

RECEIVED

JAN 03 2007

DEPARTMENT OF
WATER RESOURCES

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
NOTICE OF CHANGE IN WATER RIGHT OWNERSHIP

Please print or type. Attach pages with additional information. Instructions are included at the end of this form.
 Incomplete forms will be returned.

1. Please list the water right number(s) and/or adjudication claim number(s) (if any) for each water right to be changed. List just the adjudication claim number if there is no corresponding water right record on file with the department. Indicate, by checking in the space provided (under the "split" heading), if the change in ownership is limited to a portion of a water right in which case division of the existing water right or adjudication claim record will be required.

Water Right No(s)	Adjudication Claim No(s)	Split	Water Right No(s)	Adjudication Claim No(s)	Split
ALL AT 22-13122					
	22-426A				
	22-427A				

2. The following **REQUIRED** information must be submitted with this form:

- A. The appropriate **FILING FEE**. See instructions for fee amounts. \$25
- B. A copy of the most recent **DEED, TITLE POLICY, CONTRACT OF SALE** or other legal document indicating your ownership of the property and water right(s) or claim(s) in question, **WITH ATTACHED LEGAL DESCRIPTION**.
- C. Either of the following (if necessary to clarify division of water rights or other complex property descriptions):
~~PLAT OF PROPERTY or SURVEY MAP~~ clearly showing the location of the point(s) of diversion and place of use of your water right(s) and/or adjudication claim(s) (these are usually attached to your deed or on file with the county).

OR

If your water right(s) and/or adjudication claim(s) is for ten or more acres of irrigation, you must submit a USDA Farm Service Agency **AERIAL PHOTO** with the irrigated acres outlined and point(s) of diversion clearly marked. The **AERIAL PHOTO** should be submitted in place of the **PLAT OF PROPERTY or SURVEY MAP**.

3. Name and Address of Former Owner/Claimant(s) STEVEN & KENDRA SMITH
4. New Owner/Claimant(s) CHERRY GROVE, LLC / Julie Bryan, Member
Name/Connector (Check one) ☐ and, ☐ or ☒ and/or
- New Mailing Address P.O. Box 6834
- City, State and ZIP Code JACKSON, WY 83002
- New Telephone Number (208) 354-7325
5. Date you acquired the property 4/26/2006

6. **If the change in ownership affects the entire water right for each water right or adjudication claim number listed in item 1, THEN SKIP THIS ITEM AND GO TO ITEM 7.** If the change in ownership divides the water right(s) among multiple owners, you must describe, in detail, your portion of each water right after the change. Fill in the appropriate spaces in the box(es) below to describe your water right(s) after the change (one water right per box, you may copy this page as necessary). If your quantity of water is greater than a proportionate split, you must attach documentation to show justification for a larger amount. If you are not sure how to identify your portion of the original water right or adjudication claim records, please contact the nearest IDWR office for assistance.

DESCRIPTION OF YOUR PORTION OF WATER RIGHT (If the right(s) will not be split, skip this area and proceed to item 7)		
Water Right and/or Adjudication Claim Number _____		
Water Use	Diversion Rate or Volume (cubic feet per second or acre-feet per annum)	Description (acres, number and type of stock, homes, etc)
Irrigation	_____	_____
Stock	_____	_____
Domestic	_____	_____
Other _____	_____	_____
Total	_____	_____

DESCRIPTION OF YOUR PORTION OF WATER RIGHT (If the right(s) will not be split, skip this area and proceed to item 7)		
Water Right and/or Adjudication Claim Number _____		
Water Use	Diversion Rate or Volume (cubic feet per second or acre-feet per annum)	Description (acres, number and type of stock, homes, etc)
Irrigation	_____	_____
Stock	_____	_____
Domestic	_____	_____
Other _____	_____	_____
Total	_____	_____

7. Signature of New Owner(s) or Claimant(s)
(include title if applicable)

Cherry Creek, LLC
by *John A. Brown, Member*

For Snake River Basin Adjudication Claims: Please attach a Notice of Appearance completed by your attorney, if you wish IDWR to correspond with him/her for all matters related to your claims.

For Office Use Only

Received by AMB Date 1-03-07 Fee 25.00
 Received by AMB Date 1-03-07 Receipt No. C082951
 Processed by _____ AJ Date _____ WR _____ Date _____

Idaho Department of Water Resources Receipt

Receipt ID C082951

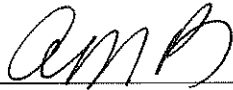
Payment Amount	\$25.00	Date Received	1/3/2007 1:46:37 PM	Region	State	Status
Payment Type	Check	Check Number	1031			

Payer CHERRY GROVE LLC

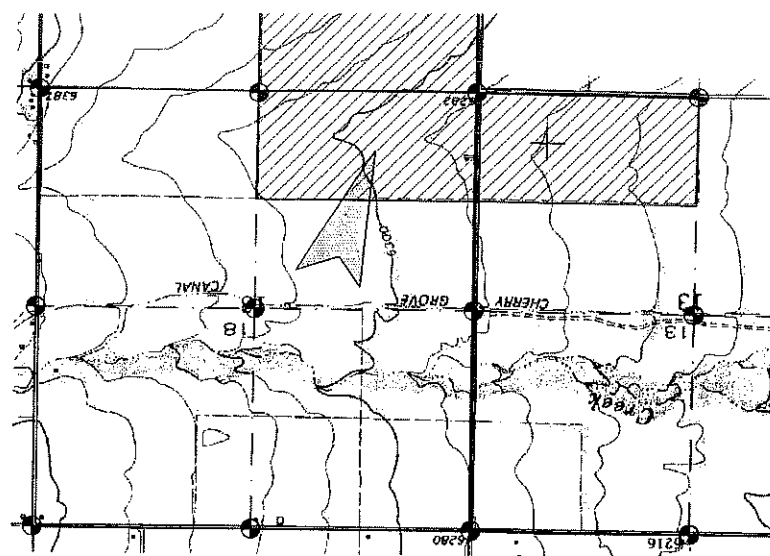
Comment 22-13122

Fee Detail

Amount	Description	Fund	FD	PCA	SO
\$25.00	OWNERSHIP CHANGES/SECURITY INTERESTS	0229	21	56140	1155

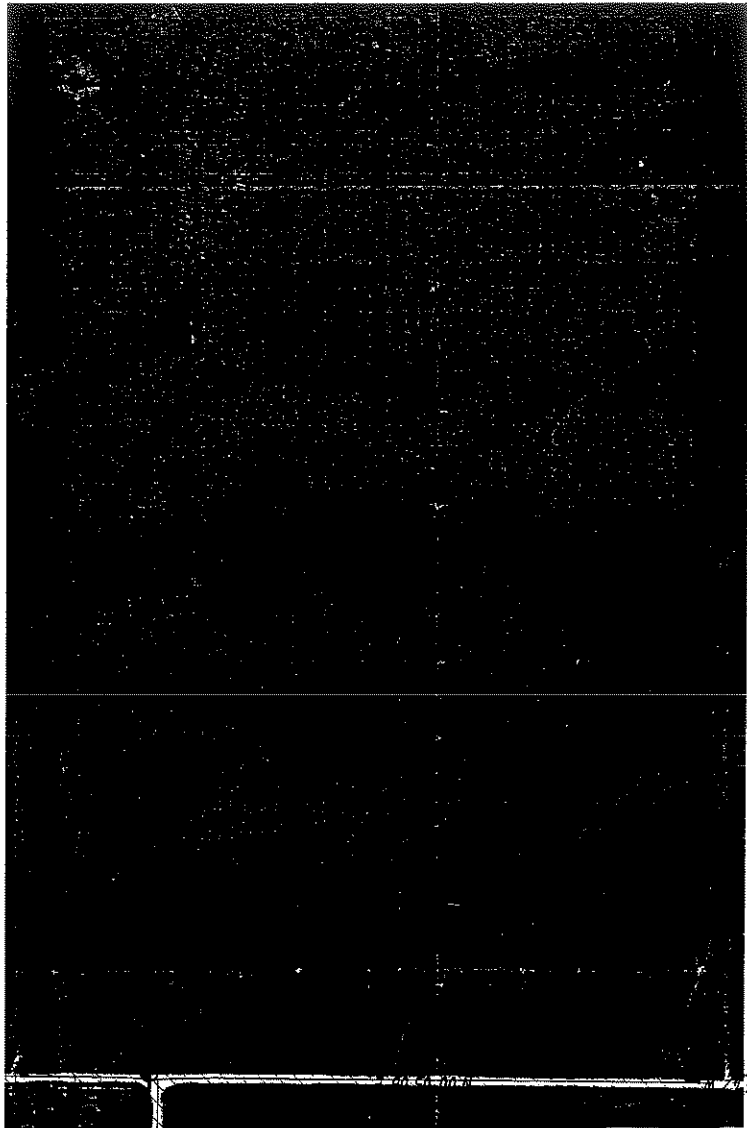


Signature Line (Dept. Representative)



