinances, regulations (including NPDES and air pollution) and orders of public authorities bearing on performance of the Work by qualified, careful and efficient workers satisfactory to Owner. Contractor shall obtain all applicable licenses and permits for the conduct of its business and the performance of the Work.

5. Changes in the Work. Owner may, without invalidating this Agreement, order changes in the Work consisting of additions, deletions or other revisions to the Contract Documents and the Contract Sum and the Contract Time shall be adjusted as provided below. The Contract Sum and/or the Contract Time may only be changed by Owner's written directive or approval authorizing said change, and said changes shall be performed under the applicable conditions of the Contract Documents.

5.1 Contract Adjustments. The Contract Sum shall be adjusted as a result of a change in the Work as follows:

(a) Additions: When Owner increases the scope of the Work, Contractor will perform the increased work pursuant to Contractor's Unit Prices set forth in the Contract Documents and, if a lump sum item, pursuant to Contractor's Schedule of Hourly Charges as set forth in the Contract Documents.

(b) Deletions: When Owner decreases the Work resulting in a decrease in Contractor's quantity of the Work, Owner shall be allowed a decrease in the Contract Sum amounting to the quantity of the deleted Work multiplied by the Contractor's Unit Prices and if a lump sum item, pursuant to Contractor's Schedule of Hourly Charges set forth in the Contract Documents.

(c) Estimating: Whenever Owner is considering a change to the Work, Contractor shall promptly, and in any event within three (3) business days, estimate the price of the contemplated additional or deleted Work in good faith and as accurately as is then feasible. The estimate shall show quantities of labor, material and equipment and shall be pursuant to the Unit Prices and Schedule of Hourly Rates set forth in the Contract Documents.

6. Payment. Payment shall be conditioned upon Contractor's compliance with the payment terms and conditions set forth below, and payment shall be made within thirty (30) days of Contractor's full compliance with said terms and conditions. Contractor expressly acknowledges and agrees that the Contract Sum is an estimated amount based upon an engineer's estimate of the quantities of the materials deemed necessary to perform the Work and that the amount of any payment to be made pursuant to this Agreement shall be determined by the field measured quantities of materials actually installed by Contractor. Material or equipment delivered to the Project by or on behalf of Contractor shall not constitute material or equipment furnished in the performance of the Work until same has been incorporated into the improvements constituting the Project. Payment shall not constitute acceptance by Owner or evidence thereof of any Work performed.

6.1 Retention. Until the Work is complete and accepted by Owner or Owner's designated project representative and Owner has approved an application for payment of retention, Owner will pay 90% of the amount due Contractor on account of progress payments, with Owner retaining 5% until the Project is complete (the "Retention"). The word "complete" as used above shall apply to defective, incorrect, unfinished or incomplete work or latent defects which are discovered at, or immediately following, the point of completion of the Project.

6.2 Progress Payments. Except as provided in Paragraph 6.5, progress payments shall be made in monthly installments for work satisfactorily completed and materials incorporated into the Project. Provided Contractor submits its invoice in accordance with the terms and conditions set forth herein on or before the fifth (5th) day of the month, progress payments shall be made to Contractor on the basis of a thirty (30) day billing cycle. Progress payments shall be made to Contractor on the basis of a thirty (30) day billing cycle. On a monthly basis, Contractor shall submit its itemized application for payment, supported by such data, including signed lien waivers, substantiating Contractor's right to payment as Owner's designated project representative may require or as required by this Agreement. Payment requests made to Owner shall be deemed approved fourteen (14) days after receipt thereof by Owner unless before that time Owner, or Owner's agent, prepares and issues a written statement identifying the items that are incomplete. Owner shall have the right to withhold payment to Contractor until Contractor furnishes satisfactory evidence that all bills for labor, materials or other liabilities in connection with the requested payment have been paid to date and valid lien waivers, as described below, have been furnished. Owner shall have the right to offset sums due Contractor hereunder against any and all sums owed to Owner by Contractor or to protect against any asserted claims or liens, until the claim or lien has been adjusted by the Contractor to Owner's satisfaction, regardless of whether Contractor may have posted a payment or performance bond.

6.3 Lien Waivers. Each application for payment submitted by Contractor shall be accompanied by:

- (i) Contractor's completed and fully executed original conditional lien waivers on progress payments identical to the form contained in the Contract Documents; and
- (ii) fully executed unconditional lien waivers on progress payments from all subcontractors, lower-tier subcontractors and materialmen identical to the form contained in the Contract Documents covering all work and materials related to the previous progress payment made by Owner, if any.

The submission of the foregoing lien waivers with each application for payment shall be a condition precedent to Contractor's right to payment, and any application for payment submitted without said lien waivers shall be deemed incomplete. Contractor warrants that title to all work, materials and equipment covered by an application for payment will pass to Owner by the earlier of the incorporation of the Work or receipt of payment by Contractor, free and clear of all liens, claims, security interests or encumbrances.

6.4 Form of Payment. Owner may pay Contractor by check made payable to Contractor or by joint check made payable to Contractor and any subcontractor, lower-tier subcontractor or materialmen.

6.5 Bulk Material Orders. With the prior written approval of Owner, Contractor may advance order the bulk delivery of work materials to be incorporated into the Work over the course of this Agreement, and upon delivery and receipt of Contractor's proper application for payment Owner shall pay the full amount billed in the supplier invoice either directly to the Contractor, or to the vendor or by joint check to Contractor and vendor, and shall receive a full lien release for the amount paid from vendor and Contractor. Contractor agrees to assume full responsibility for the safekeeping of all said materials and shall guarantee to Owner that said materials shall remain safe from theft or damage from any and all causes (unless caused by the sole negligence of Owner). Contractor shall immediately replace, repair or restore said materials to their original condition so as to not cause any delay in the Work, and Contractor shall indemnify and hold harmless Owner from and against any and all loss, cost, liability or expense resulting from any loss or damage to any of the materials described herein from any cause unless due to Owner's sole negligence. Should Owner have reason to believe Contractor is not properly safeguarding any of the said materials, Owner shall have the right to immediately take such steps as it deems necessary to do so, including removing Contractor from the job, replacing any materials or expending any sums to properly carry out Contractor's responsibility hereunder, and any amounts so expended shall be billed back to Contractor or deducted from any sums then or thereafter due to Contractor. Contractor shall fully insure all materials stored on site as required by Owner, and if such insurance is not obtainable due to a lack of insurable interest, Owner shall have the right to obtain such insurance and charge the amount thereof back to Contractor or deduct said amount from any funds then or thereafter due to Contractor.

6.6 Final Progress Payment. Upon Contractor's application for final progress payment as provided below, Owner shall make payment in an amount determined by field measuring the quantities of materials actually installed on the Property and computing the payment amount pursuant to the Unit Prices and Schedule of Hourly Rates contained in the Contract Documents. When Contractor considers the Work complete, Contractor shall provide written notice thereof to Owner together with Contractor's statement of quantities actually installed on the Property. All quantities will be subject to verification by Owner and Owner's designated project representative may make an inspection. Final payment constituting the unpaid balance of the Contract Sum, excluding the Retention, shall be due thirty (30) days after Owner:

- (i) receives Contractor's completed and fully executed conditional lien waiver on progress payment and fully executed unconditional lien waivers on progress payments from all subcontractors, lower-tier subcontractors and materialmen covering all work and materials related to the previous progress payment made by Owner. If any subcontractor or materialman refuses to furnish a release or

waiver required by Owner, Owner may choose, in its discretion, to withhold back a sum from Contractor sufficient to satisfy the unpaid obligation to such subcontractor or materialman. Alternatively, Owner may require Contractor to furnish a bond satisfactory to Owner to indemnify against any lien or claim being filed or stop notice being served by such subcontractor or materialman. If any such lien or claim remains unsatisfied after all payments are made, Contractor shall refund to Owner all monies that Owner may be compelled to pay in discharging such lien or stop notice, including all costs and reasonable attorneys' fees.

6.7 Payment of Retention. Payment of the Retention shall be conditioned upon the submittal to, and approval by, Owner of "AS-BUILT" drawings (if not supplied by Owner's engineer), operating instructions and manuals, equipment warranties and complete service and maintenance instructions for all equipment furnished under this Agreement. Payment of the Retention shall not be due from Owner until Owner:

- (i) receives Contractor's completed and fully executed conditional lien waiver and release on final progress payment identical to the form contained in the Contract Documents,
- (ii) receives fully executed unconditional lien waivers on final payment from all subcontractors, lower-tier subcontractors and materialmen who provided any labor or materials to the Project identical to the form contained in the Contract Documents,
- (iii) determines the Work acceptable under the Contract Documents and the Agreement fully performed,
- (iv) receives final approval of the Work by all governmental agencies and political subdivisions having jurisdiction,
- (v) receives Contractor's affidavit that all payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which Owner or its Property might in any way be responsible have been paid or otherwise satisfied, and
- (vi) determines that Contractor has completed the correction or repair of any discovered condition required by Owner to be corrected or repaired.

7. Work by Owner or by Separate Contractors. The Owner reserves the right to perform work related to the Project with its own forces, and to award separate contracts in connection with such work. When separate contracts are awarded for different portions of the Project or other work on the site, the term "Contractor" in the Contract Documents in each case shall mean the contractor who executes each separate owner-contractor agreement. The Owner will provide for the coordination of the work of his own forces and of each separate contractor with the Work of the Contractor herein and the Contractor herein shall cooperate with the Owner's coordination of separate contractors.

