
MEMORANDUM

TO: Toni Hardesty, Director
FROM: Keith Donahue, Response Program Manager *KRD*
LEGAL
REVIEW: Susan Hamlin *sel*
SUBJECT: Environmental Covenant, Former Lanny Berg (Lithia Motors)
DATE: 3/11/11
CC: Orville Green *OG*, Susan Hamlin *sel*

Attached for your review and signature is an Environmental Covenant for the above referenced facility located at 4121 East Cleveland Boulevard in Caldwell, Idaho. The property is the former Lanny Berg Chevrolet and is currently owned by Lithia Motors. The Property described above was previously used to operate a heavy truck sales and service facility prior to its conversion to automotive sales and service facility. During this time the property became impacted with petroleum hydrocarbons, degraded petroleum hydrocarbon constituents, and volatile organic compounds. Sampling data established the presence of residual petroleum and volatile organic compounds contamination above allowable risk concentrations. In order to protect human health and the environment, IDEQ and the site owner are entering into this Environmental Covenant prohibiting groundwater extraction and limiting property use to commercial/industrial.

If acceptable, please sign Page 5 of 6 and have Rosie notarize your signature and return. I will forward it to the property owners for recording with Elmore County.

Please let me know if you have any questions: 373-0188.

Thank you.

RECEIVED

Recording Requested By and
When Recorded Return to:

MAR 16 2011

RECORDED

DEPARTMENT OF
ENVIRONMENTAL QUALITY
BOISE REGIONAL OFFICE

2011 MAR 16 PM 1 35

CHRIS YAMAMOTO
CANYON COUNTY RECORDER
BY *M. Crane*

Lithia Real Estate
TYPE Agreement FEE 430

SPACE ABOVE THIS LINE FOR RECORDERS USE ONLY

**THIS PROPERTY IS SUBJECT TO AN ENVIRONMENTAL COVENANT IMPOSING
ACTIVITY AND USE LIMITATIONS PURSUANT TO THE UNIFORM ENVIRONMENTAL
COVENANTS ACT, IDAHO CODE § 55-3001, et seq.**

ENVIRONMENTAL COVENANT

This instrument is an Environmental Covenant executed by the Lithia Real Estate Inc, ("Lithia") and the Idaho Department of Environmental Quality ("Department") pursuant to the Uniform Environmental Covenants Act, Idaho Code §§ 55-3001 through 3015. This Environmental Covenant sets forth protective provisions, covenants, restrictions and conditions (collectively referred to as "Activity and Use Limitations") on the Property described below. The Activity and Use Limitations are designed to protect natural resources, human health and the environment. Lithia is a current "holder" as defined in Idaho Code § 55-3002(6). Lithia, as the current property owner grants this Environmental Covenant to all signatories to this instrument.

Property. This Environmental Covenant concerns real property at 4121 East Cleveland Boulevard, County of Canyon, State of Idaho, and described as Tax Lot R3580301100 of Canyon County, Idaho. The legal description for Property is described in the attached Schedule A and is hereafter referred to as "the Property".

Property Ownership. Lithia hereby represents and warrants to the other signatories to this Environmental Covenant that it is the sole owner of the property, holds fee simple title to the property and has the power and authority to enter into this Environmental Covenant.

Reason for Activity and Use Limitations. The Property described above was previously used to operate a heavy truck sales and service facility prior to its conversion to automotive sales and service facility. During this time the property became impacted with petroleum hydrocarbons, degraded petroleum hydrocarbon constituents, and volatile organic compounds. Lithia voluntarily continued remedial activities started by the former property owner, Lanny Berg, with oversight from the Department with the intention of pursuing a Risk Based Corrective Action (RBCA) at the Property. Lithia reviewed the existing data and conducted additional monitoring that confirmed the presence of regulated material in excess of EPA and Department screening levels on the Property. This Environmental Covenant is required because the RBCA analysis resulted in residual concentrations of petroleum hydrocarbons, degraded petroleum hydrocarbons and volatile organic compounds in the groundwater underlying the Property.

These concentrations are above allowable risk-based concentration as determined by the Department therefore future use of the Property shall be limited to protect human health and the environment.

Name and Location of Administrative Record. A copy of the Lanny Berg Chevrolet Risk Based Corrective Action can be found at the Boise office of the Idaho Department of Environmental Quality located at 1410 N. Hilton, Boise, ID 83706.