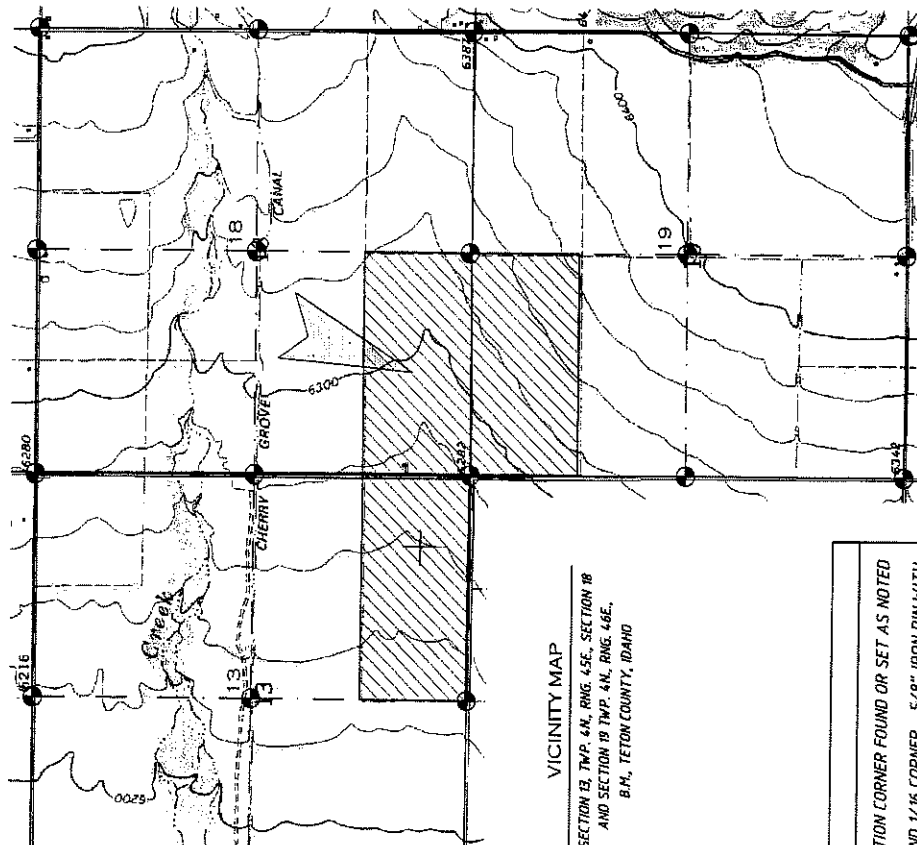
— 5 1/1 COPIES SECTION 40

905
321



E 1/4 CORNER SECTION 19
FOUND 3/4" IRON PIN
C.P.F.R. INDEX P-1
INST. #122657

5.00' 1321'



VICINITY MAP

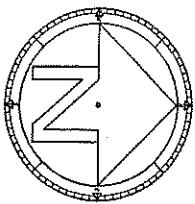
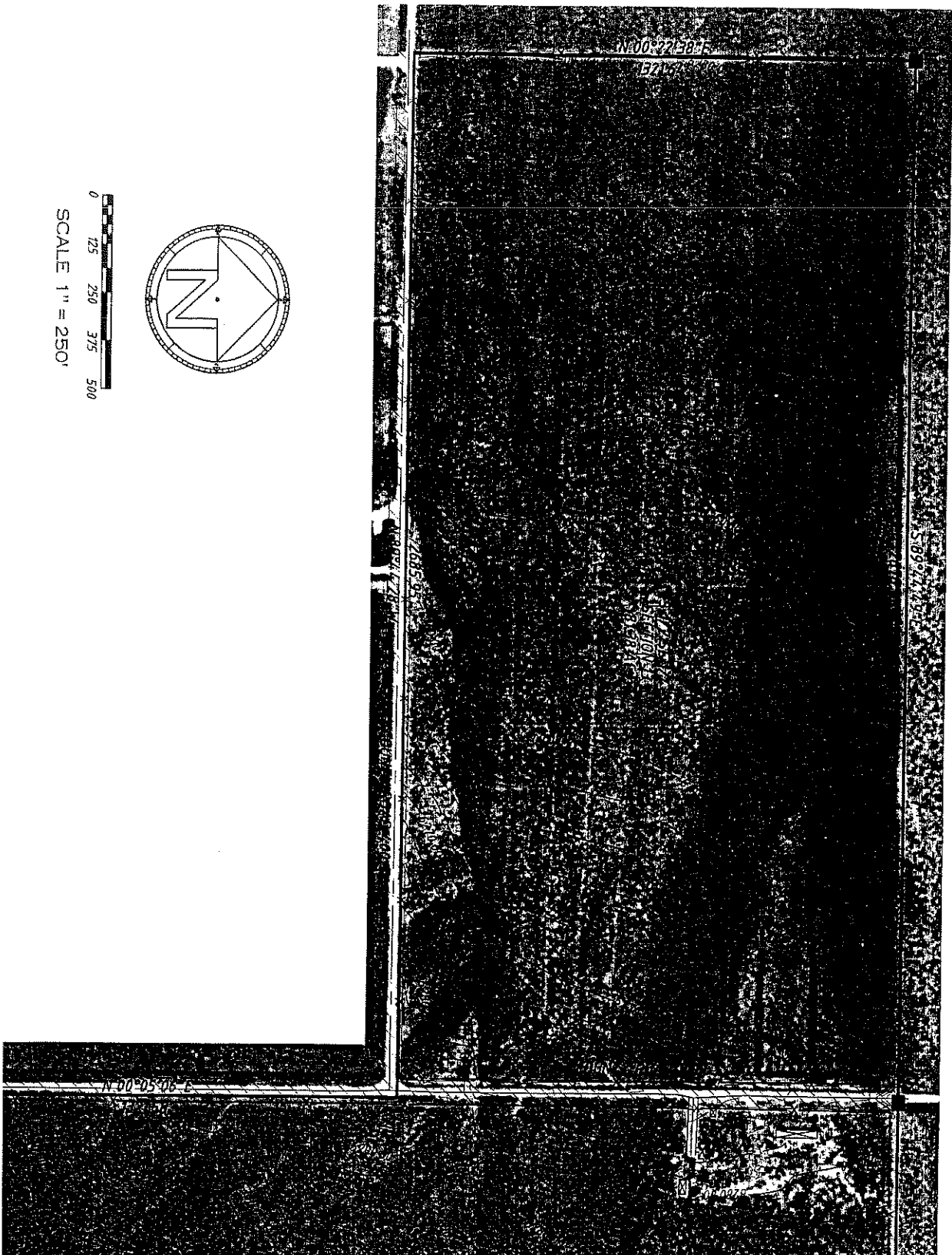
SECTION 13, TWP. 4N., RANG. 4SE, SECTION 18
AND SECTION 19 TWP. 4N., RANG. 4SE,
B.H., TETON COUNTY, IDAHO

SECTION CORNER FOUND OR SET AS NOTED
AND 1/16 CORNER - 5/8" IRON PIN WITH
INSCRIBED: AW ENG 2860
1/16 CORNER - 5/8" IRON PIN WITH
INSCRIBED: AW ENG 2860
PROPERTY BOUNDARY LINE
SECTIONAL BREAKDOWN LINE
E LINE
DING AS NOTED
EMENT - TYPE AND WIDTH AS NOTED

SITE

THE S 1/2 OF THE SE
OF THE SW 1/4 OF
TWP. 4N.,

JULIE BRYAN
65 SOUTH MAIN
DRIGGS, IDAHO 834
(208) 354-7325

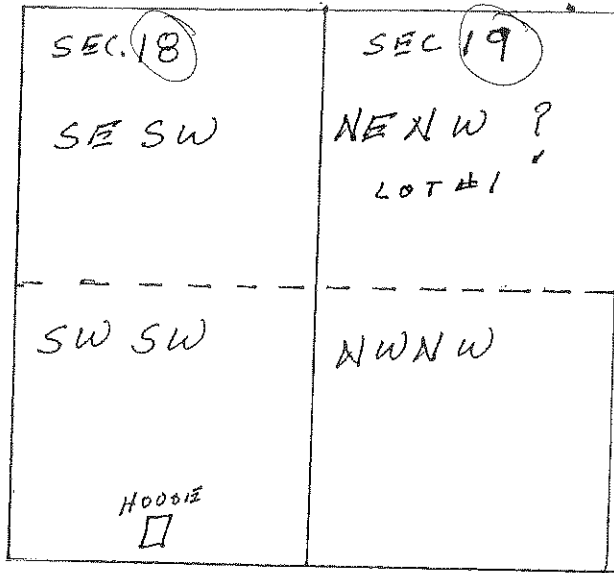


0 125 250 375 500

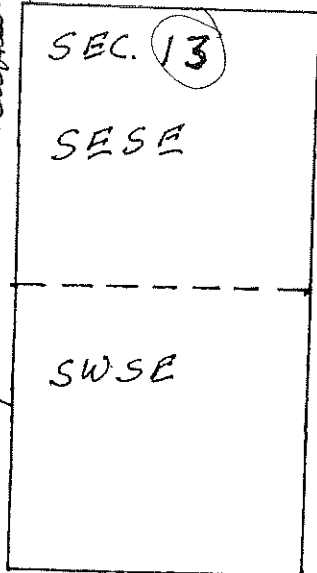
SCALE 1" = 250'



EXHIBIT 'A'



100 E



4
0
0
S

Cherry Grove Canal Co.
Water Right NO.