8. Performance of the Work, Scheduling and Delay Damages.

8.1 Work Scheduling. Time is of the essence of this Agreement. Contractor shall provide Owner with any requested scheduling information and a proposed schedule for performance of the Work in a form acceptable to Owner providing for commencement and completion of the Work within the Contract Time described in Paragraph 2 above. Owner may establish a final progress time schedule to be followed, and may revise such schedule during the course of the Work. Contractor, to induce Owner to enter into this Agreement, has and does hereby agree to fully perform and complete the Work for the Contract Sum within the Contract Time. Contractor shall prosecute the Work in a prompt and diligent manner and without hindering or delaying the work of other contractors or subcontractors on the Project. Contractor shall comply with instructions given by Owner, including any decision to suspend, delay or accelerate the Work.

8.2 Owner's Right to Stop, Carry Out or Correct the Work. If at any time during the performance of the Work, it should appear to the Owner, in its sole discretion, that Contractor will not complete its Work within the Contract Time and pursuant to a progress schedule as the same may be revised, or if the manner in which the Contractor carries out its obligations under this Agreement interferes for any reason with the ability of other contractors or workers to perform work on the same job in accordance with such time schedules, Owner shall have the sole and absolute right on seventy-two (72) hours written notice delivered to Contractor's usual place of business or if said place of business is closed or Contractor cannot be found at a place of business then by posting such written notice on the jobsite, to replace Contractor by taking over the Work or procuring another to complete this contract. In the event Owner deems it necessary to take over, any expense incurred thereby shall be deducted from any sum due to Contractor hereunder for the portion of the Work completed to the date of Owner's said take over, and if such sum is insufficient to defray such expenses, the deficiency shall be charged back to Contractor and shall be due and payable immediately to Owner upon demand. Such taking over shall not constitute or be construed as a waiver by Owner of any action, claim or demand Owner may have against Contractor by reason of injury or damage resulting to Owner because of Contractor's failure of performance hereunder. Contractor shall pay to Owner a sum equal to Owner's total cost of completing such work, and a sum for reasonable attorneys' fees and litigation expenses in taking over and completing such Work. In no event shall any delay in performance hereunder by Contractor be excused unless, and then to the extent only, such delay is excused by Owner in writing.

8.3 Additional Materials and/or Overtime. Contractor expressly agrees that if overtime or additional workers or materials are necessary to meet the Contract Time, that such overtime will be performed or additional workers or materials will be procured by the Contractor, and the additional expense thereof shall be borne by Contractor unless the delay requiring overtime shall have been occasioned directly by the Owner, in which event Contractor shall be entitled to compensation for such overtime work.

8.4 Delay by Contractor. Delays in the performance of the work by Contractor shall be excused only when due to causes beyond the control of the Contractor such as inclement weather, or acts of God; provided that Contractor shall notify Owner in writing within three (3) business days of any circumstance or event which Contractor believes may justify an extension of time.

8.5 Liquidated Damages. It is expressly understood that should Contractor fail to complete the Work covered hereby within the Contract Time, then Contractor agrees to pay and will pay to the Owner upon request therefor by Contractor for each calendar day of delay beyond the original or revised scheduled time of completion of Contractor's work as liquidated damages, and not as a penalty, the following amount: \$2,500 per day, and said sum shall be deducted as such from the balance due Contractor. Should such liquidated damages exceed the sum due or to become due to Contractor, then Contractor shall pay to Owner such difference immediately upon written demand from the Owner.

8.6 No Damage for Delay by Owner. Contractor shall adjust its operations to conform to any progress schedule changes and hereby waives and releases Owner from any liability for damages or expenses which may be caused to or sustained by Contractor by reason of such changes or by reason of delays in the Work, whether caused in whole or in part by conduct on the part of Owner, including without limitation, any breach of this Agreement or delays by other contractors or subcontractors. Contractor's exclusive remedy in event of delay by Owner shall be an extension of time hereunder to complete the Work.

9. Insurance. Prior to commencing any work hereunder, Contractor shall secure and maintain at its own cost, for all operations, insurance coverage acceptable to Owner in amounts as required in the Contract Documents, by Owner from time to time or as follows, whichever is greater:

9.1 Workers' Compensation & Employer's Liability Insurance. The Workers' Compensation Insurance shall be in the form and amount required by applicable state statute. The Employer's Liability minimum limits: (a) \$500,000 Each Accident; (b) \$500,000 Disease - Policy Limit; and (c) \$500,000 Disease - Each Employee. The Workers' Compensation policy shall contain endorsements providing (i) a waiver of subrogation in favor of Owner; and (ii) thirty (30) days' written notice to Owner in the event of cancellation or material reduction in coverage.

9.2 Comprehensive General Liability Insurance. Occurrence basis with minimum limits of (a) \$1,000,000 Each Occurrence; (b) \$2,000,000 General Aggregate; (c) \$2,000,000 Products/Completed Operations Aggregate, and (d) \$2,000,000 Umbrella/Excess Liability. General Liability Insurance shall be at least as broad as ISO "Occurrence" Form CG 0001 and shall include coverages as follows: (i) Premises, operations and mobile equipment liability coverage for explosion, collapse and underground hazards; (ii) independent contractor's coverage (liability a contractor may incur as a result of the operations, acts or omissions of subcontractors, suppliers and their agents or employees); (iii) products and completed operations coverage; (iv) blanket contractual coverage including both oral and written contracts and including obligations assumed by Contractor under the Contract Documents (specifically including coverage for Contractor's Indemnification/Duty to Defend obligations set forth in this Agreement); (v) personal injury coverage; (vi) broad form property damage coverage including completed operations; (vii) an endorsement naming Owner and such additional parties as Owner designates as additional insureds (the endorsement must be ISO Form CG2010 11/85 edition or its equivalent and must cover joint negligence, completed operations and the acts of contractors, subcontractors and suppliers); (viii) an endorsement providing the insurance is primary as respects Owner and that any insurance maintained by Owner is excess and non-contributing; and (ix) an endorsement providing thirty (30) days' written notice to Owner in the event of cancellation or material reduction in coverage. In addition, all aggregate coverages required pursuant to this Section 9.2 shall be "per job" aggregate limits.

No endorsement limiting or excluding a standard coverage is permitted and claims-made coverage or modified occurrence is not acceptable.

9.3 Business Auto Liability Insurance. \$1,000,000 each occurrence combined single limit for bodily injury and/or property damage liability, including coverage for (i) owned automobiles; (ii) hired or borrowed automobiles; and (iii) non-owned automobiles. Contractor shall provide an endorsement naming Owner and such additional parties as Owner reasonably designates as additional insureds. Said endorsement shall provide thirty (30) days' written notice to Owner in the event of cancellation or material reduction in coverage.

9.4 General Requirements. A certificate and endorsement in a form acceptable to Owner demonstrating compliance with the above insurance requirements (or, at Owner's request, certified copies of Contractor's actual policies) shall be delivered to Owner before Contractor performs any of the work or prepares or delivers material to the Project. Contractor shall maintain all of the above insurance coverage in force until the completion of the Project and the Work. Contractor shall maintain the Products and Completed Operations Liability Coverage, including the required endorsements, in force until expiration of the applicable statute of limitation relating to latent defects in construction of or improvements to real property.

If Contractor fails to purchase or maintain the insurance specified in this Section, Owner shall have the right, but not the obligation, to purchase such insurance on Contractor's behalf and at Contractor's cost. Contractor shall deliver all information required in connection with such purchase. If Contractor's insurance is considered inadequate by Owner's insurer, Owner shall have the right to charge Contractor any additional premium charged by Owner's insurer.

The use of self-insured retention or deductibles in excess of \$10,000 shall not be allowed unless specifically approved by Owner in advance and in writing. Contractor is fully responsible for payment of any self-insured retentions or deductibles, regardless of their amount.

10. Taxes. Contractor shall be responsible for and shall promptly make all payments of taxes, contributions and/or premiums payable on its employees or on its operations under workers' compensation laws, unemployment compensation laws, the Federal Social Security Act, health and welfare benefit plans, gross business taxes, sales and use taxes and any other taxes, contributions and/or premiums which may become payable by operation of law or contract, including contributions payable by the employees, and Contractor shall save Owner harmless from all liability, loss and expense resulting from Contractor's failure to comply with such requirements. Contractor shall comply with any rules and regulations at any time applicable hereto and shall, on demand, substantiate that all taxes and other charges are being properly paid.

11. Liens. If any subcontractor, laborer or materialman of the Contractor or any other person directly or indirectly acting for, through or under it or any of them, files or maintains a mechanic's lien or claims against the Project or premises or any part thereof or any interests therein or any improvements thereon or against any monies due or to become due from the Owner to the Contractor, or on account of any work, labor, services, materials, equipment or other items furnished for or in connection with the Work or under any change order or supplemental agreement for extra or additional work in connection with the Project, the Contractor agrees to cause such lien claims to be satisfied, removed or discharged at its own expense by bond, payment or otherwise within ten (10) days from the date of the filing of such lien or claim upon Contractor's failure to do so, Owner shall have the right, in addition to all other rights and remedies provided under this Agreement and the

Contract Documents by law, to cause such liens or claims to be satisfied, removed, discharged or bonded around by whatever means Owner chooses, at the entire cost and expense of the Contractor (such cost and expense to include Owner's legal fees). Further, Contractor agrees to indemnify, protect and save harmless Owner from and against any and all such liens or claims and actions brought or judgments rendered thereon, and from and against any and all loss, damages, liability, costs and expenses as set forth in paragraph 12.1 below.