Activity and Use Limitations. By acceptance and recordation of this Environmental Covenant, Lithia, and any successors in interest (which includes any future owner(S)), are hereby restricted from using the Property, now or at any time in the future, as specifically set forth below:

1. There shall be no extraction of groundwater under the Property for any purpose, including, without limitation, drinking by animals or human beings, irrigation or an industrial or commercial use, and
2. The property shall be restricted to Commercial or Industrial use as is required by zoning.

Lithia, or its successors in interest, shall be solely responsible for demonstrating that use on the Property is in conformity with the Activity and Use Limitations. The Activity and Use Limitations are imposed due to conditions resulting from the past releases at the Property. If any event or action occurs that constitutes or may constitute a breach of the activity and use limitations, the Lithia or any successors in interest, shall notify the Department within thirty (30) days of becoming aware of the event or action, and shall remedy the breach of the activity and use limitations within sixty (60) days of becoming aware of the event or action, or such other time frame as may be agreed to by the Lithia or any successors in interest, and Department.

Amendment by Consent. The Environmental Covenant may be amended by consent pursuant to Idaho Code § 55-3010. Except for an assignment undertaken pursuant to a governmental reorganization, assignment of the Environmental Covenant to a new holder is an amendment.

Duration and Termination. The Activity and Use Limitations shall apply to the Property, or any subdivided portion thereof, in perpetuity unless terminated by court action as provided in Idaho Code § 55-3009 or by consent pursuant to Idaho Code § 55-3010. The Lithia, or its successors in interest, may seek consent to terminate the Activity and Use Limitations that apply to the Property, or any subdivided portion thereof, pursuant to Idaho Code § 55-3010, by demonstrating with the record before the Department that:

1. the Property or any subdivided portion thereof is shown in a Department-approved document not to contain contaminated groundwater; or
2. contaminated groundwater impacts are at levels the Department deems in writing to be adequate for the Property to be developed for unrestricted use.

Provisions to Run With the Land. Each and all of the Activity and Use Limitations shall run with the land, and pass with each and every portion of the Property, and shall apply to and bind the respective successors in interest thereof. Each and all of the Activity and Use Limitations are imposed upon the entire Property unless expressly stated as applicable to a specific portion of the Property.

Concurrence of Subsequent Owners Presumed. All purchasers, lessees, or possessors of any portion of the Property shall be deemed by their purchase, leasing, or possession of such Property, to be in accord with the foregoing and to agree for and among themselves, and their successors, that the Activity and Use Limitations as herein established must be adhered to and

that their interest in the Property shall be subject to the Activity and Use Limitations contained herein.

Recording/Filing of Environmental Covenant. This Environmental Covenant and any amendment or termination of the Environmental Covenant shall be recorded in the county recorder's office of every county in which any portion of the Property subject to the Environmental Covenant is located. The Environmental Covenant or any amendment or termination shall be recorded by Lithia, or its successors in interest, within ten (10) days of receipt of this Environmental Covenant signed by the Department. Within ten (10) days of the recording of this Environmental Covenant, or any amendment or termination, Lithia, or its successors in interest, shall provide to the Department a copy of this recorded Environmental Covenant, or any amendment or termination of this Environmental Covenant. Upon receipt of the copy of the recorded Environmental Covenant, and any amendment or termination therein, the Department shall post the copy of the fully executed instrument in the Registry as required by Idaho Code Section 55-3012(1). In addition, a copy of the recorded Environmental Covenant, or any amendment or termination, shall be provided by Lithia, or by its successors in interest, to the following persons: (a) each person that signed the Environmental Covenant; (b) each person holding a recorded interest in the Property; (c) each person in possession of the Property; (d) each municipality or other local government in which the Property is located; and (e) any other person the Department requires. The validity of the Environmental Covenant is not affected by failure to provide a copy of the Environmental Covenant as required under this section.

Compliance Reporting. Lithia, or/and any successors in interest, shall submit to the Department on an annual basis written documentation verifying that the activity and use limitations remain in place and their compliance with the activity and use limitations.

Enforcement. The Department and any party of the Environmental Covenant shall have authority to enforce the Activity and Use Limitations against Lithia or its successors-in-interest, including subsequent owners of the Property and any other person using the Property. Failure of Lithia, or its successor in interest, to comply with any of the Activity and Use Limitations set forth herein shall be grounds for the Department, or its successor, to require that the Owner correct or remove any violations of this Environmental Covenant. Violation of this Environmental Covenant shall be grounds for the Department, or its successor, to file civil actions against the Owner as provided by law or in equity, including without limitation, the Uniform Environmental Covenants Act, Idaho Code § 55-3011.