22-96
22 281
22-426A
22-427A
22 2005
22 13122
22 13331

FOX CREEK
IRRIGATION CO.
Water Right NO.
22-107

22-188 S/
22-432
22-433
22-434
22-12165 }
22-12166 } 2/
22-12168 }

2/ Should included
Sec 18 SWSW
LOT 4 SE SW

NOTE Sec 19 LOT #1 is NE NW on sum water
right and in NWNW. What should
it be

NORTH
↑

Yadone, if you can please ask Kancelled to
make sure this information is included in his
report to Alan Kelsey

Instrument # 177623

DRIGGS, TETON, IDAHO

2006-06-08 01:48:00 No. of Pages: 2

Recorded for: ALLIANCE TITLE & ESCROW

NOLAN G. BOYLE

Ex-Officio Recorder Deputy

Index to: DEED, WARRANTY

176342
177623

Alliance

WARRANTY DEED

Being re-recorded.

Order No.: 3658614375TD

FOR VALUE RECEIVED

Steven H. Smith and Kendra J. Smith, Husband and Wife

the grantor(s), do(es) hereby grant, bargain, sell and convey unto

Cherry Grove, LLC

whose current address is

the grantor(s), the following described premises, in Teton County, Idaho, TO WIT:

SEE ATTACHED EXHIBIT 'A'

TO HAVE AND TO HOLD the said premises, with their appurtenances unto the said Grantee, heirs and assigns forever. And the said Grantor does hereby covenant to and with the said Grantee(s), that (s)he is/are the owner(s) in fee simple of said premises; that they are free from all encumbrances Except: Current Year Taxes, conditions, covenants, restrictions, reservations, easements, rights and rights of way, apparent or of record.

And that (s)he will warrant and defend the same from all lawful claims whatsoever.

Dated:

April 21, 2006

Steven H. Smith
Steven H. Smith

Kendra J. Smith
Kendra J. Smith

State of Michigan)

County of Livingston)

On this 21st day of April, in the year 2006 before me, a Notary Public in and for said state, personally appeared Steven H. Smith and Kendra J. Smith known or identified to me to be the person whose name is subscribed to the within instrument and acknowledged to me that they executed the same.

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

NADIA H. NADOL

Notary Public, Washtenaw County, MI
My Commission Expires Dec. 19, 2006

acting in Livingston County
177623

Nadia H. Nadol
Notary Public for the State of
Residing at:
Commission Expires:

176342

RECEIVED

JUN 08 2006

TETON CO. ID
FBI RECORDS

Instrument # 176342

DRIGGS, TETON, IDAHO

2006-04-26

Recorded for: ALLIANCE TITLE & ESCROW

NOLAN G. BOYLE

Ex-Officio Recorder Deputy

Index to: DEED, WARRANTY

03:33:38 No. of Pages: 6

Fee: 18.00

3050614375TD

Exhibit 'A'
Attached Legal Description

Parcel 1: Beginning at the Northwest corner of the South Half Southwest Quarter of Section 18, Township 4 North, Range 46 East, Boise Meridian, Teton County, Idaho, and running thence East 660 feet; thence South 660 feet; thence West 660 feet; thence North 660 feet to the point of beginning.

**Parcel 2: Township 4 North, Range 46 East, Boise Meridian, Teton County, Idaho.
Section 19: Lot 1 and Northeast Quarter Northwest Quarter.**

Section 18: Lot 4 and the Southeast Quarter Southwest Quarter. Less: Beginning the Northwest corner of the South Half Southwest Quarter of said Section 18, and running thence East 660 feet; thence South 660 feet; thence West 660 feet; thence North 660 feet to the point of beginning.

**Parcel 3: Township 4 North, Range 45 East, Boise Meridian, Teton County, Idaho.
Section 13: South Half Southeast Quarter.**

Less: Commencing at the Southeast corner of said Section 13 and running N 89° 44' 28" W, 2685.95 feet to the Southwest corner of the S1/2SE1/4; thence N 88° 23' 38" E, 1321.64 feet to the Northwest corner of the S1/2SE 1/4; thence S 89° 44' 49" E, 2678.18 feet to the Northeast corner of the S1/2SE1/4; thence S 80° 02' 26" W, 1321.92 feet to the Southeast corner of the S1/2SE1/4 to the point of beginning.

177623

176342

176342

Alliance

WARRANTY DEED

Order No.: 385861437STD

FOR VALUE RECEIVED

Steven H. Smith and Kandra J. Smith, Husband and Wife

the grantor(s), do(es) hereby grant, bargain, sell and convey unto

Cherry Grove, LLC

whose current address is

Instrument # 176342
DRUGGS, TETON, IDAHO
2008-04-26 03:33:30 No. of Pages: 6
Recorded for: ALLIANCE TITLE & ESCROW
NOLAN G. BOYLE
Ex-Officio Recorder Deputy
Index to: DEED, WARRANTY
Fee: 18.00
JLB

the grantee(s), the following described premises, in Teton County, Idaho, TO WIT:

SEE ATTACHED EXHIBIT 'A'

TO HAVE AND TO HOLD the said premises, with their appurtenances unto the said Grantee, heirs and assigns forever. And the said Grantor does hereby covenant to and with the said Grantee(s), that (s)he is/are the owner(s) in fee simple of said premises; that they are free from all encumbrances Except: Current Year Taxes, conditions, covenants, restrictions, reservations, easements, rights and rights of way, apparent or of record.

And that (s)he will warrant and defend the same from all lawful claims whatsoever.

Dated: April 21, 2006

Steven H. Smith
Steven H. Smith

Kandra J. Smith
Kandra J. Smith

State of Michigan }
County of Livingston }

On this 21st day of April, in the year 2006 before me, a Notary Public in and for said state, personally appeared Steven H. Smith and Kandra J. Smith known or identified to me to be the person whose name is subscribed to the within instrument and acknowledged to me that they executed the same.

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

NADIA H. NADOL
Notary Public, Washtenaw County, MI
My Commission Expires Dec. 19, 2006
acting in Livingston County

Notary Public for the State of
Residing at:
Commission Expires:

176342

3050614375TD

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Attached Legal Description

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176342

NOTICE OF CONTRACT OF SALE

NOTICE IS HEREBY GIVEN that STEVEN H. SMITH and KENDRA J. SMITH, husband and wife, whose address is 11391 Nine Mile Road, South Lyons, MI 48178, hereinafter called "SELLER", is selling on written Contract of Sale of this same date, to CHERRY GROVE, LLC, whose current address is 65 South Main Street, Driggs, ID 83422, hereinafter called "BUYER", the following described real property situated in Teton County, to-wit:

The S1/2SE1/4 of Section 13, Township 4 North, Range 45 East, Boise Meridian, Teton County, Idaho.

Being further described as commencing at the Southeast corner of said Section 13 and running
Thence N 89° 44'28" W, 2685.95 feet to the Southwest corner of the S1/2SE1/4;
Thence N 00° 23'38" E, 1321.64 feet to the Northwest corner of the S1/2SE1/4;
Thence S 89° 44'49" E, 2678.18 feet to the Northeast corner of the S1/2SE1/4;
Thence S 00° 02'26" W, 1321.92 feet to the Southeast corner of the S1/2SE1/4
the point beginning.

Contains 81.38 acres more or less.

With a 30 foot wide county road and utility easement across the south side.

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in any wise appertaining.

Such contract is in full force and effect.

You are further notified and advised that any and all interest, right or title you may acquire in the same real property by virtue of subsequent transactions with SELLER will be wholly subject to the right, interest, and equity of the undersigned BUYER in such real property, arising by virtue of this Real Estate Purchase and Sale Agreement.