12. Contractor's Indemnity: Duty to Defend.

12.1 Indemnification.

To the fullest extent permitted by law, Contractor shall indemnify, defend (at Contractor's sole cost and expense and with legal counsel approved by Owner, which approval shall not be unreasonably withheld), protect and hold harmless Owner, all subsidiaries, divisions and affiliated companies of Owner, and all of such parties' representatives, partners, designees, officers, directors, shareholders, employees, consultants, agents, successors and assigns, and any lender or Owner with an interest in the Project (collectively, the "Indemnified Parties"), from and against any and all claims, demands, obligations, damages, actions, causes of action, suits, losses, judgments, fines, penalties, liabilities, costs and expenses (including, without limitation, attorneys' fees, disbursements and court costs, and all other professional, expert or consultants' fees and costs and Owner's general and administrative expenses) of every kind and nature whatsoever (individually, a "Claim"; collectively, "claims") which may arise from or in any manner related (directly or indirectly) to any work performed or services provided under this Agreement including, without limitation:

- (a) personal injury, including without limitation, bodily injury, emotional injury such as disease, or death to persons and/or damage to or destruction of property belonging to Owner or others caused or alleged to be caused by reason of any occurrence, act or omissions of Contractor, anyone directly or indirectly employed by Contractor, including but not limited to, subcontractors, laborers and suppliers of materials and equipment, or anyone for whose acts Contractor may be liable regardless of whether such personal injury or damage is caused by a party indemnified hereunder;
- (b) penalties imposed or extra costs required on account of the violation of or failure to comply with any law, order, citation, rule, regulation, standard, ordinance or statute, caused by or contributed to as a result of the action or inaction of Contractor;
- (c) infringement of any patent rights which may be brought against Owner arising out of Contractor's work;
- (d) claims and liens for labor performed or materials used or furnished to be used on the job and all incidental or consequential damage resulting to Owner therefrom;
- (e) failure of Contractor to provide or maintain any insurance as required herein above;
- (f) any violation or infraction by Contractor of any law, order, citation, rule, regulating standard, ordinance or statute in any way relating to the occupational health or safety of employees, including, but not limited to, the use of Owner's or others equipment, tools, hoists, elevators or scaffolds; and

(g) defects in workmanship or materials and/or design defects (if the design originated with Contractor) or Contractor's presence or activities conducted on the Project (including, without limitation, the negligent and/or willful acts, errors and/or omissions of Contractor, its principals, officers, agents, employees, vendors, suppliers, consultants, subconsultants, subcontractors, anyone employed directly or indirectly by any of them or for whose acts they may be liable or any or all of them) regardless of whether or not the injury and/or damage is caused in part by any active or passive negligence of an Indemnified party.

Contractor understands and acknowledges that the indemnification obligation extends to and includes claims arising from the active or passive negligence of Indemnified parties. Notwithstanding the foregoing, nothing herein shall be construed to require Contractor to indemnify the Indemnified parties from any Claim arising from the sole negligence or willful misconduct of the Indemnified parties or projects subject to statutory provisions which would be violated by such indemnity. Contractor's indemnification obligation hereunder shall survive the expiration or earlier termination of this Agreement until such time as action against the Indemnified Parties for such matter indemnified hereunder is fully and finally barred by the applicable statute of limitations. Contractor's liability for indemnification hereunder is in addition to any liability Contractor may have to Owner for a breach by Contractor of any of the provisions of this Agreement. Under no circumstances shall the insurance requirements and limits set forth in this Agreement be construed to limit Contractor's indemnification obligation or other liability hereunder. The terms of this Agreement are contractual and the result of negotiation between the parties hereto. Accordingly, any rule of construction of contracts that ambiguities are to be construed against the drafting party shall not be employed in the interpretation of this Agreement.

Contractor shall require any and all subcontractors to indemnify Owner to the same extent of contractor's obligations to Owner as set forth herein. Any obligation of Contractor to Owner arising out of this indemnification clause shall bear interest as set forth hereinafter.

12.2 Duty to Defend.

Contractor's duty to defend hereunder is wholly independent of and separate from the duty to indemnify and such duty to defend exists regardless of any ultimate liability of Contractor. Such defense obligation shall arise immediately upon presentation of a Claim by any party and written notice of such Claim being provided to Contractor. Payment to Contractor by any Indemnified party or the payment or advance of defense costs by any Indemnified Party shall not be a condition precedent to enforcing such Indemnified Party's rights to indemnification hereunder.

13. Risk of Loss. Contractor shall assume the risk of loss occasioned by fire, theft or other damage to materials, machinery, apparatus, tools and equipment relating to the Work prior to actual installation in final place on the Project and acceptance by Owner. Contractor shall be responsible for damage to the materials, machinery, apparatus, tools, equipment and property of Owner and other contractors resulting from the acts or omissions of its subcontractors, employees, agents, representatives or sub-subcontractors, and to pay the full costs of repair or replacement of any said damage.

14. Contractor's Warranties. Contractor warrants to the Owner that all materials and equipment furnished shall be new unless otherwise specified and agreed by Owner and that all Work shall be of first class quality, free from faults and defects and in conformance with the Contract

Documents. If at any time within two (2) years following the date of completion and acceptance of the entire Project (or such longer period as may be provided under warranties for equipment or materials): (a) any part of the materials furnished in connection with the Work shall be or become defective due to defects in either labor or materials, or both, or (b) Contractor's work or materials, or both, are or were not in conformance with original or amended plans and specifications, or supplementary or shop drawings, then the Contractor shall upon written notice from Owner immediately replace or repair such defective or non-conforming material or workmanship at no cost to Owner. Contractor further agrees to execute any special guarantees as provided by the Contract Documents or required by law. Contractor shall require similar guarantees from all vendors and from all its subcontractors. Contractor further agrees, upon written demand of Owner and during the course of construction, to immediately re-execute, repair or replace any work which fails to conform to the requirements of the Contract Documents, including this Agreement, whether caused by faulty materials or workmanship, or both. In the event Contractor shall fail or refuse to make such change upon Owner's written demand, Owner shall have the right to have such work re-executed, repaired or replaced, to withhold from or backcharge to Contractor all costs incurred thereby. The warranties and guarantees contained in this paragraph shall be in addition to all other guarantees, warranties and rights contained in the Contract Documents or provided by law.

15. Drawings, Samples and Substitution of Materials. Contractor shall furnish within three (3) business days following request therefor by Owner detailed drawings of the Work, samples of materials and other submittals required for the performance or coordination of the Work. Substitutions shall be equal or superior to materials specified in the Contract Documents and shall be clearly identified on submittals as "proposed substitutions." Contractor shall be fully responsible for the adequacy, completeness and promptness of all such submittals. Materials shall not be furnished to the jobsite unless same is in strict compliance with the specifications or otherwise approved in writing by Owner. Approval by Owner shall not relieve Contractor of full responsibility for compliance with scope, intent and performance in accordance with the Contract Documents.

16. Temporary Site Facilities. Contractor shall furnish all temporary site facilities necessary for the performance of its obligations under this Agreement, including, but not limited to portable restrooms, storage sheds (when authorized by Owner), water, drinking water, heat, light, scaffolding, shoring, weather protection, barricades, safety rope/ribbon, security fences, excavation, trenching, fill, backfill, compaction, grading and adequate security for materials placed upon the jobsite.

17. Site Clean up. Contractor shall at all times, but not less than daily unless otherwise agreed by Owner, keep the premises on which the Work is being performed clean and free from accumulation of any waste materials, trash, debris and excess dirt, and at all times shall remove Contractor's implements, machinery, tools, apparatus and equipment from the jobsite when not needed on the jobsite. Should Owner find it necessary in its opinion to employ help to clean up, remove or store any of the foregoing or failure of Contractor to do so, the expense thereof shall be charged to Contractor. Verbal notice from a representative of Owner on clean-up or removal is considered adequate notice hereunder, and failure to conform with his/her request within twenty-four (24) hours thereof will be construed by Owner as authorization from Contractor to perform such work at the discretion of Owner and such charges will be made against Contractor's account as are necessary to accomplish the clean-up or removal. The cost of clean up, removal or storage by the Owner, if not deducted by Owner from monies due Contractor, shall be paid by Contractor within five (5) business days of written demand by the Owner.

18. Use of the Site. Contractor shall at all times comply fully with all laws, orders, citations, rules, regulations, standards and statutes with respect to occupational health and safety, the handling and storage of hazardous materials, accident prevention, safety equipment and practices, including any accident prevention and safety program of Owner; provided, however, that Owner shall not be required to impose any safety requirements or administer any such programs and the review or requirement of any safety plan by Owner shall not be deemed to release Contractor or in any way diminish its liability, by way of indemnity or otherwise, as assumed by it under this Agreement. Contractor shall conduct inspections regularly to determine that safe working conditions and equipment exist and accepts sole responsibility for providing a safe place to work for its employees and employees of its subcontractors, laborers and suppliers of material and equipment, for adequacy of and required use of all safety equipment and for compliance with the aforesaid laws, orders, etc. When so ordered, Contractor shall stop any part of the Work, which Owner deems unsafe until corrective measures satisfactory to Owner have been taken. Should Contractor neglect to adopt such corrective measures, Owner may do so and deduct the cost from payments due Contractor. Contractor shall timely submit copies of all accident or injury reports to Owner.