Non-Waiver. No failure on the part of the Department or any holder at any time to require performance of any term of this Environmental Covenant shall be taken or held to be a waiver of such term or in any way affect the Department's or any holder's rights to enforce such term.

Property Access. The Department shall have a right of access to the Property at reasonable times for the purposes of evaluating compliance with this Environmental Covenant.

Notice of Conveyance of Property. Within thirty (30) days of the closing of any conveyance of the Property, or part thereof, the Conveyer of the Property, shall provide written notice to the Department and each municipality or other local government in which the Property is located, the name and address of all the then Owners and/or Occupants of the Property, or part thereof, conveyed. The Department shall not, by reason of this Environmental Covenant, have authority to approve, disapprove, or otherwise affect any conveyance of the Property except as otherwise provided by law.

Notices. All notices required or permitted to be given hereunder shall be in writing and mailed in the United States Mail, postage prepaid, by certified or registered mail, return receipt requested, to the appropriate address indicated below or at such other place or places as either Lithia or its successors, or its successors, or the Department or its successors, may, from time to time, respectively, designate in a written notice given to the other. Notices which are deposited in the United States Mail in accordance with the terms of this provision shall be deemed received three (3) days after the date of mailing thereof.

OWNER: Lithia Real Estate Inc,
360 E Jackson Street
Medford, Oregon 97501

THE DEPARTMENT: Idaho Department of Environmental Quality
ATTN: State Response Program Manager
1410 N. Hilton
Boise, ID 83706

Costs and Expenses. All costs of terminating this Environmental Covenant, including the cost of any remediation or abatement of any environmental condition related to Activity and Use Limitations pertaining to the Property, shall be borne by the party seeking such termination.

Partial Invalidity. If any portion of the Environmental Covenant or terms set forth herein is determined to be invalid for any reason, the remaining portion shall remain in full force and effect as if such invalidated portion had not been included herein.

Headings. Headings at the beginning of each section of this Environmental Covenant are solely for the convenience of the parties and are not a part of the Environmental Covenant.

Idaho Code References. All references to the Idaho Code sections include successor provisions.


Reservation of Rights. Notwithstanding any provision of this Environmental Covenant, the Department retains all of its access and enforcement authorities under any applicable statute or rule. Nothing in this Environmental Covenant shall affect the Department's ability to enforce the terms of any voluntary consent order or other agreement relating to remediation of the Property entered into between the Department and Lithia or any other responsible party. Nothing in this Environmental Covenant shall affect the obligations of Lithia or any other responsible party under such voluntary consent order or other agreement. The Department's acceptance hereunder is based upon the information presently known or available to the Department with respect to the environmental condition of the Property, and the Department reserves the right to take appropriate action under applicable authorities in the event the Department determines new information warrants such action.

Effective Date. The effective date of this instrument shall be the date the fully executed Environmental Covenant is recorded at the county recorder's office.

Signature and Acknowledgments

Accepted:

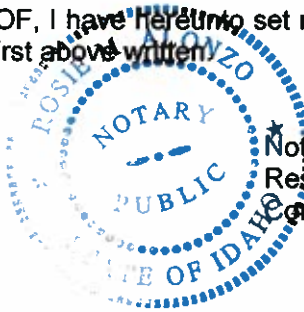
Idaho Department of Environmental Quality

Signature: 
 Printed Name: Toni Hardesty
 Title: Director, Idaho Department of Environmental Quality
 Date: 3/16/11

State of Idaho)
) ss.
 County of Ada)

On this 16 day of March, in the year 2011, before me, a Notary Public in and for said County and State, personally appeared Toni Hardesty, known or identified to me to be the Director of the Idaho Department of Environmental Quality that executed this Environmental Covenant, and acknowledged to me that the Idaho Department of Environmental Quality executed the same.

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



Notary Public for Idaho: Rosie M. Alonzo
 Residing at: Nampa, Idaho
 Commission Expires: 11/30/2015

Signature and Acknowledgments

Accepted:

Property Owner
Lithia Real Estate Inc,
360 E Jackson Street
Medford, Oregon 97501

Signature: [Handwritten Signature]
Printed Name: MARK DEBOER
Title: VP
Date: 3/11/11

State of ~~Idaho~~ Oregon, county of ~~Garyen~~ Jackson, ss.