DATED this ____ day of _____, 2006.

STEVEN H. SMITH

KENDRA J. SMITH

BLT INVESTORS, LLC, Buyer

By

JULIE BRYAN, Majority Member

BRIAN A. PALAFOX LIVING TRUST, Buyer

By

B. A. Palafox, Trustee
BRIAN A. PALAFOX, Trustee
PALAFOX

THE JOHN & MELISSA HARRIS FAMILY TRUST, Buyer

By

John M. Harris, Trustee
JOHN HARRIS, Trustee

By

Melissa Harris, Trustee
MELISSA HARRIS, Trustee

STATE OF MICHIGAN)

County of)

: ss.

On this ____ day of _____, in the year of 2006, before me, a Notary Public in and for said State, personally appeared STEVEN H. SMITH and KENDRA J. SMITH, known or identified to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

Notary Public for Michigan
My Commission expires:

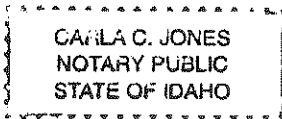
NOTICE OF CONTRACT OF SALE
306 CherryGr-Smith-Notice

2

176342

STATE OF IDAHO)
) ss.
County of Teton)

On this 25 day of April, 2006, personally appeared before me JULIE BRYAN, who, being by me first duly sworn, declared that she is the Majority Member of BLT INVESTORS, LLC, that she signed the foregoing document as Majority Member of the entity and that the statements therein contained are true.



Carla C. Jones
Notary Public for Idaho
My Commission Expires: 11/19/2011

STATE OF CALIFORNIA)
) ss.
County of ORANGE)

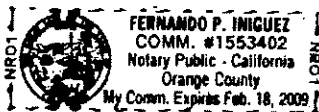
On this 22 day of APRIL, 2006, personally appeared before me BRIAN A. PALAFOX, who, being by me first duly sworn, declared that he is the Trustee of BRIAN A. PALAFOX LIVING TRUST, dated March 9, 1990, that he signed the foregoing document as Trustee of the entity and that the statements therein contained are true.



Fernando P. Iniguez
Notary Public for California
My Commission Expires:

STATE OF CALIFORNIA)
) ss.
County of ORANGE)

On this 22 day of APRIL, 2006, personally appeared before me JOHN HARRIS and MELISSA HARRIS, who, being by me first duly sworn, declared that they are the Trustees of THE JOHN & MELISSA HARRIS FAMILY TRUST, dated December 3, 2004, that they signed the foregoing document as Trustees of the entity and that the statements therein contained are true.



Fernando P. Iniguez
Notary Public for California
My Commission Expires:

WARRANTY DEED

Order No.:3050614375TD

FOR VALUE RECEIVED

Steven H. Smith and Kendra J. Smith, Husband and Wife

the grantor(s), do(es) hereby grant, bargain, sell and convey unto

Cherry Grove, LLC

whose current address is

the grantee(s), the following described premises, in Teton County, Idaho, TO WIT:

SEE ATTACHED EXHIBIT 'A'

TO HAVE AND TO HOLD the said premises, with their appurtenances unto the said Grantee, heirs and assigns forever. And the said Grantor does hereby covenant to and with the said Grantee(s), that (s)he is/are the owner(s) in fee simple of said premises; that they are free from all encumbrances Except: Current Year Taxes, conditions, covenants, restrictions, reservations, easements, rights and rights of way, apparent or of record.

And that (s)he will warrant and defend the same from all lawful claims whatsoever.

Dated: April 21, 2006

Steven H. Smith
Steven H. Smith

Kendra J. Smith
Kendra J. Smith

State of Michigan }
County of Livingston } ss.

On this 21st day of April, in the year 2006 before me, a Notary Public in and for said state, personally appeared Steven H. Smith and Kendra J. Smith known or identified to me to be the person whose name is subscribed to the within instrument and acknowledged to me that they executed the same.

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

NADIA H. NADOL
Notary Public, Washtenaw County, MI
My Commission Expires Dec. 19, 2006
acting in Livingston County

Nadia H. Nadol
Notary Public for the State of
Residing at:
Commission Expires:

3050614375TD

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Attached Legal Description

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ALLIANCE

TITLE & ESCROW CORP.

P.O. Box 644 Driggs, ID 83422- (208) 354-2285 Fax No. (208) 354-2811

ESCROW CLOSING INSTRUCTIONS

Escrow No. 3050614375CCJ
Date:

To: Alliance Title & Escrow Corp.

Before close of escrow Steven H. Smith and Kendra J. Smith has or will deposit with you under these instructions the following:

- ☒ Executed Warranty Deed
- ☒ Real Estate Purchase and Sale Agreement Contract of Sale
- ☒ Notice of Contract of Sale
- ☒ Bill of Sale

which you are hereby authorized and instructed to deliver, release and/or record when you have for the account of Seller **TWO MILLION AND NO/100 Dollars (\$2,000,000.00)** subject to any charges and/or credits authorized herein; AND **Cherry Grove, LLC** has or will deposit with you a cashier's check or other certified funds as required to comply with these instructions, and the following:

- ☒ Earnest Money in the amount of **\$10,000.00**
- ☐ Proceeds of Loans (if any) in the amount of \$
- ☒ Real Estate Purchase and Sale Agreement Contract of Sale
- ☒ Quitclaim Deed

You are hereby authorized and directed to use the funds and documents described above, when you are able to close in accordance with the instructions below:

- 1a. When you are in a position to issue or have issued a policy (or policies) of title insurance insuring Buyer (or as otherwise hereinafter provided) in the form of an **ALTA Standard Policy** as follows:
- ☒ Owner's ☐ Purchaser's OR ☐ Leasehold form
- in the amount of **\$2,000,000.00** on the real property described in Title Commitment No. **3050614375TD** which the undersigned have read and approved, which will show record title vested in: **Cherry Grove, LLC and Steven H. Smith and Kendra J. Smith, husband and wife** free and clear of all encumbrances except for the insuring clauses, exceptions, exclusions, provisions and stipulations customarily contained in the printed provisions of such form and exceptions **B 1-6 & C 1-6** as set forth in above referenced Title Commitment dated **2/07/2006** AND Notice of Contract of Sale executed by Steven H. Smith and Kendra J. Smith.

Then you are instructed to disburse deposited funds pursuant to the Escrow Closing Statement(s) examined and approved by the parties hereto and by this reference made a part hereof. Proceeds of this escrow may be disbursed by your check payable to the respective parties, and your checks and documents may be mailed to the addresses set forth herein;
OR per separate written instructions.

Escrow holder has been instructed to prepare certain documents in connection with this transaction which documents have been read and approved by the parties as to form, content and terms AND have been approved for use in this escrow:

Bill of Sale

2. You are instructed to prorate as of **4/26/2006** the following:
2006 Property Taxes

and it understood that the prorated charges shown upon the escrow closing statement are prorated as of that date. Assume a per diem basis (based on 365 days per year) in any prorate herein provided, and unless parties otherwise instruct you, you are to use the information contained in the last available tax statement, rental statement, or beneficiary's statement delivered into escrow for the prorates provided above. In the event any beneficiary's statement reveals a deposit, account or funds for a future payment of taxes, insurance or other future obligations of the loan, you are to: ☐ Credit Seller and Debit Buyer.

It is understood and agreed that the real property tax pro ration herein is based on 2005 taxes in the amount of **\$744.52, \$91.02, \$225.52 & \$89.62**. The undersigned parties hereby affirm and agree that Escrow holder, its employees, agents or assigns have not made any warranties as to the accuracy of these tax figures. Further, the undersigned parties agree that should the actual tax, as shown in the tax statement forwarded by the Assessor's office during the year of sale, differ from the figure represented in the closing statement, the parties will make adjustment between themselves, outside of this escrow. Escrow holder shall not be responsible or liable for reimbursements as required thereby.

3. All water and utility charges and changes of ownership, if applicable (except for irrigation, sewer and/or trash assessments, if any) will be handled by the principals outside of this escrow. Escrowholder is not to be concerned with or responsible for transfer of keys and/or physical possession of the property.
4. Unless specifically provided elsewhere in these instructions, the cancellation, transfer or purchase of fire or other casualty insurance shall be handled by the parties outside of this escrow.

necessary to effectuate title as described above, and seller agrees to reimburse you for any charges incurred by you in connection with obtaining said payoffs or demands. The parties understand that there may be adjustments on interest or unusual recording fees after the signing of these instructions. You are further authorized to deduct same from seller's proceeds and/or deduct from buyer's funds any payments made by you for said recording fees.