19. Surety Bonds. Contractor agrees to furnish to Owner, prior to the commencement of any of the Work, corporate surety bonds from a bonding company approved by Owner, guaranteeing the faithful and complete performance of the Work and all obligations under this Agreement, and guaranteeing the payment of all labor, material and equipment utilized in connection with the Work. The Owner-approved surety shall execute a Performance Bond and a Labor and Material Payment Bond on forms identical to those contained in the Contract Documents. No other bond form shall be acceptable or fulfill the rights of this Paragraph. If executed by an attorney-in-fact, the surety shall also provide Owner with a Power of Attorney, properly reflecting the attorney-in-fact's authority to bind such surety to the bonds. Owner shall be named as the Obligee on said Payment and Performance Bonds. All other entities, if any, which have a material interest in the performance of the Work shall be added as "Dual-Obligees" to the Payment and Performance Bonds through a Dual-Obligee Rider in such form of as the Owner shall approve. Such addition of Dual-Obligee shall be made within five (5) days following Owner's request.

20. Payment of Bills and Obligations. Contractor shall pay all bills when due for all labor, equipment, material and all other charges in connection with the Work, and failure to do so shall constitute failure of performance under this Agreement. Notwithstanding anything herein to the contrary, in order to protect Owner from all claims and liens of whatever nature, it is agreed that the final payment hereunder shall not become due or payable until all labor, materials, tools, equipment, facilities, rentals of equipment, transportation, fees and permits, taxes and all other charges, without limitation by the foregoing enumeration, in connection with the Work, have been fully paid and any liens claimed or potentially claimed therefor have been waived and released. In the event Contractor fails to furnish Owner with the above described corporate surety bonds or fails to provide the bond and any power of attorney in recordable form, then Owner may, in its sole discretion, terminate this Agreement or nullify the whole or part of any payment due Contractor to the extent necessary to protect Owner from any loss, including costs and attorneys' fees, on account of the failure to provide said surety bonds or recordable powers of attorney.

21. Termination of Agreement. Should Contractor fail to pay its creditors, fail to supply a sufficient number of properly skilled workers or sufficient materials and equipment of the proper quality, fail in any respect to prosecute the Work with promptness and diligence, fail to immediately correct defective Work, fail to procure required insurance or otherwise fail in the performance of any requirements of Contractor as provided in this Agreement, Owner may, at its option, terminate the

employment of Contractor and provide such labor, materials, equipment, work, payment or otherwise perform itself or contract with others to perform such requirements of Contractor, and deduct the cost thereof, together with all loss occasioned thereby (including without limitation, attorneys' fees and costs, overhead and profit) and interest thereon at the rate of eighteen percent (18%) per annum, from any money then due or thereafter to become due to Contractor. Owner shall have the right to withhold payment of any monies due Contractor pending completion of such corrective action to the extent required by Owner and to the satisfaction of Owner. Owner shall provide twenty-four (24) hours prior notice to Contractor except in case of emergency. Owner shall further have the right to terminate this Agreement, by written notice, at any time and without Contractor being at fault, for any or no reason, at Owner's convenience. In such event, and subject to the applicable provisions of Article 6, Contractor shall be entitled to recover only the actual cost of work completed to the date of termination plus fifteen percent (15%) of the actual cost of the work for overhead and profit. Contractor waives any claim or lien against Owner for any additional compensation or damages in the event of such termination.

22. Adjustment of Payments to Contractor. Owner may withhold, or on account of subsequently discovered evidence, nullify the whole or part of any payment due Contractor to the extent necessary to protect Owner from loss, including costs and attorneys' fees, on account of: (1) defective work not remedied; (2) claims filed or reasonable evidence indicating the probable filing of a claim; (3) failure of Contractor to make payments properly to his subcontractors or for material, labor or fringe benefits; (4) a reasonable doubt that this Agreement can be completed for the balance then unpaid; (5) damage to another contractor; (6) penalties assessed against Owner or Contractor for failure of Contractor to comply with State, Federal or local laws and regulations; or (7) any other ground for withholding payment allowed by State or Federal law, or as otherwise provided in this Agreement. When the above matters are rectified, such amounts as are then due and owing after any offset or charge hereunder shall be paid or credited to Contractor.

23. Coordination of the Work. Contractor shall be solely responsible for the performance of the work covered by this Agreement and for the coordination of the Work with all other trades all in accordance with the Contract Documents. In the event of any conflict in the plans or specifications or any other Contract Documents or any conflict with any other trades, the Contractor shall notify the Owner in writing of any such conflict prior to that portion of the Work affected by such conflict being started. Owner shall resolve such conflicts in consultation with architect or engineer or such parties as Owner shall deem necessary, if any and render a decision to all affected trades, and its decision shall be final. Should Contractor's failure to notify Owner as provided herein of any such conflicts result in any delays in the Work or any additional costs to remove, re-execute, revise or otherwise adjust the Work or that of any other affected trades, Owner shall have the right to charge Contractor for all such delays and additional costs and Contractor agrees to pay for all such costs.

24. Royalties, Patents and Licenses. Contractor agrees to pay all royalties and license fees and to indemnify and hold harmless Owner from any and all loss, damage or expense to which it may be put from claims or litigation for the use or misuse of any patented or unpatented invention or process, used or furnished by Contractor, unless required by the Contract Documents and not originated or prepared by Contractor.

25. Interest on Sums Due to Owner. All sums due and payable to Owner by Contractor for any reason and all offsets to which Owner is entitled against sums due Contractor as set forth in this Agreement shall bear interest at the rate of eighteen percent (18%) per annum, commencing as of the date any such obligation becomes due or the date Owner is entitled to any such offset.

26. Strikes and Labor Disputes. No strike, picketing or labor dispute of any kind involving Owner, Contractor, other contractors or suppliers shall excuse the non-performance of any duty of Contractor set forth herein. In the event of a strike, picketing or labor dispute of any kind which, in Owner's judgment, has resulted from Contractor's presence on the Project, said actions shall constitute a default if not cured immediately upon notice thereof and Owner thereafter shall be entitled to exercise any remedies as provided herein or otherwise. If any of the Work to be performed by Contractor is regulated by jurisdictional agreement, it is understood that this Agreement includes that Contractor will perform at the Contract Sum all Work required to be performed by the trade(s) whose jurisdictional agreements regulate Contractor's Work unless otherwise specifically stated herein.

27. Assignment. Contractor shall not transfer, assign or subcontract this Agreement, or any part thereof or interest therein, nor any of the payments to become due hereunder, except upon the written permission of Owner prior to execution hereof.

28. Accounting Records. Owner's duly authorized representatives shall have, during the term of this Agreement and for three years thereafter, access at all reasonable times to all of Contractor's and its subcontractors' accounts and records of all description, including but not limited to computer files, pertaining to the Agreement to verify or review the quantity, quality, and progress of the Work, reimbursable costs, amounts claimed by the Contractor, compliance with regulations, and estimates of cost for fixed rates, including those applicable to proposed changes. Where time and materials work (unit price, hourly or fixed rates, etc) is performed, Owner's above-described accounting records access shall extend to all of Contractor's records pertaining to all contracts for assurance that the Work is properly charged and billed by Contractor. Contractor's and its subcontractors' accounts shall be kept in accordance with generally accepted accounting principles. Contractor shall include the necessary provisions in its subcontracts to ensure that its subcontractors comply with this provision.

29. Subcontractors and Materialmen. Owner may require Contractor to identify all subcontractors and materialmen to be employed in the performance of this Agreement. Owner may reject the Contractor's use of any subcontractor or materialmen hereunder, in Owner's sole and absolute discretion.

30. Miscellaneous Provisions.

30.1 Non-Waiver. If Owner does not insist, in any instance, upon strict compliance with any of the provisions of this Agreement, or to exercise any options provided, this shall not be construed as a waiver of its right to thereafter require such compliance or to exercise such option.

30.2 Entire Agreement. This Agreement comprises the entire agreement between the parties relating to the Work covered hereby and no other agreement, representation or understanding concerning the same has been made and no oral statement, understandings or agreement shall affect the terms hereof. This Agreement shall supersede and replace any previous agreements, understandings, discussions or proposals between the parties hereto whether written or oral. All representations and warranties, if any, made by any agent or representative of Owner which are material to this Agreement, or which have acted as an inducement to Contractor to enter into this Agreement are fully set forth herein. Contractor agrees that any such representation or warranty not fully set forth in this Agreement is not binding on Owner.

30.3 Conflicting Terms. In the event of a conflict between the terms and conditions of this Agreement and the provisions of any of the Contract Documents other than this Agreement, the terms and conditions of this Agreement shall prevail and shall control the rights, obligations and duties of the parties hereto.

30.4 Conflict with Law. To the best knowledge and belief of the parties, this Agreement contains no provision that is contrary to federal or state law, ruling or regulation. However, if any provision of this Agreement shall conflict with any such law, ruling or regulation, then such provision shall continue in effect only to the extent permissible. In the event any provision is thus inoperative, the remaining provisions shall, nevertheless, remain in full force and effect.

30.5 Governing Law. This Agreement shall be construed and governed by the laws of Idaho.

30.6 Paragraph Headings. The headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation hereof.

30.7 Calendar Days. The term "day" as used in this Agreement or the Contract Documents shall mean calendar day unless otherwise specifically defined.

31. Non-Disclosure. The Contractor specifically agrees not to disclose either any original or Change Order unit or total price to any person, except with the written approval of the Owner. The Contractor shall not negotiate for extra or additional work with any party other than Owner, either before or after completion of this Agreement with respect to any other work on the jobsite, it being understood that any negotiation for extra or additional work, whether or not part of this Agreement, shall only take place through the Owner. The Contractor shall not execute any modifications, changes or alterations at the request of any person, unless such modification change or alteration shall be authorized in writing by the Owner.