On this 11 day of March in the year 2011, before me, a Notary Public in and for said County and State, personally appeared Mark Deboer, known or identified to me to be the Vice President of Lithia Real Estate Inc, that executed this Environmental Covenant, and acknowledged to me that Lithia Automotive Group executed the same.

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



[Handwritten Signature]
Oregon
Notary Public for ~~Idaho~~ Oregon: Kathie L. Whitfield
Residing at: _____
Commission Expires: Oct 03, 2014

Exhibit "A"

Parcel I: (Known as Tax Lot R35803011, Canyon County, Idaho)

This parcel is a portion of the Southeast Quarter of the Northeast Quarter and the Northeast Quarter of the Southeast Quarter of Section 35, Township 4 North, Range 3 West of the Boise Meridian, Canyon County, Idaho and is more particularly described as follows:

Commencing at the Northeast corner of said Southeast Quarter of the Northeast Quarter, thence South 00°25'28" West (record South 00°12'30" West 1154.28 feet) 1154.78 feet, thence North 89°34'25" West (record South 89°36'59" West) 148.62 feet to the **true point of beginning:**

thence continue North 89°34'25" West (record South 89°36'59" West 32.73 feet) 32.88 feet;

thence South 00°25'28" West (record South 00°10'41" East 226.33 feet) 229.96 feet to the northwestern boundary of a parcel of land described in Warranty Deed Instrument No. 9417179;

thence North 88°57'09" West (record North 89°35'07" West) 49.50 feet to a ½ inch iron pin;

thence South 00°25'43" West (record South 00°18'40" East) 33.02 feet to a 5/8 inch iron pin and cap;

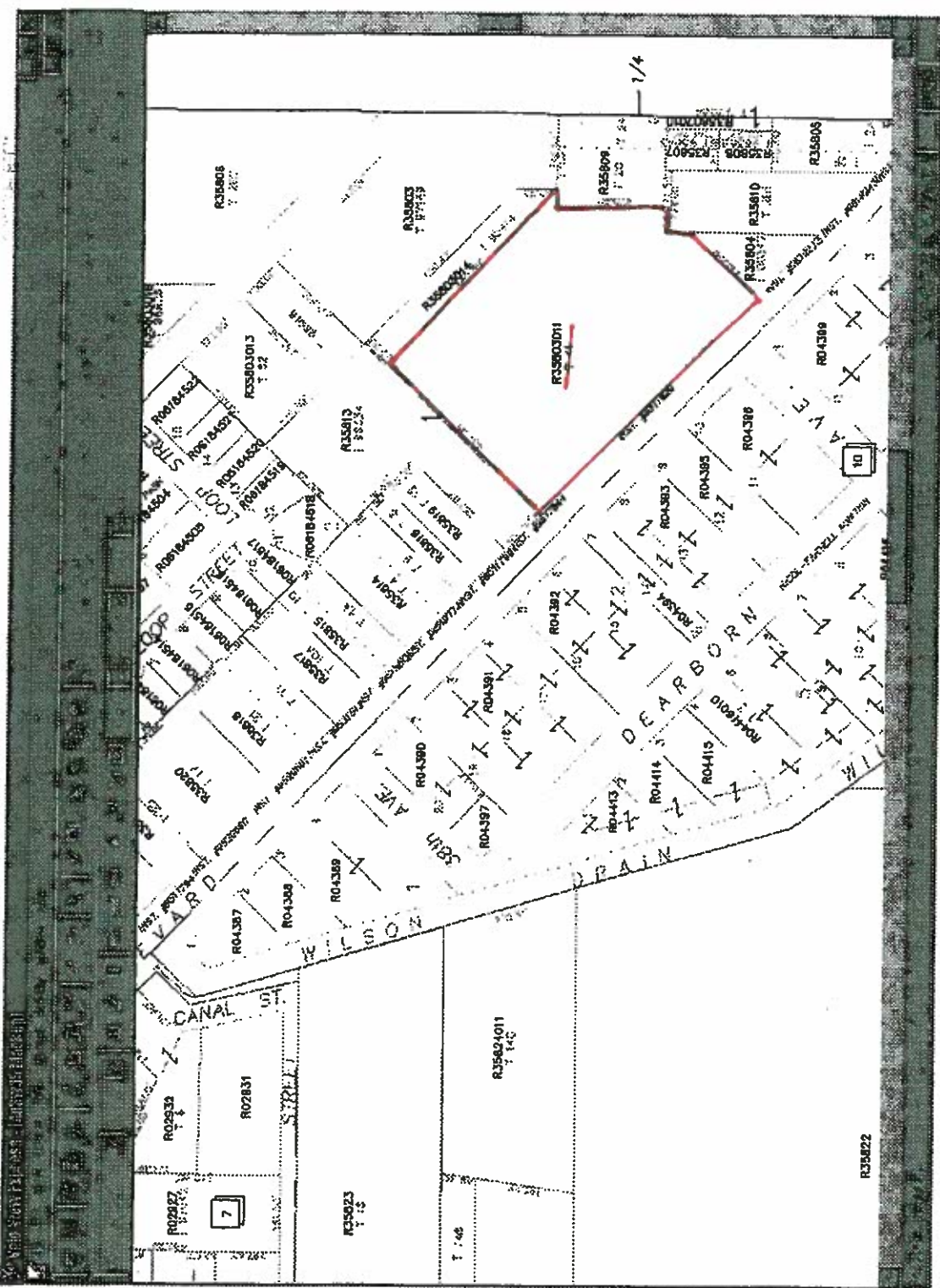
thence South 43°48'48" West 182.68 feet to a 5/8 inch iron pin and cap situated on the northeastern right of way of Nampa Caldwell Boulevard as described in Quitclaim Deed to the State of Idaho in Instrument No. 9511920;