6. All money received by you in this escrow is to be deposited in your trust account pending closing. Seller and/or Buyer hereby acknowledge and consent to the deposit of the escrow money in financial institutions with which escrow holder has or may have other banking relationships and further consent to the retention by escrow holder and/or its affiliates of any and all benefits which may be received from such financial institutions by reason of their maintenance of said trust accounts. Unless otherwise specifically agreed, you may commingle funds received by you in escrow with escrow funds of others and may deposit such funds in a checking account with any federally insured bank. It is understood that you shall be under no obligation to invest funds deposited with you on behalf of any depositor, nor shall you be accountable to the depositor for any earnings or other incidental benefits attributable to the funds which may be received by you while you hold such funds.
7. These instructions are effective for 14 days from date hereof; and, thereafter, without written instructions to continue, you are authorized and instructed to cancel this escrow. I/We, jointly and severally, agree to pay your cancellation fee and all charges in connection therewith. In the event of cancellation of this escrow, all funds, except loan funds, shall be held subject to written cancellation instructions executed by all principals involved.
8. These escrow closing instructions may be executed in counterparts with like effect as if all signatures appeared on a single copy.
9. You are bound solely by the provisions set forth in these escrow instructions and the parties hereto understand that you are not a party to any Earnest Money Receipt and Agreement, executed by the parties herein, and that said Earnest Money Receipt and Agreement (and Amendments thereto, if any) is (are) not a part of these escrow closing instructions. You are to be concerned only in the performance of your duties in compliance with these escrow closing instructions. You are to assume no liability for the sufficiency or enforceability of any provisions in said Earnest Money Agreement. The undersigned hereby affirm that all of any terms and conditions contained in the Earnest Money Agreement have been met or waived to the complete satisfaction of the parties.
10. You are instructed to furnish to any broker or lender identified with this transaction or anyone acting on behalf of such lender, any information concerning this escrow upon request of said broker or lender.
11. Should any disputes arise between parties interested in property or funds covered by these instructions, you shall have the option to hold all matters pending in their then existing status or to join in or commence a court action, or to bring an action in interpleader, at your option. Upon your determination to hold this escrow open for determination of the rights of the parties, you will be relieved of all responsibility to proceed until the rights of the parties are settled to your satisfaction. Further, you as escrow holder, shall be entitled to continue to so refrain to act until (a) the parties hereto have reached an agreement in their differences and shall have notified the escrow holder in writing of such agreement or (b) the rights of the parties have been duly adjudicated by a Court of competent jurisdiction. It is further agreed that in the event of any suit or claim made against you by either or both parties to this escrow or in the event any suit is instituted by you to resolve your responsibility regarding conflicting claims of both parties to this escrow, that said parties, jointly and severally, shall be required to pay you all expenses, costs and reasonable attorney's fees incurred by you in connection therewith, whether suit is instituted by you or any of the parties hereto, or not.
12. In the event of any disagreement between the parties hereto, or demands or claims made upon you by the parties hereto or interested herein or by any other party, you, as escrow holder, shall have the right to employ legal counsel to advise you and/or represent you in any Suit or action brought affecting this escrow or the papers held in connection herewith or to bring an action in interpleader, at your option. The parties hereto shall be jointly and severally liable to you for any and all attorney's fees, costs, and disbursements incurred by you in connection with the employment of counsel in such conflict and, upon demand, the parties shall forthwith pay the same to you, as escrow holder. If you are required to institute suit to collect such sums as are owed to you pursuant to this or any other provision of this instruction, you shall further be entitled to payment by the parties found liable for such unpaid charges of any costs and attorney's fees incurred in the prosecution of such action.
13. If for any reason funds are retained or remain in escrow after closing date, you are to deduct therefrom a reasonable monthly charge as custodian thereof of not less than \$10.00 per month.

ADDITIONAL INSTRUCTIONS

ALL FINAL BILLS PRESENTED

The undersigned acknowledge that all property inspections and final repair bills to be collected and paid for by Alliance Title & Escrow Corp. have been submitted prior to close of this escrow. Any bills presented after closing will be handled by the parties outside of escrow and Alliance Title & Escrow Corp. will be held harmless for collection and payment of same.

HAZARD INSURANCE DISCLAIMER

The buyer(s) herein are obtaining hazard insurance on the subject property outside of escrow. Alliance Title & Escrow Corp. has no liability or responsibility to confirm adequate coverage. When the policy is issued, said policy will be placed into escrow.

DOCUMENTS PREPARED OUTSIDE OF ESCROW

The Real Estate Purchase and Sale Agreement Contract of Sale, Notice of Contract of Sale, Warranty Deed and Quitclaim Deed were prepared outside of escrow. Upon signing these instructions and the documents deposited into escrow, Buyer(s) and Seller(s) each agree to the terms and conditions set forth therein. The Escrowholder shall not be liable in any way for the validity of said documents or the terms and conditions contained therein.

SCRIVNER STATEMENT

Buyer(s) and Seller(s) have instructed Escrowholder to act as a scribe in retyping/adding information to the contract or form supplied by them. Escrowholder has done so as a courtesy and accepts no liability or responsibility for the drafting of said contract or form and as given the parties no legal advice.

The parties acknowledge that they have been advised by Escrowholder to seek legal counsel or their own choice at their own expense in connection with any aspect of this transaction. The parties understand that Escrowholder makes no representations or warranties as to the effect, validity or enforceability of the language.

DECLARATION OF ESCROW SERVICES:

Both Buyer and Seller acknowledge the following by their signatures below:

We have been specifically informed that Alliance Title & Escrow Corp. (hereinafter referred to as ATEC) is not licensed to practice law and no legal or accounting advice has been offered by ATEC or any of its employees. We have been further informed that ATEC is acting only as escrow holder and that it is forbidden by law from offering any advice to any party respecting the merits of this escrow transaction or the nature and content of the documents executed herein, and that it has not done so.

We have been requested by escrow holder to seek legal counsel of our own choosing at our own expense, if we have any doubt concerning any aspect of this transaction.

We have been afforded adequate time and opportunity to read and understand these escrow instructions and all other documents referred to therein.

These escrow-closing instructions constitute the entire agreement between the escrow holder and the undersigned parties. Any amendment and/or supplement to these instructions must be in writing.

We further understand that ATEC assumes no liability as to any law, ordinance or governmental regulations including, but not limited to, building, zoning and division of land ordinances and assumes no responsibility for determining that the parties to the escrow have complied with the requirements of the Truth in Lending, Consumer Protection Act (Public Law 90-321), or similar laws.

THE UNDERSIGNED HAVE READ AND FULLY UNDERSTAND THE FOREGOING ESCROW CLOSING INSTRUCTIONS AND ALSO THE DECLARATION SET FORTH ABOVE AND AGREE TO THE SAME

Cherry Grove, LLC

Steven H. Smith

BLT Investors, LLC, Managing Member

By: Julie Bryan, Majority Member

Kendra J. Smith

Brian A. Palafox Living Trust, Member

By: Brian A. Palafox, Trustee

The John & Melissa Harris Family Trust,
Member

By: John Harris Trustee

By: Melissa Harris Trustee

Buyer:

Seller:

Address:

Forwarding Address: 1131 9 Mile Road
So. Lyon, MI 48178

The foregoing instructions have been acknowledged and received by

Alliance Title & Escrow Corp.
P.O. Box 644, Briggs, ID 83422

By: Carla C Jones

Dated:

4/25/06

necessary to effectuate title as described above, and seller agrees to reimburse you for any charges incurred by you in connection with obtaining said payoffs or demands. The parties understand that there may be adjustments on interest or unusual recording fees after the signing of these instructions. You are further authorized to deduct same from seller's proceeds and/or deduct from buyer's funds any payments made by you for said recording fees.