32. Authority; Successors and Assigns. The person signing this Agreement on behalf of the Contractor hereby represents to the Owner that he or she has the power and authority to execute this Agreement on behalf of the Contractor. This Agreement shall inure to the benefit of and be binding upon all of the heirs, executors and administrators, successors, and assigns of each of the parties hereto.

33. Attorneys' Fees and Payment or Advancement or Costs. In addition to any other remedies provided by law or equity or in this Agreement, should Contractor fail to pay any obligations hereunder, Owner shall have the right to pay and discharge such charges or obligations and recover the cost thereof from Contractor with interest at the rate of eighteen percent (18%) from date of advance until repaid. Any such advances made by Owner hereunder shall be due and payable on demand together with any costs of collection and including reasonable attorneys' fees. In the event of an arbitration pursuant to this Agreement, or if either party to this Agreement brings a legal action or proceeding against the other party to enforce the provisions of the Agreement, or on account of a claim or dispute arising out of this Agreement, then the prevailing party in such arbitration or legal action or proceeding shall be entitled to reimbursement by the other party for the legal fees and costs, including reasonable attorneys' fee, incurred by the prevailing party in connection with the arbitration or legal action or proceeding.

34. Arbitration. All claims, disputes and other matters in question between the Contractor and the Owner arising out of or relating to this Agreement, the Contract Documents or the breach thereof shall be decided by binding arbitration in Boise, Idaho in accordance with the Construction Industry Rules of the American Arbitration Association then obtaining. The foregoing agreement of the Owner and Contractor to arbitrate shall be specifically enforceable under the Idaho Uniform Arbitration Act, Idaho Code § 7-901 et seq.; the award rendered by the arbitrators shall be subject to review only as provided in said Act, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof. The Contractor shall carry on the Work and maintain its progress during any dispute or arbitration or litigation proceedings.

35. Relationship of Parties. For all purposes relating to this Agreement and the Work, Contractor is an independent contractor, and not an employee or otherwise associated with Owner.

36. Legal Consequences; Integration. THIS DOCUMENT HAS IMPORTANT LEGAL CONSEQUENCES. CONSULTATION WITH AN ATTORNEY PRIOR TO EXECUTION IS ENCOURAGED. CONTRACTOR IN SIGNING THIS AGREEMENT SPECIFICALLY AGREES THAT HE HAS READ AND UNDERSTANDS THIS AGREEMENT IN ITS ENTIRETY, INCLUDING ALL ITEMIZED ATTACHMENTS AND ALL CONTRACT DOCUMENTS REFERRED TO HEREIN, AND THAT THIS REPRESENTS THE FULL, COMPLETE AND SOLE AGREEMENT BETWEEN OWNER AND CONTRACTOR, AND THAT THIS AGREEMENT REPLACES AND SUPERSEDES ALL PRIOR AGREEMENTS, REPRESENTATIONS OR UNDERSTANDINGS, WHETHER WRITTEN OR ORAL. NO MODIFICATION OF THIS AGREEMENT IS VALID UNLESS IN WRITING AND SIGNED BY THE PARTIES. AS TO THE OWNER, NO MODIFICATION IS VALID OR ENFORCEABLE UNLESS SIGNED BY AN OFFICER OF OWNER.

CONTRACTOR:

By _____
Name _____ Date: _____
Title _____

This Agreement shall not be valid until accepted by Avimor, LLC and signed as provided below.

OWNER:

AVIMOR, LLC, an Idaho limited liability company

By: SunCor Idaho, Inc.
Its: Sole Member

By _____ Date: _____
Name _____
Title _____

STATE OF _____)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2006
by _____, a _____ of _____,
a(n) _____ corporation, for and on behalf of the corporation.

Notary Public for _____
Residing at: _____
My Commission Expires: _____

STATE OF Idaho)
) ss.
County of Ada)

The foregoing instrument was acknowledged before me this ____ day of _____, 2006
by _____, a _____ of _____,
a(n) _____ corporation, for and on behalf of the corporation.

Notary Public for _____
Residing at: _____
My Commission Expires: _____

AVIMOR TRANSMISSION MAIN

Bid Package A

CONTRACT DOCUMENTS – AVIMOR, LLC

PLANS AND SPECIFICATIONS

<u>Drawing No./Date</u>	<u>Description</u>	<u>Plan Date Revision</u>
		Typical All Drawings – 0-6/28/06
G-1	Cover Sheet	
G-2	Design Criteria Sheet	
C-1	Access Road Plan and Profile	
C-2	Water Transmission Main	
C-3	Water Transmission Main	
C-4	Water Transmission Main	
C-5	Water Transmission Main	
C-6	Water Transmission Main	
C-7	Water Transmission Main	
C-8	Water Transmission Main	
M-1	Dry Creek Crossing	
GC-1	Miscellaneous Details	
GC-2	Reservoir Connection Detail	
GC-3	Booster Station Connection Detail	
GC-4	Sediment Control Details	
GM-1	Misc. Mechanical Details	
GM-2	Misc. Mechanical Details	
GM-3	Misc. Mechanical Details	
S-1	Control Building Structural Notes	
S-2	Pipe Support Detail	
	WRG/United Water On-Site Water Plan Sheet 1	
	WRG/United Water On-Site Water Plan Sheet 2	

SPECIFICATIONS – PROVIDED SEPARATELY

Division 1 – General	Pages 1-7
Division 2 – Sitework	
02100 Trenching and Backfill	02100-1 – 02100-4
02110 Protection of Existing Facilities	02100-1 – 02110-3
Division 15 – Mechanical	
15006 Pipe Supports	15006-1 – 15006-4
15101 Ductile Iron Pipe	15101-1 – 15101-5
15102 Steel Pipe	15102-1 – 15102-4
15150 Disinfection of Potable Water Lines	15150-1
15160 Hydrostatic Testing of Pressure Pipe	15160-1 – 15160-2
15180 Valves	15180-1 – 15180-5

EXHIBIT A

Page ___ of ___

OTHER CONTRACT DOCUMENTS

- Bid Schedule
- General Bid Requirements
- Contract
- Certificate of Insurance
- Additional Insured Endorsement
- National Pollutant Discharge Elimination System & SWPPP Contractor's Certification
- Storm Water Pollution Prevention Plan (SWPPP)
- Receipt for 404 Permits and Contractor's Agreement to Comply
- Idaho Contractor Registration Act Compliance
- Invoice Format
- Location Map & Legal Description
- Joint Application for Permits - "404 Permit"
- Kleinfelder, Inc. - Test Pit Logs from Soil/Rock Profile
- IDEQ Short Form Activity Exemption Worksheet (Temporary Dewatering)

United Water Exhibits

- Exhibit A1 - Warranty & Facilities Construction
- Exhibit A2 - Labor & Materials In-Lieu-of-Cash
Contractor's Rules for Performance & Conduct
- Exhibit A-3 - Insurance Requirements

Lien Waiver Forms

- Conditional Waiver And Release On Progress Payment
- Conditional Waiver And Release On Final Payment
- Unconditional Waiver And Release On Progress Payment
- Unconditional Waiver And Release On Final Payment

Bond Forms

- Labor And Material Payment Bond
- Performance Bond

CERTIFICATE OF INSURANCE

Issue Date _____

Name and address of Insurance Agency:

Name and address of Insured:

Company

Letter A

Company

Letter B

Company

Letter C

Company

Letter D

Company

Letter E

THIS IS TO CERTIFY THAT POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE AND ARE IN FORCE AT THIS TIME.

Co.	Type of Insurance Ltr.	Policy Number	Policy Expiration	Limits of Liability Minimum Each Occurrence
	Commercial General Liability Mandatory Coverages: Premises/Operations Personal Injury Products/Completed Operations Contractual Liability Broad Form Property Damage Required if checked: Underground Hazard Explosion and Collapse Hazard			I. \$2,000,000 each occurrence
	Business Automobile Liability Owned, Hired, Non-Owned, Assigned, Used			II. \$1,000,000 combined single limit bodily injury and property damage
	Worker's Compensation Employers' Liability			III. Worker's Compensation Statutory Limits Emp. Liability \$500,000 Each Occurrence
	Professional Liability Required of Surveyor/Engineer/Architect			IV. \$2,000,000 Each Occurrence
	Builder's Risk/Course of Construction Required if checked			V. _____
	Excess Liability Umbrella Form			VI. \$2,000,000

SPECIAL ITEMS

SunCor Idaho, Inc. and Avimor, LLC shall be added as additional insured for work done on all of their respective projects by the named insured. The insurance referenced on this certificate is primary in respect to the additional insureds and any insurance carried by the additional insureds is excess and non-contributing. Any insurance maintained by SunCor Idaho, Inc. and Avimor, LLC shall only apply in excess of the coverages and limits of insurance available from other sources. None of the above-described policies shall be cancelled or materially changed without thirty (30) days prior written notice to SunCor Idaho, Inc. and Avimor, LLC. Ten (10) days notice for non-payment of premium.

Authorized Representative:

Name and Address of Certificate Holder:

SunCor Idaho, Inc. and Avimor, LLC
 485 E. Riverside Drive, Suite 300
 Eagle, Idaho 83616

COMPANY: _____
POLICY NO.: _____

ADDITIONAL INSURED ENDORSEMENT

**THIS ENDORSEMENT CHANGES THE POLICY.
PLEASE READ IT CAREFULLY.
AMENDATORY ENDORSEMENT - ADDITIONAL INSURED**

This endorsement modified insurance provided under the following:

Commercial General Liability Coverage Part

It is agreed that the insurance afforded to the Additional insured designated below is primary insurance.