thence North 46°14'15" West, along said northeastern right of way line, 605.33 feet to the most southern corner of a 5.00 foot wide strip described in last Exception of Parcel I in Warranty Deed Instrument No. 200555352;

thence North 43°45'45" East (record North 43°45'30" East), along the southeastern boundary of said described 5.00 foot wide strip, 427.66 feet to the southwestern boundary of the 60.00 foot wide strip of land described in Warranty Deed Instrument No. 9512479;

thence South 46°14'15" East (record South 46°52'30" East), along said southwestern boundary of said described 60.00 foot wide strip, 482.59 feet to the true point of beginning. Containing 5.63 acres, more or less.

THESE ARE THE ORIGINAL RECORDS OF THE
COUNTY FOR THE PURPOSES OF BEING
LOOKING THE LAND. IT DOES NOT
WARRANT A SURVEY OF THE LAND OR ANY
OTHER INFORMATION INTO THE COUNTY
RECORDS.



SURVEY INSIKUMIENI # 9616034

Dennis A. King, P.L.S.
 License No. 944
 5/14/1995
 STATE OF IDAHO
 DIVISION OF LANDS



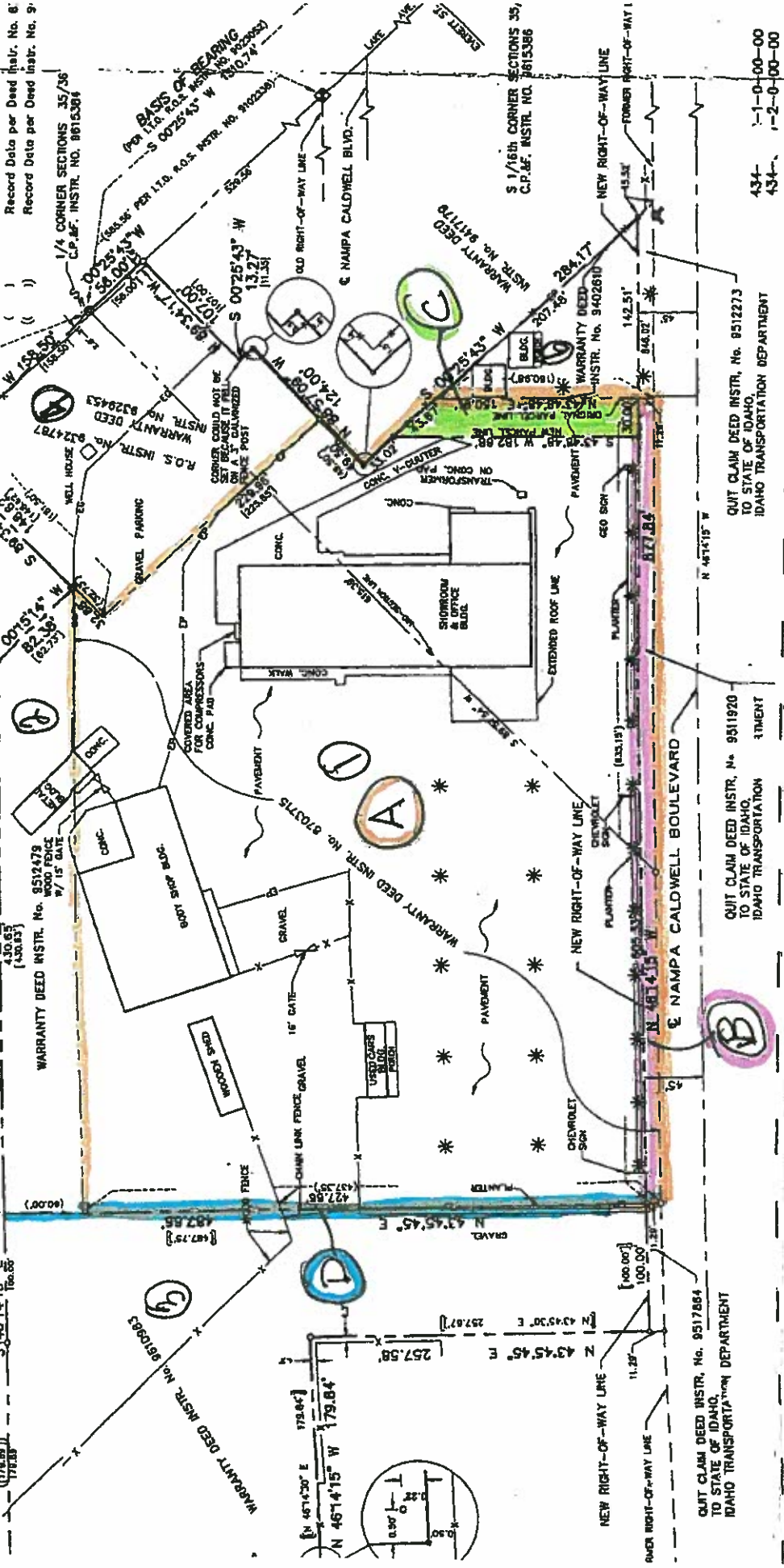
N 45°29'31" W
 (N 45°29'31" W
 SOUTHERLY RIGHT-OF-WAY ARTHUR STREET
 512.04'
 512.04'

N 45°14'15" E
 (S 43°45'30" E
 237.28'
 237.28'

R.O.S. INSTR. No. 9434861

SCALE: 1"=60'