6. All money received by you in this escrow is to be deposited in your trust account pending closing. Seller and/or Buyer hereby acknowledge and consent to the deposit of the escrow money in financial institutions with which escrow holder has or may have other banking relationships and further consent to the retention by escrow holder and/or its affiliates of any and all benefits which may be received from such financial institutions by reason of their maintenance of said trust accounts. Unless otherwise specifically agreed, you may commingle funds received by you in escrow with escrow funds of others and may deposit such funds in a checking account with any federally insured bank. It is understood that you shall be under no obligation to invest funds deposited with you on behalf of any depositor, nor shall you be accountable to the depositor for any earnings or other incidental benefits attributable to the funds which may be received by you while you hold such funds.
7. These instructions are effective for 14 days from date hereof; and, thereafter, without written instructions to continue, you are authorized and instructed to cancel this escrow. I/We, jointly and severally, agree to pay your cancellation fee and all charges in connection therewith. In the event of cancellation of this escrow, all funds, except loan funds, shall be held subject to written cancellation instructions executed by all principals involved.
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12. In the event of any disagreement between the parties hereto, or demands or claims made upon you by the parties hereto or interested herein or by any other party, you, as escrow holder, shall have the right to employ legal counsel to advise you and/or represent you in any Suit or action brought affecting this escrow or the papers held in connection herewith or to bring an action in interpleader, at your option. The parties hereto shall be jointly and severally liable to you for any and all attorney's fees, costs, and disbursements incurred by you in connection with the employment of counsel in such conflict and, upon demand, the parties shall forthwith pay the same to you, as escrow holder. If you are required to institute suit to collect such sums as are owed to you pursuant to this or any other provision of this instruction, you shall further be entitled to payment by the parties found liable for such unpaid charges of any costs and attorney's fees incurred in the prosecution of such action.
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ADDITIONAL INSTRUCTIONS

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The undersigned acknowledge that all property inspections and final repair bills to be collected and paid for by Alliance Title & Escrow Corp. have been submitted prior to close of this escrow. Any bills presented after closing will be handled by the parties outside of escrow and Alliance Title & Escrow Corp. will be held harmless for collection and payment of same.

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The buyer(s) herein are obtaining hazard insurance on the subject property outside of escrow. Alliance Title & Escrow Corp. has no liability or responsibility to confirm adequate coverage. When the policy is issued, said policy will be placed into escrow.

DOCUMENTS PREPARED OUTSIDE OF ESCROW

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Buyer(s) and Seller(s) have instructed Escrowholder to act as a scribe in retyping/adding information to the contract or form supplied by them. Escrowholder has done so as a courtesy and accepts no liability or responsibility for the drafting of said contract or form and as given the parties no legal advice.

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DECLARATION OF ESCROW SERVICES:

Both Buyer and Seller acknowledge the following by their signatures below:

We have been specifically informed that Alliance Title & Escrow Corp. (hereinafter referred to as ATEC) is not licensed to practice law and no legal or accounting advice has been offered by ATEC or any of its employees. We have been further informed that ATEC is acting only as escrow holder and that it is forbidden by law from offering any advice to any party respecting the merits of this escrow transaction or the nature and content of the documents executed herein, and that it has not done so.

We have been requested by escrow holder to seek legal counsel of our own choosing at our own expense, if we have any doubt concerning any aspect of this transaction.

We have been afforded adequate time and opportunity to read and understand these escrow instructions and all other documents referred to therein.

These escrow-closing instructions constitute the entire agreement between the escrow holder and the undersigned parties. Any amendment and/or supplement to these instructions must be in writing.

We further understand that ATEC assumes no liability as to any law, ordinance or governmental regulations including, but not limited to, building, zoning and division of land ordinances and assumes no responsibility for determining that the parties to the escrow have complied with the requirements of the Truth in Lending, Consumer Protection Act (Public Law 90-321), or similar laws. THE UNDERSIGNED HAVE READ AND FULLY UNDERSTAND THE FOREGOING ESCROW CLOSING INSTRUCTIONS AND ALSO THE DECLARATION SET FORTH ABOVE AND AGREE TO THE SAME

Cherry Grove, LLC

Steven H. Smith

BLT Investors, LLC, Managing Member

By: Julie Bryan, Majority Member

Kendra J. Smith

Brian A. Palafox Living Trust, Member

By: Brian A. Palafox, Trustee

The John & Melissa Harris Family Trust,
Member

By: John Harris Trustee

By: Melissa Harris Trustee

Buyer:

Seller:

Address:

Forwarding Address: 1131 9 Mile Road
So. Lyon, MI 48178

The foregoing instructions have been acknowledged and received by

Alliance Title & Escrow Corp.

P.O. Box 644, Diggins, ID 83422

By: _____
Carla C Jones

Dated:

4/25/06

NOTICE OF CONTRACT OF SALE

NOTICE IS HEREBY GIVEN that STEVEN H. SMITH and KENDRA J. SMITH, husband and wife, whose address is 11391 Nine Mile Road, South Lyons, MI 48178, hereinafter called "SELLER", is selling on written Contract of Sale of this same date, to CHERRY GROVE, LLC, whose current address is 65 South Main Street, Driggs, ID 83422, hereinafter called "BUYER", the following described real property situated in Teton County, to-wit:

The S1/2SE1/4 of Section 13, Township 4 North, Range 45 East, Boise Meridian, Teton County, Idaho.

Being further described as commencing at the Southeast corner of said Section 13 and running

Thence N 89° 44'28" W, 2685.95 feet to the Southwest corner of the S1/2SE1/4;
Thence N 00° 23'38" E, 1321.64 feet to the Northwest corner of the S1/2SE1/4;
Thence S 89° 44'49" E, 2678.18 feet to the Northeast corner of the S1/2SE1/4;
Thence S 00° 02'26" W, 1321.92 feet to the Southeast corner of the S1/2SE1/4
the point beginning.

Contains 81.38 acres more or less.

With a 30 foot wide county road and utility easement across the south side.

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in any wise appertaining.

Such contract is in full force and effect.

You are further notified and advised that any and all interest, right or title you may acquire in the same real property by virtue of subsequent transactions with SELLER will be wholly subject to the right, interest, and equity of the undersigned BUYER in such real property, arising by virtue of this Real Estate Purchase and Sale Agreement.

DATED this _____ day of _____, 2006.

STEVEN H. SMITH

KENDRA J. SMITH

DATED this 21 day of April, 2006.

Steven H. Smith
STEVEN H. SMITH

Kendra J. Smith
KENDRA J. SMITH

BLT INVESTORS, LLC, Buyer

By Julie Bryan
JULIE BRYAN, Majority Member

BRIAN A. PALAFOX LIVING TRUST, Buyer

By _____
BRIAN A. PALAFOX, Trustee

THE JOHN & MELISSA HARRIS FAMILY TRUST, Buyer

* By _____
JOHN HARRIS, Trustee

* By _____
MELISSA HARRIS, Trustee

* STATE OF MICHIGAN)
County of Livingston) : ss.

On this 21st day of April, in the year of 2006, before me, a Notary Public in and for said State, personally appeared STEVEN H. SMITH and KENDRA J. SMITH, known or identified to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

Nadia H. Nadol
Notary Public for Michigan
My Commission expires:

NOTICE OF CONTRACT OF SALE
306 CherryGr-Smith-Notice

NADIA H. NADOL
Notary Public, Washtenaw County, MI
My Commission Expires Dec. 19, 2006

acting in Livingston County

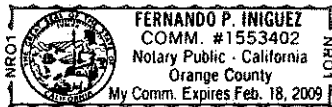
STATE OF IDAHO)
 : ss.
County of Teton)

On this ____ day of _____, 2006, personally appeared before me JULIE BRYAN, who, being by me first duly sworn, declared that she is the Majority Member of BLT INVESTORS, LLC, that she signed the foregoing document as Majority Member of the entity and that the statements therein contained are true.

Notary Public for Idaho
My Commission Expires:

STATE OF CALIFORNIA)
) ss.
County of ORANGE)

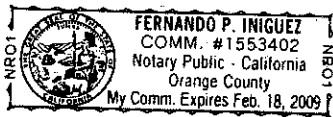
On this 22 day of APRIL, 2006, personally appeared before me BRIAN A. PALAFOX, who, being by me first duly sworn, declared that he is the Trustee of BRIAN A. PALAFOX LIVING TRUST, dated March 9, 1990, that he signed the foregoing document as Trustee of the entity and that the statements therein contained are true.



Fernando P. Iniguez
Notary Public for California
My Commission Expires:

STATE OF CALIFORNIA)
) ss.
County of ORANGE)

On this 22 day of APRIL, 2006, personally appeared before me JOHN HARRIS and MELISSA HARRIS, who, being by me first duly sworn, declared that they are the Trustees of THE JOHN & MELISSA HARRIS FAMILY TRUST, dated December 3, 2004, that they signed the foregoing document as Trustees of the entity and that the statements therein contained are true.



Fernando P. Iniguez
Notary Public for California
My Commission Expires:

WARRANTY DEED

Warranty deed made this 21 day of April, 2006, between STEVEN H. SMITH and KENDRA J. SMITH, husband and wife, whose address is 11391 Nine Mile Road, South Lyons, MI 48178, referred to as Grantors, and CHERRY GROVE, LLC, whose current address is 65 South Main Street, Driggs, ID 83422, referred to as Grantee.

Grantors in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt whereof is hereby acknowledged, have granted, bargained, and sold, and do hereby grant, bargain, sell, convey, and confirm unto Grantee and its heirs and assigns forever, all the following described real estate situated in Teton County, Idaho:

The S1/2SE1/4 of Section 13, Township 4 North, Range 45 East, Boise Meridian, Teton County, Idaho.