If the Additional insured has other insurance that is applicable to the loss, the said other insurance is excess over any other valid and collectible insurance providing coverage.

The Company's limits of liability under this policy shall not be reduced by the existence of such other insurance.

Designated Additional Insured:

SunCor Idaho, Inc.
Avimor, LLC

**NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES)
CONTRACTOR'S CERTIFICATION**

AVIMOR, LLC

In accordance with NPDES responsibility requirements, all contractors and subcontractors on construction projects must be named and the portion of the project the contractor/subcontractor is responsible for must be identified. Each contractor/subcontractor must also sign a copy of the following certification statement:

"The undersigned hereby certifies under penalty of law that it understands the terms and conditions of the general National Pollutant Discharge Elimination System (NPDES) permit (Construction General Permit) and associated Storm Water Pollution Prevention Plan (SWPPP) which identifies the site specific requirements and associated best management practices (BMP's) that authorizes the storm water discharges associated with industrial activity from the construction site identified above."

CONTRACTOR:

BY:

DATE:

ITS:

Idaho Contractor Registration Act Compliance

In accordance with Idaho Code Section 54-5201-54-5219, I hereby certify under penalty of law, that _____ is registered under the Idaho Contractor Registration Act, No. _____.

OR

_____ is exempt from registration and is licensed as a _____, existing License No. _____.

CONTRACTOR:

By: _____ Date: _____

Its: _____

CONDITIONAL WAIVER AND RELEASE ON PROGRESS PAYMENT

Project: _____ PO# _____
Job No.: _____

On receipt by the undersigned of a check from _____ in the sum of \$ _____
payable to _____, and when the check has been properly endorsed and has been paid
by the bank on which it is drawn, this document becomes effective to release any mechanic's lien, any stop
notice rights, any state or federal statutory bond right, any private bond right, any claim for payment and any
rights under any similar ordinance, rule or statute related to claim or payment rights for persons in the
undersigned's position that the undersigned has on the job of _____, located at
_____ (Owner)

_____ to the following extent. This release covers a progress payment for all labor, services,
(Job Description)
equipment or materials furnished to the jobsite or to _____, through _____
(Person With Whom Undersigned Contracted) (Date)

only and does not cover any retention, pending modifications and changes or items furnished after that date.
Before any recipient of this document relies on it, that person should verify evidence of payment to the
undersigned.

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

Date: _____

(Company Name)

(Signature)

(Title)

CONDITIONAL WAIVER AND RELEASE ON FINAL PAYMENT

Project: _____ PO# _____

Job No.: _____

On receipt by the undersigned of a check from _____ in the sum of \$ _____
(Maker of Check) (Amount)
payable _____, and when the check has been properly endorsed and has been paid by the
(Payee of Check)
bank on which it is drawn, this document becomes effective to release any mechanic's lien, any stop notice
rights, any state or federal statutory bond right, any private bond right, any claim for payment and any rights
under any similar ordinance, rule or statute related to claim or payment rights for persons in the
undersigned's position that the undersigned has on the job of _____, located at
(Owner)

_____. This Release covers the final payment to the undersigned for all labor, services,
(Job Description)
equipment or materials furnished to the jobsite or to _____,
(Person With Whom Undersigned Contracted)
except for disputed claims in the amount of \$ _____ Before any recipient of this document
(Amt. of Disputed Claims)
relies on it, that person should verify evidence of payment to the undersigned.

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

Date: _____

(Company Name)

(Signature)

(Title)

UNCONDITIONAL WAIVER AND RELEASE ON PROGRESS PAYMENT

Project: _____ PO# _____

Job No.: _____

The undersigned has been paid and has received a progress payment in the sum of \$ _____ (Amount)
for all labor, services, equipment or material furnished to the jobsite or to _____ (Person With Whom Undersigned Contracted)
on the job of _____ located at _____ and does hereby release any
(Owner) (Job Description)
mechanic's lien, any stop notice rights, any state or federal statutory bond right, any private bond right, any
claim for payment and any rights under any similar ordinance, rule or statute related to claim or payment
rights for persons in the undersigned's position that the undersigned has on the above-referenced project to
the following extent. This Release covers a progress payment for all labor, services, equipment or materials
furnished to the jobsite or to _____ through _____ only and does not cover any
(Person With Whom Undersigned Contracted) (Date)
retention, pending (modifications and changes or items furnished after that date. The undersigned warrants
that he either has already paid or will use the monies he receives from this progress payment to promptly
pay in full all of his laborers, subcontractors, materialmen and suppliers for all work, materials, equipment
or services provided for or to the above referenced project up to the date of this Waiver.

Date: _____

(Company Name)

(Signature)

(Title)

NOTICE: THIS DOCUMENT WAIVES RIGHTS UNCONDITIONALLY AND STATES THAT YOU HAVE BEEN PAID FOR GIVING UP THOSE RIGHTS. THIS DOCUMENT IS ENFORCEABLE AGAINST YOU IF YOU SIGN IT, EVEN IF YOU HAVE NOT BEEN PAID. IF YOU HAVE NOT BEEN PAID, USE A CONDITIONAL RELEASE FORM.

UNCONDITIONAL WAIVER AND RELEASE ON FINAL PAYMENT

Project: _____ PO# _____

Job No.: _____

The undersigned has been paid in full for all labor, services, equipment or material furnished to the jobsite

or to _____ on the job of _____ located at _____
(Person with Whom Undersigned Contracted) (Owner) (Job Description)

does hereby waive and release any right to mechanic's lien, any stop notice rights, any state or federal statutory bond right, any private bond right, any claim for payment and any rights under any similar ordinance, rule or statute related to claim or payment rights for persons in the undersigned's position, except for disputed claims for extra work in the amount of \$ _____.

(Amount of Disputed Claim)

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

Date: _____

(Company Name)

(Signature)

(Title)

NOTICE: THIS DOCUMENT WAIVES RIGHTS UNCONDITIONALLY AND STATES THAT YOU HAVE BEEN PAID FOR GIVING UP THOSE RIGHTS. THIS DOCUMENT IS ENFORCEABLE AGAINST YOU IF YOU SIGN IT, EVEN IF YOU HAVE NOT BEEN PAID. IF YOU HAVE NOT BEEN PAID, USE A CONDITIONAL RELEASE FORM.

LABOR AND MATERIAL PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS THAT _____ (hereinafter "Principal"), as Principal, and _____ (hereinafter "Surety"), a corporation organized and existing under the laws of the State of Idaho holding a certificate of authority to transact surety business in Idaho, issued by the Director of the Department of Insurance pursuant to Title 41, Ch. 26, as Surety, are held and firmly bound unto _____ (hereinafter "Obligee") in the amount of Dollars (\$ _____), for the payment whereof, Principal and Surety bind themselves, and their heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written Contract with the Obligee, dated the _____ day of _____, 20____, to _____ which Contract is hereby referred to and made a part hereof.

NOW, THEREFORE, THE CONDITION OF THE OBLIGATION IS SUCH that if the Principal promptly pays all monies due to all persons performing labor or professional services or furnishing materials to the Principal or the Principal's subcontractors in the prosecution of the work provided for in the Contract, this obligation is void. Otherwise it remains in full force and effect.

PROVIDED, HOWEVER, all right and remedies on this bond shall inure solely to such persons named in said statute and shall be determined in accordance with the provisions, conditions and limitations of said statute and any other statute referred to therein to the same extent as if the statute or statutes were copied at length therein.

Witness our hands this _____ day of _____, 20____.

PRINCIPAL

By: _____

SURETY

By: _____
(Power of Attorney must be attached)

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS THAT _____
_____ (hereinafter "Principal"), as Principal, and _____
_____ (hereinafter "Surety"), a corporation organized and existing under the laws of the
State of _____ holding a certificate of authority to transact surety business in Idaho,
are held and firmly bound unto _____ (hereinafter "Obligee")
in the amount of _____ Dollars (\$
_____), for the payment whereof, Principal and Surety bind themselves, and their heirs,
administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written Contract with the Obligee, dated
the _____ day of _____, 20____, to
_____ which Contract is hereby referred to and made a part hereof.

NOW, THEREFORE, THE CONDITION OF THE OBLIGATION IS SUCH that, if Principal shall
promptly and faithfully perform said Contract, then this obligation shall be null and void.
Otherwise it shall remain in full force and effect.

The Surety hereby waives notice of any alteration or extension of time made by the Obligee.

Whenever Principal shall be, and declared by Obligee to be in default under the Contract,
the Obligee having performed Obligee's obligations thereunder, the Surety may promptly remedy
the default or shall promptly (1) complete the Contract in accordance with its terms and
conditions, or (2) obtain a bid or bids for completing the Contract in accordance with its terms and
conditions, and upon determination by Surety of the lowest responsible bidder, or, if the Obligee
elects, upon determination by the Obligee and the Surety jointly of the lowest responsible bidder,
arrange for a contract between such bidder and Obligee, and make available as work progresses
(even though there should be a default or a succession of defaults under the Contract or Contracts
of completion arranged under this paragraph) sufficient funds to pay the cost of completion less
the balance of the contract price; but not exceeding, including other costs and damages for which
the Surety may be liable hereunder, the amount set forth in the first paragraph hereof. The term
"balance of the contract price," as used in this paragraph, shall mean the total amount payable by
Obligee to Principal under the Contract and any amendments thereto, less the amount properly
paid by Obligee to Principal..

Any suit under this bond must be instituted before the expiration of two (2) years from the
date on which final payment under the Contract falls due.

