

**LOST  
VALLEY  
RANCH**

February 17, 1994

2520040150001

Office of Employee Benefit Security  
Labor-Management Services Administration  
U.S. Department of Labor  
Washington, D.C. 20216

Re: Lost Valley Ranch Corporation

Dear Sir:

Pursuant to Department of Labor Regulations, 29 CFR § 2520.104-23, Lost Valley Ranch Corporation provides the following information in compliance with the alternative method of reporting and disclosure under Section 110 of Title 1 of the Employee Retirement Income Security Act of 1974 for unfunded plans maintained for a select group of management or highly compensated employees.

1. Name and Address of Employer:

Lost Valley Ranch Corporation  
29555 Goose Creek Rd., Rt. 2  
Sedalia, CO 80135

2. Employer Identification Number: 84-0510879

3. Lost Valley Ranch Corporation maintains the plan primarily to provide supplemental income benefits for a select group of management or highly compensated employees.

4. Number of such plan and number of participants in each plan:

Number of Plan

501

Number of Participants

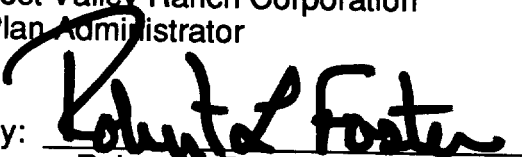
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5. Enclosed is a copy of the plan and a copy of the resolution of the employer adopting the plan, in order to demonstrate that this statement was sent to the Department of Labor within 120 days of the date of adoption of the plan.

Sincerely,

Lost Valley Ranch Corporation  
Plan Administrator

By:

  
Robert L. Foster  
President

DEFERRED COMPENSATION AGREEMENT

THIS AGREEMENT, made this 19 day of NOVEMBER, 1993, between Lost Valley Ranch Corporation, a Colorado corporation ("Employer"), and Robert D. Foster ("Employee").

RECITALS

A. Employee has been employed as general manager of a working cattle ranch owned by Employer ("Ranch") since November, 1960 and is considered a member of a select group of management of Employer.

B. Employee has performed his duties at the Ranch, which have included executive, managerial and operational responsibilities in a highly capable and efficient manner, resulting in substantial growth of the assets and return from operations for Employer and its shareholders.

C. Employer desires to recognize and reward the past performance of Employee and his benefit to Employer.

D. It is the opinion of the board of directors of Employer that the foregoing can be recognized and the interests of Employer can be best served by the provisions of this Agreement, which establishes the Lost Valley Ranch Corporation Deferred Corporation Plan ("Plan").

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements provided herein, the parties hereto agree as follows:

1. Payment of Deferred Compensation. Employer shall pay to Employee deferred compensation in the total amount of One Hundred Fifty Thousand Dollars (\$150,000), which shall be payable in ten (10) equal annual installments of Fifteen Thousand Dollars (\$15,000), without interest on future payments. Payments shall be made during each fiscal year of the Employer, which commences on February 1 and ends on January 31 of the following year. For the fiscal year commencing on February 1, 1993, payment to Employee shall be made on or before December 31, 1993. For subsequent fiscal years, payment shall be made to Employee on or before September 1 of each such fiscal year.

2. Vesting of Deferred Compensation Payments. All payments to be made to Employee under this Agreement shall be considered 100% vested. Payments shall continue in the event of Employee's disability or termination of employment with Employer. In the event of the death of Employee, payments shall be made in the manner provided in this Agreement to the beneficiary or beneficiaries designated by Employee in a form to be executed by Employee and delivered to Employer. Employee may change his designation of beneficiary at any time by executing another designation of beneficiary form and delivering the same to Employer.

3. Employment Tax and Income Tax Consequences. The parties to this Agreement intend that the payments provided hereunder shall be taken into account for employment tax purposes during calendar year 1993, as provided by Section 3121(v) of the Internal Revenue Code of 1986, as amended. Payments under this Agreement are for

services performed and the parties hereto intend there is no substantial risk of forfeiture of the right to such present or future payments. For Federal and state income tax purposes, the payments hereunder shall be deducted by Employer and included as income by Employee in the year paid and received.

4. Employer Contributions. All benefits payable under this Agreement shall be paid as they become due and payable by Employer out of its general assets. Nothing contained in this Agreement shall be deemed to create a trust of any kind for the benefit of Employee or create any fiduciary relationship between Employer and Employee. To the extent that any person acquires a right to receive benefits under this Agreement, such rights shall be no greater than the right of any unsecured creditor of Employer.