Being further described as commencing at the Southeast corner of said Section 13 and running
Thence N 89° 44'28" W, 2685.95 feet to the Southwest corner of the S1/2SE1/4;
Thence N 00° 23'38" E, 1321.64 feet to the Northwest corner of the S1/2SE1/4;
Thence S 89° 44'49" E, 2678.18 feet to the Northeast corner of the S1/2SE1/4;
Thence S 00° 02'26" W, 1321.92 feet to the Southeast corner of the S1/2SE1/4 the point beginning.

Contains 81.38 acres more or less.

With a 30 foot wide county road and utility easement across the south side.

Said parcel being subject to any other easements, rights-of-way, covenants, conditions, restrictions, reservations, agreements or encumbrances of sight and/or record.

To have and to hold, all and singular the above-described premises together with the appurtenances unto Grantee and its heirs and assigns forever.

And Grantors and their heirs shall and will warrant and by these presents forever defend

the premises in the quiet and peaceable possession of Grantees, their heirs, and assigns against Grantors and their heirs and against all and every person and persons whomsoever, lawfully claiming the same.

Grantors have hereunto set their hand on the day and year first above written.

* Steven H. Smith
STEVEN H. SMITH

* Kendra J. Smith
KENDRA J. SMITH

STATE OF MICHIGAN)
 : ss.
County of Livingston)

On this 21st day of April, in the year of 2006, before me, a Notary Public in and for said State, personally appeared STEVEN H. SMITH and KENDRA J. SMITH, known or identified to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

Nadia H. Nadol
Notary Public for Michigan
My Commission expires:

NADIA H. NADOL
Notary Public, Washtenaw County, MI
My Commission Expires Dec. 19, 2006
acting in Livingston County

WARRANTY DEED

INITIAL
INITIAL
INITIAL

Warranty deed made this 21 day of April, 2006, between STEVEN H. SMITH and KENDRA J. SMITH, husband and wife, whose address is 11391 Nine Mile Road, South Lyons, MI 48178, referred to as Grantors, and CHERRY GROVE, LLC, whose current address is 65 South Main Street, Driggs, ID 83422, referred to as Grantee.

Grantors in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt whereof is hereby acknowledged, have granted, bargained, and sold, and do hereby grant, bargain, sell, convey, and confirm unto Grantee and its heirs and assigns forever, all the following described real estate situated in Teton County, Idaho:

The S1/2SE1/4 of Section 13, Township 4 North, Range 45 East, Boise Meridian, Teton County, Idaho.

Being further described as commencing at the Southeast corner of said Section 13 and running
Thence N 89° 44'28" W, 2685.95 feet to the Southwest corner of the S1/2SE1/4;
Thence N 00° 23'38" E, 1321.64 feet to the Northwest corner of the S1/2SE1/4;
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With a 30 foot wide county road and utility easement across the south side.

Said parcel being subject to any other easements, rights-of-way, covenants, conditions, restrictions, reservations, agreements or encumbrances of sight and/or record.

To have and to hold, all and singular the above-described premises together with the appurtenances unto Grantee and its heirs and assigns forever.

And Grantors and their heirs shall and will warrant and by these presents forever defend

the premises in the quiet and peaceable possession of Grantees, their heirs, and assigns against Grantors and their heirs and against all and every person and persons whomsoever, lawfully claiming the same.

Grantors have hereunto set their hand on the day and year first above written.

* _____
STEVEN H. SMITH

* _____
KENDRA J. SMITH

STATE OF MICHIGAN)
 : ss.
County of _____)

On this ____ day of _____, in the year of 2006, before me, a Notary Public in and for said State, personally appeared STEVEN H. SMITH and KENDRA J. SMITH, known or identified to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

Notary Public for Michigan
My Commission expires:

REAL ESTATE PURCHASE AND SALE AGREEMENT
CONTRACT OF SALE

THIS AGREEMENT, made and entered this 26th day of April, 2006, by and between CHERRY GROVE, LLC, whose current address is 65 South Main Street, Driggs, ID 83422, hereinafter called "BUYER" and STEVEN H. SMITH and KENDRA J. SMITH, husband and wife, whose address is 11391 Nine Mile Road, South Lyons, MI 48178, hereinafter called "SELLER".

WITNESSETH:

1. PROPERTY

SELLER agrees to sell to BUYER, and BUYER agrees to buy from SELLER, on the terms and conditions herein specified, the Real Property situated in Teton County, Idaho, and described as follows and hereinafter referred to as "Premises":

The S1/2SE1/4 of Section 13, Township 4 North, Range 45 East, Boise Meridian, Teton County, Idaho.

Being further described as commencing at the Southeast corner of said Section 13 and running
Thence N 89° 44'28" W, 2685.95 feet to the Southwest corner of the S1/2SE1/4;
Thence N 00° 23'38" E, 1321.64 feet to the Northwest corner of the S1/2SE1/4;
Thence S 89° 44'49" E, 2678.18 feet to the Northeast corner of the S1/2SE1/4;
Thence S 00° 02'26" W, 1321.92 feet to the Southeast corner of the S1/2SE1/4
the point beginning.

Contains 81.38 acres more or less.

With a 30 foot wide county road and utility easement across the south side.

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in any wise appertaining.

The said description of the Premises is subject to all existing patent reservations, easements, rights of way, protective covenants, zoning ordinances and applicable building codes, laws and regulations.

Together with the following described water right:

See Exhibit "A"

2. PURCHASE PRICE AND TERMS OF PAYMENT

BUYER shall pay SELLER for said property a Purchase Price of SEVEN HUNDRED TWENTY THOUSAND and 00/100 DOLLARS (\$720,000.00) with interest from April 26, 2006, lawful money of the United States of America in installments as follows:

Interest payments only shall be paid semi-annually in the following manner:

<u>Year</u>	<u>Percent</u>	<u>Date</u>	<u>Amount</u>
2006	6.5%	6/30/06	\$8,462.52 (4/26/06 - 6/30/06)
"	"	12/31/06	\$23,400.00
2007	7.0%	6/30/07	\$25,200.00
"	"	12/31/07	\$25,200.00
2008	7.5%	6/30/08	\$27,000.00
"	"	12/31/08	\$27,000.00
2009	8.0%	6/30/09	\$28,800.00
"	"	12/31/09	\$28,800.00
2010	8.5%	6/30/10	\$30,600.00
"	"	12/31/10	\$30,600.00

A Balloon payment \$720,000.00 shall be due and payable on December 31, 2010. This amount may be reduced based on stipulations noted in Item #3 Possession, in the Land Contract Document, with no prepayment penalty.

It is expressly understood and agreed that the acceptance by SELLER of any payments when the same shall be past due, or any forbearance of any kind that may be granted or allowed

by the SELLER to the BUYER under this contract, shall not be deemed or construed or considered as waiving or surrendering any condition or covenant of this contract by SELLER.

3. *POSSESSION*

SELLER agrees to allow BUYER to develop the above-described parcel with infrastructure and to subdivide into lots. SELLER agrees to release to BUYER one (1) acre for every \$12,000.00 paid on the principal amount. (For example: If a 4-acre lot is sold, SELLER will release the deed for \$48,000.00). BUYER will secure a bond or other assurance acceptable to Teton County to cover the cost of infrastructure and/or subdivision.

4. *MAINTENANCE*

The BUYER agrees that he will, at his own expense, maintain said premises in good order and repair during the life of this Contract, reasonable wear and tear excepted.

5. *TAXES*

SELLER covenants that all of the 2005 taxes and all prior taxes and assessments have been paid in full, and BUYER covenants to pay all subsequent taxes and assessments. Taxes for the current year shall be computed on the basis of the assessment for the immediate prior year, and SELLER's prorata share thereof, in the sum of \$362.55, shall be paid to BUYER upon execution hereof, and BUYER shall pay the full taxes and assessments for the current year when due. All taxes and assessments shall be paid when the same are due and payable and before the same shall become delinquent.

Special assessments of local improvement districts or otherwise shall be included in the proration of taxes hereinabove set forth, regardless of the year of the original assessment thereof.

6. *SELLER'S OPTION TO PAY TAXES AND ASSESSMENTS*

Should the BUYER default in the payment of any of the sums hereinabove agreed to be paid for the payment of taxes and assessments, the SELLER, at his option, and without waiver of the right to declare a forfeiture, may pay the same, and such sum paid by SELLER shall become immediately due and payable from BUYER, with interest thereon at the rate of one (1) percent per month from the date of payment by SELLER.

7. *DEED*

Concurrent with the execution of this Agreement, SELLER shall execute a good and sufficient Warranty Deed to the above described property naming SELLER as Grantor and BUYER as Grantee free from all encumbrances except any assumed by or placed thereon by BUYER, and cause said Warranty Deed to be deposited with the Escrow Holder hereinafter named.