EXHIBIT A

Page ___ of ___

No right of action shall accrue on this bond to or for the use of any person or corporation other than the Obligee named herein or the heirs, executors, administrators or successors of the Obligee.

Witness our hands this _____ day of _____, 20__.

PRINCIPAL

Its: _____

SURETY

By: _____
(Power of Attorney must be attached)

EXHIBIT A

Page ___ of ___

EXHIBIT C
INSURANCE REQUIREMENTS

Avimor and its contractors shall purchase and maintain such insurance as will protect Avimor and the Company from claims which may arise out of or result from Avimor's operations under this Agreement, or by anyone for whose acts any of them may be liable. Such insurance shall be written for not less than the coverage and any limits of liability specified below, or as required by law, whichever is greater. By requiring insurance specified herein, the Company does not represent that such coverage and limits will necessarily be adequate to protect Avimor and its contractors, and such coverage and limits shall not be deemed as a limitation on Avimor's or its contractor's liability under the indemnities or warranties granted to the Company in this Agreement.

Certificates of Insurance acceptable to the Company shall state that they are Primary Insurance and shall be filed with the Company prior to the commencement of the System Extension work. These Certificates shall contain a provision that coverage afforded under the policies will not be canceled until at least sixty (60) days prior written notice has been given to the Company, except ten (10) days notice for non-payment of premium. The Company shall be named as an additional insured on all policies except workers' compensation.

Avimor shall furnish the Company with notice of all claims it receives and shall keep the Company informed as to the status of each claim.

1. Worker's Compensation:
 - (a) State: Statutory
 - (b) Applicable Federal (e.g., Longshoremen's): Statutory
 - (c) Employer's Liability: \$100,000

2. Commercial General Liability (including Premises-Operations; Independent Contractors' Protective; Products and Completed Operations; Broad Form Property Damage; Blanket Contractual Liability, Personal Injury with Employment Exclusion deleted):
 - (a) Bodily Injury and Property Damage: Single Limit \$1,000,000
 - (b) Products and Completed Operations to be maintained for two (2) year(s) after final payment.
 - (c) Property Damage Liability Insurance shall provide X, C and U coverage as applicable.

3. Comprehensive Automobile Liability:

Bodily Injury and Property Damage: Single Limit \$1,000,000

4. Umbrella Excess Liability: \$5,000,000 over primary insurance

5. Environmental Impairment/Pollution Liability or Contractor's Pollution Liability: \$5,000,000

MEMORANDUM

DATE: June 9, 2006

TO: Tim Farrell

FROM: Shawn Kohtz *S.K.*

CC:

RE: Avimor Development Booster Station Upsizing Fee, Revised

JOB NO.: 285.0180

Tim:

I recommend a Broken Horn Booster Station upsizing fee for the Avimor Development of **\$63,000**. This is a probable cost to provide oversizing for aquifer storage and recovery flows associated with the Sandy Hill Aquifer as well as transmission back toward North Boise from Avimor. Probable cost analysis is summarized as follows:

Item	Unit	# Units	Unit Cost	Total
Spool, 12"	LF	7	\$50	\$350
Tee, 12"X12"	EA	1	\$1,450	\$1,450
Gate Valve, 12"	EA	2	\$1,525	\$3,050
PRVs with Controls, 12"	EA	2	\$12,750	\$25,500
Spool, 16"	LF	54	\$75	\$4,050
Tee, 16"X12"	EA	1	\$1,800	\$1,800
90° Elbow, 16"	EA	1	\$1,500	\$1,500
Building Space for PRVs only	SF	174	\$100	\$17,400
Mobilization/Contingency (15%)	LS	1	\$8,250	\$8,250
Total				\$63,350

Assumptions in the analysis are summarized below:

- 1) Current construction cost data for all fittings, gate valves, and spools was based on the current version of 2006 RSMeans Heavy Construction Cost Data. Cost data was based on installed cost. A location factor of 90.7% was applied to the installed cost based on the Boise, Idaho location (2006 RSMeans Heavy Construction Cost Data).
- 2) Mobilization/demobilization probable costs are 10% and construction contingency probable costs are 5%.
- 3) Pressure reducing valve costs are based on a quote from GC Systems (Cla-Val representative) of \$8,500 for one valve and controller. The install cost is assumed to be approximately 50% of the equipment cost.
- 4) Building construction cost is assumed to be \$100/ft².

For simplicity, this analysis neglects pump and manifold oversizing associated with three vertical turbine pumps directing flow from the Hidden Springs Reservoir to the Broken Horn Reservoir with a portion of these flows servicing the aquifer storage and recovery project. Only components associated with the reverse flow direction (Broken Horn Reservoir to Hidden Springs Reservoir) are included in this analysis.

EXPLANATION

Avimor Planned Community

New UWID Certificated Area

Existing UWID Certificated Area

06N02

33

32

31

30

35

34

33

32

31

30

Gem County

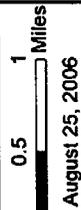
Ada County

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33



Boise County
Ada County

**Exhibit E
New UWID Certificated Area**



SPF
Water Engineering, LLC
water resource consultants
201 E. Main Street, Suite 200
Boise, Idaho 83725



RIGHT-OF-WAY AGREEMENT

THIS INDENTURE made this _____ day of _____, 20____, between _____ of _____, hereinafter designated as the grantor(s), and UNITED WATER IDAHO INC., a corporation organized and duly existing under and by virtue of the laws of the State of Idaho, with its principal offices located at 8248 West Victory Road, Boise, Idaho 83707, hereinafter designated as the grantee;

WITNESSETH: That the grantor(s) in consideration of the sum of One Dollar and other valuable considerations the receipt whereof is hereby acknowledged, hereby grants, bargains, sells, and conveys unto the grantee, its successors and assigns, a perpetual and non-exclusive easement and right-of-way for the construction, installation and continued operation, maintenance, repair, inspection, alteration, replacement, and removal of underground water pipe lines and all necessary appurtenances, together with the perpetual right and privilege of ingress, egress, and regress to and for the grantee, its employees, agents, contractors, sub-contractors, successors, and assigns, over, under, on, through, in, upon, and across the following described real property belonging to the said grantors and as shown on attached Exhibit "A":

The foregoing grant of easement and right-of-way is further subject to the following conditions, covenants and agreements of the parties hereto:

1. The easement and right-of-way granted hereby shall apply to and run with the lands of Grantor and shall be binding upon the heirs, executors, administrators, successors and assigns of Grantor and may be released, extinguished or abandoned only by an appropriate document executed by the Grantee.
2. Grantee shall have the right from time to time to trim and cut and clear away any trees and bushes now or hereafter on said easement and right-of-way which may be necessary for the construction, installation, maintenance, improvement, operation, inspection, repair, replacement, renewal and removal of such water facilities or which may or become a hazard to said pipes, mains, appurtenances and fixtures.
3. Grantor shall not erect or construct any buildings, fences or structures on said easement and right-of-way, shall not plant crops, shrubs or trees on said easement and right-of-way, or otherwise limit Grantee's ability to access, maintain, or operate the water mains and lines or in any way limit Grantee's ability to exercise its right under this Agreement. Grantor shall have the right to reasonably landscape the easement consistent with the landscaping of the area.
4. Grantee shall backfill any trench made by it on said easement and right-of-way, and shall return the easement and associated improvements thereon (i.e. landscaping, roads, sidewalks) as reasonable as possible to its original condition, normal wear and tear excepted. Grantee shall use caution during construction and in the future to prevent damage to Grantor and Grantor's property.

EXHIBIT F

5. Grantor shall not suffer or permit the installation of any electric, cable, sewer, gas or other utility lines, pipes, poles or appurtenances on, over, under or across the easement and right-of-way granted hereby if such installation unreasonably limits Grantee's ability to access, maintain or operate the water mains and lines or unreasonably limits Grantee's ability to exercise its rights under this Agreement.
6. Any water mains, pipes, appurtenances and property and accessories installed, maintained, removed or replaced by Grantee in the easement and right-of-way granted hereby shall at all times be and remain the sole personal property of Grantee for use in its business and subject to removal by it at any time, and shall be deemed to be personal property and not permanently affixed to the realty so as to become fixtures.
7. Except as herein provided, this Agreement contains the entire agreement of the parties with respect to the subject matter hereof and may not be amended or terminated except by written agreement signed by both parties hereto, and supersedes all prior oral and written agreements or understandings with respect to the subject matter hereof.
8. Grantee shall have the right to assign this easement and right-of-way and the rights granted to it hereby to any duly authorized water delivery entity without any approval or permission of the Grantor. Assignment to any other than a duly authorized water delivery entity shall require approval of the Grantor, which approval shall not be unreasonably withheld.
9. Grantor represents that it has the right in the property to grant this easement.
10. This Agreement shall be binding upon the successors or assigns of the respective parties.
11. This Agreement shall be construed and enforced in accordance with the laws of the State of Idaho.

TO HAVE AND TO HOLD the same unto the grantee, its successors and assigns, FOREVER.

IN WITNESS WHEREOF these presents have been executed by the undersigned this day of _____, 20_____.

GRANTOR:

GRANTEE:

UNITED WATER IDAHO INC.

By _____
Gregory P. Wyatt

STATE OF IDAHO

County of ADA

On _____, 20____, _____ personally appeared before me,

____ who is personally know to me

____ whose identity I proved on the basis of _____

Notary Public

My commission expires on: _____

STATE OF IDAHO

COUNTY OF ADA

I, _____, a notary public, do hereby certify that on this ____ day of _____, 20____, personally appeared before me, _____, who, being by me first duly sworn, declared that he/she is the _____, of _____, that he/she signed the foregoing document as _____, of the corporation, and that the statements therein contained are true.