5. Life Insurance and Funding. Employer's obligation under this agreement shall be an unfunded and unsecured promise to pay. Employer shall not be required to fund its obligation, but Employer in its sole discretion may apply for and own for its own benefit insurance on the life of Employee in such amounts and in such forms as Employer may choose. Employee shall have no interest whatsoever in any such policy or policies, but at the request of Employer shall submit to medical examinations and shall accurately and truthfully supply such information and execute such documents as may be required by the insurance company or companies to whom Employer has applied for insurance. Any insurance policy acquired by or held by Employer in connection with the liabilities assumed by and pursuant to this Agreement cannot be deemed to be held under

any trust for the benefit of Employee, Employee's beneficiary or estate, or to be security for the performance of the obligations of Employer, but shall be, and remain, a general, unpledged and unrestricted asset of Employer.

6. Administration of Plan. This Plan shall be administered by an Administrative Committee appointed by the board of directors of Employer. The Administrative Committee may adopt rules and regulations relating to the Plan as it may deem necessary or advisable for the administration of the Plan.

7. Claims Procedure.

(a) All claims shall be filed in writing by Employee, his beneficiary or the authorized representative of any other claimant ("Claimant"), by completing such procedures as the Administrative Committee shall require. Such procedures shall be reasonable and may include the completion of forms and the submission of documents and additional information.

(b) If a claim is denied, notice of denial shall be furnished by the Administrative Committee to the Claimant within ninety (90) days after the receipt of the claim by the Administrative Committee, unless special circumstances require an extension of time for processing the claim, in which event notification of the extension shall be provided to the Employee or beneficiary and the extension shall not exceed ninety days.

(c) The Administrative Committee shall provide adequate notice, in writing, to any Claimant whose claim has been

denied, setting forth the specific reasons for such denial, specific reference to pertinent Plan provisions, a description of any additional material or information necessary for the claimant to perfect his or her claim and an explanation of why such material or information is necessary, all written in a manner calculated to be understood by the Claimant. Such notice shall include appropriate information as to the steps to be taken if the Claimant wishes to submit his or her claim for review. The Claimant or the Claimant's authorized representative must request such review within the reasonable period of time prescribed by the Administrative Committee. In no event shall such period of time be less than 60 days. A decision on review shall be made not later than 60 days after Employer's receipt of the request for review. If special circumstances require a further extension of time for processing, a decision shall be rendered not later than 120 days following Employer's receipt of the request for review. If such an extension of time for review is required, written notice of the extension shall be furnished to the Claimant prior to the commencement of the extension. The decision on review shall be furnished to the claimant. Such decision shall be in writing and shall include specific reasons for the decision, written in a manner calculated to be understood by the Claimant, as well as specific references to the pertinent Plan provisions on which the decision is based.

8. Employment Not Guaranteed By Plan. Neither the Plan nor any action taken hereunder shall be construed as giving Employee the right to be retained as an employee of Employer for any period of time.

9. Amendment And Termination. The board of directors of Employer may not amend or terminate the Plan, if such action would reduce or modify the benefit being paid to Employee or his beneficiary.

10. Assignment Of Benefits. Employee shall not have the right to assign, transfer, hypothecate, encumber or anticipate his interest in any benefits under this Plan, nor shall the benefits under this Plan be subject to any legal process to levy upon or tax the benefits for payment of any claim against Employee or his beneficiary.

11. Payroll Taxes. Employer shall deduct from all payments made hereunder all applicable Federal or state taxes required by law to be withheld from such payments.

12. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Colorado.

13. Severability. The invalidity of any portion of this plan shall not invalidate the remainder thereof, and said remainder shall continue in full force and effect.

14. Binding Agreement. The provisions of this Plan shall be binding upon Employee and Employer and their successors, assigns, heirs, personal representatives and beneficiaries.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

EMPLOYER:

LOST VALLEY RANCH CORPORATION

By: Robert L Foster  
President

ATTEST:

[Signature]  
Secretary

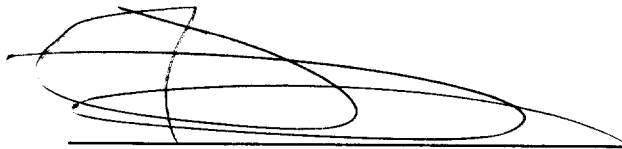
EMPLOYEE:

Robert D. Foster  
Robert D. Foster

**CERTIFICATE OF RESOLUTION**

I, William C. Reynolds, hereby state that I am the duly appointed and acting secretary of Lost Valley Ranch Corporation ("Corporation"), a Colorado corporation, and that the following is a true and correct copy of a resolution unanimously passed (with one abstention) by the board of directors of the Corporation at its meeting on November 19, 1993:

RESOLVED, that the Lost Valley Ranch Corporation Deferred Compensation Plan is hereby adopted by the Corporation, which plan is found to be in the best interests of the Corporation and is to also benefit long-time employee Robert D. Foster, effective for the Corporation fiscal year commencing on February 1, 1993.



William C. Reynolds, Secretary  
Dated: November 19, 1993