FOUND 1/2" IRON PIN AT TIME OF FIELD SURVEY BUT IT WAS RELOCATED WITH A 1/2" GALVANIZED FENCE POST.



- LEGEND**
- Boundary Line
 - Found Brass Cop Monument
 - Found Aluminum Cop Monument
 - Found 2 1/2" Iron Pipe & 1 1/2" Iron Pin
 - Found 5/8" Iron Pin
 - Found 1/2" Iron Pin
 - Set PK Nail w/Washer
 - Calculation Point
 - Existing Fence
 - Edge of Pavement
 - Edge of Gravel
 - Fire Hydrant
 - Light Pole
 - Record Data per Deed Instr. No. 9
 - Record Data per Deed Instr. No. 9
 - Record Data per Deed Instr. No. 91
 - Record Data per Deed Instr. No. 8
 - Record Data per Deed Instr. No. 9

QUIT CLAIM DEED INSTR. No. 951273
 TO STATE OF IDAHO,
 IDAHO TRANSPORTATION DEPARTMENT

QUIT CLAIM DEED INSTR. No. 9511920
 TO STATE OF IDAHO,
 IDAHO TRANSPORTATION DEPARTMENT

QUIT CLAIM DEED INSTR. No. 9517884
 TO STATE OF IDAHO,
 IDAHO TRANSPORTATION DEPARTMENT

434-1-0-00-00
 434-1-2-0-00-00

PC 65357

Exhibit "A"

Parcel I: = T.L. 35803011

This parcel is a portion of the Southeast Quarter of the Northeast Quarter and the Northeast Quarter of the Southeast Quarter of Section 35, Township 4 North, Range 3 West of the Boise Meridian, Canyon County, Idaho and is more particularly described as follows:

COMMENCING at the Northeast corner of said Southeast Quarter of the Northeast Quarter; thence

South 0° 12' 30" East along the East boundary of said Southeast Quarter of the Northeast Quarter, a distance of 1,154.78 feet (formerly a distance of 1,154.28 feet); thence

South 89° 36' 59" West (formerly South 89° 32' 10" West), a distance of 148.62 feet to the TRUE POINT OF BEGINNING; thence continuing

South 89° 36' 59" West (formerly South 89° 32' 10" West), a distance of 32.73 feet; thence

South 0° 10' 41" East, a distance of 226.33 feet (formerly South 0° 12' 30" East, a distance of 225.85 feet); thence

North 89° 35' 07" West, a distance of 49.50 feet (formerly South 89° 32' 10" West, a distance of 49.62 feet); thence

South 0° 18' 40" East (formerly South 0° 12' 30" East), a distance of 76.50 feet; thence

South 43° 10' 50" West, a distance of 160.98 feet (formerly South 43° 07' 30" West, a distance of 161.11 feet) to a point on the Northeastly right-of-way boundary of Cleveland Boulevard; thence

North 46° 52' 30" West along the said right-of-way boundary, a distance of 635.15 feet; thence

North 43° 07' 30" East perpendicular to the said right-of-way boundary, a distance of 437.35 feet; thence

South 46° 52' 30" East parallel with the said right-of-way boundary a distance of 487.59 feet to the TRUE POINT OF BEGINNING.

(A)

EXCEPTING THEREFROM:

A parcel of land situated in the East Half of the East Half of Section 35, Township 4 North, Range 3 West, Boise Meridian, Canyon County, Idaho. Said parcel is a portion of that certain tract described in Instrument number 8703715 dated August 20, 1986 and recorded February 13, 1987, lies on the Northeastly side of the centerline of Idaho Transportation Department project number F-M-7963(021) and is more particularly described as follows:

COMMENCING at the East Quarter corner of said Section 35; thence

South 0° 25' 43" West, a distance of 631.91 feet on the East line of said Section 35 to a point on the centerline of said project F-M-7963(021) at Station 134+73.52; thence

North 46° 14' 40" West a distance of 501.35 feet on said centerline to Station 129+72.17; thence

North 43° 45' 20" East, a distance of 33.78 feet to the REAL POINT OF BEGINNING; thence

North 46° 14' 15" West a distance of 635.40 feet to a point on a line 33.85 feet Northeastly from and perpendicular to said centerline at station 123+36.77; thence

EXHIBIT "A" - BERG/LITHIA - Page 1 of 5

(B)

(continued)

North 43° 45' 45" East a distance of 11.15 feet to a point on a line 45.00 feet Northeastly from and perpendicular to said centerline at Station 123+36.77; thence on a line 45 feet Northeastly from and parallel with said centerline South 46° 14' 40" East a distance of 635.40 feet to a point opposite Station 129+72.17; thence

South 43° 45' 45" West a distance of 11.22 feet to the POINT OF BEGINNING.

AND EXCEPTING THEREFROM:

A parcel of land being a portion of the Northeast Quarter of the Southeast Quarter, Section 35, Township 4 North, Range 3 West, Boise Meridian, Canyon County, Idaho, more particularly described as follows:

COMMENCING at a found 2 1/2 inch iron pipe with a 1 1/2 inch iron rod within, monumenting the East Quarter corner of said Section 35, from which a found brass cap monument marking the Southeast corner of the Northeast Quarter of the Southeast Quarter, Section 35 (South 1/16th corner) bears South 00° 25' 43" West 1,310.74 feet; thence

South 00° 25' 43" West, 56.00 feet along the Easterly boundary of said Northeast Quarter of the Southeast Quarter, Section 35, also along the Easterly boundary of a parcel of land described in Warranty Deed Instrument No. 9329453 to a found 5/8 inch iron pin with cap S&E 3627; thence leaving said Easterly boundaries,

North 89° 34' 17" West 107.00 feet along the Southerly boundary at said parcel of land Instrument No. 9329453 to a point; thence

South 00° 25' 43" West, 13.27 feet (formerly South 00° 25' 43" West 11.35 feet) parallel with said Easterly boundary of the Northeast Quarter of the Southeast Quarter, Section 35 to a set 5/8 inch iron pin; thence