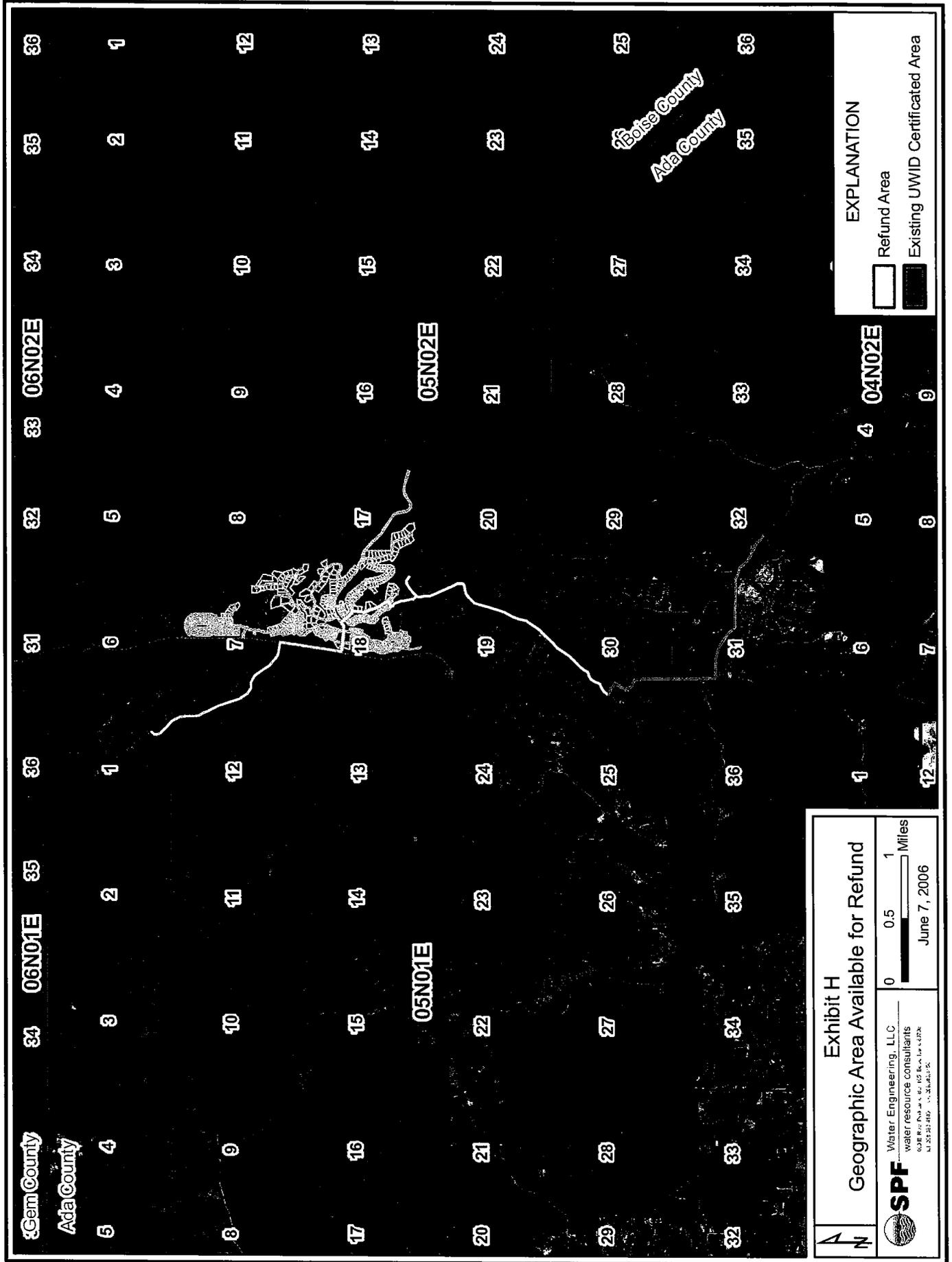
Notary Public

My Commission Expires on: _____

EXHIBIT - G

CALCULATION OF REFUNDS FOR SPECIAL FACILITIES
 Updated for depreciated plant at 12/31/2005 and current ROR, rates and expenses

	100	200	300	400	500	600	700	800	900	1000
United Water Idaho										
Special Facilities Agreement										
Water Consumed (ccf)										
Revenue Projected	\$258	\$406	\$554	\$701	\$849	\$997	\$1,145	\$1,292	\$1,440	\$1,588
Source & Storage Investment Net of Depreciation	\$254	\$509	\$763	\$1,018	\$1,272	\$1,527	\$1,781	\$2,036	\$2,290	\$2,544
Investment										
Depreciable Source & Storage Investment	\$333	\$666	\$998	\$1,331	\$1,664	\$1,997	\$2,330	\$2,663	\$2,995	\$3,328
Per Customer Refund	\$301	\$896	\$1,476	\$2,048	\$2,625	\$3,200	\$3,774	\$4,340	\$4,911	\$5,481
Meters: \$100 ea.	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Total Investment for Depreciation Purposes	\$734	\$1,662	\$2,574	\$3,480	\$4,389	\$5,297	\$6,204	\$7,103	\$8,006	\$8,909
Supported Investment										
	\$656	\$1,505	\$2,339	\$3,166	\$3,997	\$4,827	\$5,655	\$6,476	\$7,301	\$8,125
Total Revenue Received										
	\$258	\$406	\$554	\$701	\$849	\$997	\$1,145	\$1,292	\$1,440	\$1,588
Increase in Expenses										
Operating and Maintenance Expenses	\$150	\$158	\$169	\$180	\$191	\$202	\$214	\$226	\$238	\$251
Ad Valorem	\$11	\$26	\$40	\$54	\$69	\$83	\$97	\$111	\$126	\$140
Depreciation @ 3.1%	\$23	\$52	\$80	\$108	\$136	\$164	\$192	\$220	\$248	\$276
Total Increase in Expenses	\$184	\$236	\$289	\$342	\$396	\$450	\$504	\$558	\$612	\$667
Income Before Income Taxes	\$74	\$170	\$265	\$359	\$453	\$547	\$641	\$734	\$828	\$921
Debt (@ 53.54% of net invest)	\$393	\$890	\$1,378	\$1,863	\$2,350	\$2,836	\$3,321	\$3,803	\$4,287	\$4,770
Interest on Debt(@ 6.675%)	\$26	\$59	\$92	\$124	\$157	\$189	\$222	\$254	\$286	\$318
Taxable Income	\$48	\$111	\$173	\$234	\$296	\$358	\$420	\$481	\$542	\$603
Income Tax (@ 40.20%)	\$19	\$45	\$70	\$94	\$119	\$144	\$169	\$193	\$218	\$242
Net Income	\$29	\$66	\$104	\$140	\$177	\$214	\$251	\$287	\$324	\$361
Income Available For Return	\$55	\$126	\$195	\$265	\$334	\$403	\$473	\$541	\$610	\$679
Return	8.357%	8.357%	8.357%	8.357%	8.357%	8.357%	8.357%	8.357%	8.357%	8.357%
Supported Investment	\$656	\$1,505	\$2,339	\$3,166	\$3,997	\$4,827	\$5,655	\$6,476	\$7,301	\$8,125
Refund Amount	\$300	\$900	\$1,500	\$2,000	\$2,600	\$3,200	\$3,800	\$4,300	\$4,900	\$5,500



EXPLANATION

□ Refund Area

▭ Existing UWID Certificated Area

Exhibit H
Geographic Area Available for Refund

Water Engineering, LLC
 water resource consultants
 608 E. 10th St., Ste. 102, Boise, ID 83725
 208.333.8557

0 0.5 1 Miles
 June 7, 2006

EXHIBIT I

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS, That Avimor, LLC, Party of the First Part, for and in consideration of the sum of One Dollar (\$1.00) in lawful money (and other good and valuable consideration) to it paid by United Water Idaho Inc., 8248 West Victory Road, Boise, Idaho 83709, a corporation, Party of the Second Part, the receipt of which is hereby acknowledged by it, has granted, bargained, sold, transferred, set over and delivered unto the Party of the Second Part, the System Extension to the water utility system, including all water mains, services, valves, hydrants, reservoirs, booster stations, equipment and appurtenances, and the complete water system located on the real property described in Exhibit "A" attached hereto (being hereinafter collectively referred to as the "System Extension").

Party of the First Part hereby warrants and represents that it has all the requisite right and authority to make this conveyance, and that the System Extension is free from all liens and other encumbrances, and that each and every contractor and sub-contractor furnishing labor or materials relative to the construction of the System Extension have been paid in full.

TO HAVE AND TO HOLD the same unto the Party of the Second Part, its successors and assigns, forever; and that said Party of the First Part does for its covenant agree to WARRANT and DEFEND the sale of said personal property, goods and chattels hereby made, unto the said Party of the Second Part, its assigns against all and every person and persons whomsoever, lawfully claiming or to claim the same.

IN WITNESS WHEREOF the Party of the First Part has caused these presents to be signed and its seal to be affixed by its officer, hereunto duly authorized, this _____ day of _____, 20__.

By: _____

Title: _____

STATE OF _____

County of _____

On _____, 20__, _____ personally appeared before me,

_____ who is personally known to me

_____ whose identity I proved on the basis of _____

to be the signer of the above document, and he/she acknowledge that he/she signed it.

Notary Public
My Commission Expires on: _____

Accepted by United Water Idaho Inc. _____ Date: _____