North 88° 57' 09" West 124.00 feet along said Southerly boundary and along the Northerly boundary of a parcel of land described in Warranty Deed Instrument No. 9417179 to a found 1/2 inch iron pin with cap R.M.B. 878; thence

South 00° 25' 43" West 33.02 feet parallel with and 231.00 feet Westerly from said Easterly boundary of the Northeast Quarter of the Southeast Quarter, Section 35 along the Westerly boundary of said parcel of land Instrument No. 9417179 to a set 5/8 inch iron pin, the TRUE POINT OF BEGINNING; thence continuing

South 00° 25' 43" West, 43.67 feet along the said Westerly boundary Instrument No. 9417179 parallel with and 231.00 feet Westerly from said Easterly boundary of the Northeast Quarter of the Southeast Quarter, Section 35 to the most Northerly corner of a parcel of land described in Warranty Deed Instrument No. 9402610; thence

South 43° 48' 48" West 150.91 feet along the Northwesterly boundary of said parcel of land Instrument No. 9402610 to a set 5/8 inch iron pin on the Northeastly right-of-way of Nampa Caldwell Boulevard as described in Quitclaim Deed to the State of Idaho, Idaho Transportation Department, Instrument No. 9511920; thence

North 46° 14' 15" West 30.00 feet along said Northeastly right-of-way to a set 5/8 inch iron pin; thence

North 43° 48' 48" East 182.68 feet parallel with and 30.00 feet Northwesterly from said Northwesterly boundary Instrument No. 9402610 to the POINT OF BEGINNING.

EXHIBIT "A" - BERG/LITHIA - Page 2 of 5

(continued)

AND ALSO EXCEPTING THEREFROM:

This parcel is a portion of the Southeast Quarter of the Northeast Quarter of Section 35, Township 4 North, Range 3 West of the Boise Meridian, Canyon County, Idaho and is more particularly described as follows:

COMMENCING at the Northeast corner of said Southeast Quarter of the Northeast Quarter; thence

South 0° 25' 23" West along the East boundary of said Southeast Quarter of the Northeast Quarter a distance of 887.55 feet to a point on the Southerly right of way boundary for Arthur Street as shown on the Official Plat for SOUTHSIDE INDUSTRIAL PARK, Book 17, Page 31; thence

North 46° 09' 36" West along said Southwesterly right of way a distance of 412.04 feet; thence

South 43° 45' 30" West a distance of 237.22 feet to a point on the Northeast boundary of the parcel shown as Parcel 1-B, Record of Survey Instrument No. 8608417, said point is the TRUE POINT OF BEGINNING; thence

South 46° 14' 30" East a distance of 5.00 feet; thence

South 43° 45' 30" West a distance of 487.75 feet to a point on the Northeasterly right-of-way boundary for Nampa - Caldwell Boulevard; thence

North 46° 14' 40" West along said right-of-way a distance of 5.00 feet; thence

North 43° 45' 30" East a distance of 487.75 feet to the TRUE POINT OF BEGINNING.

Parcel II

A portion of the Southeast Quarter of the Northeast Quarter of Section 35, Township 4 North, Range 3 West, Boise Meridian, Canyon County, Idaho, more particularly described as follows:

COMMENCING at the Northeast corner of said Southeast Quarter of the Northeast Quarter; thence

South 0° 12' 30" East along the East boundary of said Southeast Quarter of the Northeast Quarter a distance of 1,154.78 feet (formerly a distance of 1,154.28 feet); thence

South 89° 36' 59" West (formerly South 89° 32' 10" West) a distance of 148.62 feet to the TRUE POINT OF BEGINNING; thence

North 46° 52' 30" West parallel with the Northeasterly right of way boundary of Cleveland Boulevard a distance of 487.59 feet; thence

North 43° 07' 30" East a distance of 60 feet; thence

South 46° 52' 30" East parallel with the said right of way boundary a distance of 430.63 feet; thence

South 0° 23' 01" East a distance of 82.73 feet to the TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM:

This parcel is a portion of the Southeast Quarter of the Northeast Quarter of Section 35, Township 4 North, Range 3 West of the Boise Meridian, Canyon County, Idaho and is more particularly described as follows:

EXHIBIT "A" - BERG/LITHIA - Page 3 of 5

(continued)