BUYER shall, concurrent with the execution of this Agreement, execute a good and sufficient Quitclaim Deed naming BUYER as Grantor and SELLER as Grantee, to be deposited with the Escrow Holder hereinafter named.

8. *TITLE INSURANCE*

SELLER shall, upon execution of this Agreement, order, and within a reasonable time thereafter, deposit with the Escrow Holder, after it has been examined and accepted by BUYER, a Policy of Title Insurance in the amount of \$720,000.00, insuring such fee simple Title subject to payment of this contract and the usual and printed exceptions. In the event BUYER has objections to the SELLER's Title, BUYER shall make the same known in writing to SELLER specifying the particulars and by what legal authority said Title is not merchantable; and

SELLER shall have a reasonable time, according to the nature thereof, within which to correct such objections.

9. *ESCROW*

Alliance Title is hereby designated as Escrow Holder, with power and authority to act as such under the terms and conditions of this Agreement.

The following executed documents shall be delivered to and held by said Escrow Holder, subject to the terms and conditions of this Agreement and any Escrow Instructions executed in connection herewith:

- Original of this Agreement
- Warranty Deed to the Premises
- Quitclaim Deed to the Premises
- Title Insurance Policy as such is obtained
- Receipts for any taxes and assessments paid by
SELLER on BUYER'S behalf.
- Notice of Contract of Sale

Said Escrow Holder shall be instructed to receive the payments due hereunder and to credit the same as provided herein or any Escrow Agreement executed in connection herewith, and upon full compliance with the terms hereof and subject to the terms of the Escrow Agreement shall deliver all of said documents to BUYER, but in the event of default of the BUYER in the performance of any of the terms of this Agreement and the Escrow Agreement, including any of said payments as herein provided, Escrow Holder shall return said documents to SELLER.

10. *EXPENSE OF ESCROW*

The initial charge for placing the Agreement in Escrow and the Escrow Holder's charge for collection of payment shall be equally divided between SELLER and BUYER.

11. DEFAULT REMEDIES

Time and punctuality of payment are the essence and material part of this Contract; and in the event BUYER shall default in the performance of the terms of this Agreement, SELLER may cause notice in writing to be given to BUYER, specifying the matters in which such default occurred. The notice shall be served upon BUYER by depositing the same in any United States Post Office, addressed to BUYER, certified mail, postage prepaid, return receipt requested, and such notice shall be deemed served upon its deposit in the Post Office as aforesaid. If BUYER shall fail to cure such default within sixty (60) days after the service of such notice as aforesaid, then SELLER may elect to:

a. Declare the entire unpaid balance on the contract including principal, interest, taxes, assessments, attorney's fees, and any other sums owing SELLER to be immediately due and owing, and

b. Elect to either:

(1) Bring suit to establish the balance owing hereunder as a debt due by BUYER to SELLER, and to foreclose this Contract as a Real Estate Mortgage securing said debt, in accordance with the laws of the State of Idaho relating to the foreclosure of Real Estate Mortgages, including the right to a deficiency judgment; no notice to BUYER of election to pursue this remedy is required prior to suit, or

(2) Declare this Contract to be terminated due to said default. In that event, this Contract shall be immediately terminated, and BUYER shall forfeit all rights to said Premises, and all payments made hereon shall be retained by SELLER as liquidated damages for the breach of this Contract. In that event, BUYER agrees to immediately surrender possession of the Premises, and any improvements made thereon shall attach to and become a part of the Real Property, and shall be retained as liquidated damages. If notice of default, then an additional certified mail notice of the election to terminate the Contract shall be given, and BUYER agrees to immediately vacate the Premises upon receipt of the notice, and

c. To Pursue any other remedy in law or equity to enforce the performance of this Contract, or to recover damages for the breach thereof.

d. To reclaim from the Escrow Holder all papers placed therein.

e. The default period in this Contract and in the Escrow Agreement shall run concurrently.

Time and the prompt performance of each and every obligation of BUYER is agreed to be of the essence of this Contract, and should BUYER fail or neglect to make any payment of the principal, interest, taxes, and assessments, or insurance premiums, when due, and before the same become delinquent, or fail or neglect to carry out any of the other terms and conditions of this Contract to be performed by it, then this Contract shall be in default, and upon a default occurring, SELLER or SELLER'S authorized agent may cause to be prepared a written notice in duplicate, addressed to BUYER calling attention to the matters then in default of account of which a breach is claimed, and said notice shall be delivered to the Escrow Holder, who shall mail one copy thereof by registered mail or certified United States Mail to BUYER.

BUYER shall have sixty (60) days from the mailing of said notices within which to make good any matters in default of which a breach is claimed, or to disprove the same.

12. FORFEITURE

In the event BUYER does not cure or remedy such default, or defaults, within the period of sixty (60) days from the mailing of said notice, the BUYER shall forfeit all rights under this Agreement and all rights to retain the possession or use of said property, or any part thereof, and shall immediately deliver the possession of same, and the whole thereof, to SELLER in as good condition as the same was received, depreciation from reasonable use and occupancy excepted.

The BUYER agrees that upon such forfeiture, he will immediately surrender possession of said property to SELLER in as good condition as when same was received.

In the event SELLER becomes entitled to possession of the Premises, as provided above, and BUYER refuses to voluntarily and immediately give up possession of said Premises,

BUYER shall pay to SELLER a reasonable fair rental values for said Premises during the tenure of BUYER'S continual possession.

13. *CUMULATIVE REMEDIES*

All remedies set forth in this Agreement inuring to either SELLER or BUYER are not exclusive remedies, the Parties hereto reserve the right to enforce the terms of this Agreement under any other remedy granted to them by the laws of the State of Idaho.

14. *NECESSARY DOCUMENTS*

The parties hereto agree to execute any and all documents necessary to consummate this transaction in accordance with the terms of this Agreement.

15. *ATTORNEY FEES*

Sean R. Moulton, Attorney at Law, has represented the BUYER in drafting the documents associated with this sale. SELLER should obtain the advice of independent legal counsel.

The Attorney's Fees for preparing this Real Estate Purchase and Sale Agreement and other documents shall be paid by the BUYER.

In the event either party hereto shall be required to employ an Attorney for the enforcement of this Contract, with or without suit, the defaulting party agrees to pay the prevailing party's reasonable Attorney's Fees. In the event of default by BUYER, BUYER agrees to pay Attorney's Fees of SELLER in issuing notice of default, or otherwise enforcing the contract without suit.

16. *INSURANCE*

BUYER shall keep all insurable improvements on the property insured against fire and other casualty, with extended coverage, with a reputable insurer in the amount of \$500,000.00 or

the unpaid balance hereof, whichever is lesser, and with a loss payable clause in favor of SELLER.

The policy shall be deposited with Escrow Holder, and maintained therein, during the life of this Contract.

17. PERSONAL PROPERTY

Title to the personal property shall pass automatically to BUYER when the full Purchase Price hereof has been paid, and Title shall be retained by SELLER until such payment.

18. INSPECTION: DISCLAIMER OF WARRANTY

BUYER covenants that he has thoroughly and carefully inspected the Premises, and all parts and portions of the property included in this sale, and accepts the same on an "as is" basis so far as the condition thereof is concerned. ANY WARRANTY AS TO CONDITION OF ANY PROPERTY IS EXPRESSLY DISCLAIMED.

It is expressly agreed between the parties hereto that there are no verbal promises, or implied promises, agreements, stipulations, representations, or warranties of any character, excepting those set forth in writing in this Contract and SELLER shall not be liable for any alleged statements, promises, or agreements, not stated in writing in this Contract.

19. TRANSFER RESTRICTED

It is expressly agreed that no sale of the premises or any assignment of this Contract shall be valid or binding unless the same is in writing, and a copy thereof deposited with the Escrow Holder and an escrow-accepted copy furnished to SELLER herein. Any such assignment or sale must be expressly subject to the right of SELLER hereunder, and BUYER agrees that he shall not mortgage said premises nor allow any liens upon same without written permission of SELLER.

Such approval shall not be unreasonably withheld by SELLER for assignment and transfer of BUYER'S rights under this Agreement to any financially responsible party or parties.

20. *NOTICES*

All notices to be given hereunder to either SELLER or BUYER by the other shall be sent by certified mail, postage prepaid, return receipt requested, addressed to the following representative:

BUYER

BLT INVESTORS, LLC
Julie Bryan, Majority Member
65 South Main Street
Driggs, ID 83422

BRIAN A. PALAFOX LIVING TRUST
Brian A. Palafox, Trustee
11942 Woodlawn
Santa Ana, CA 92705

THE JOHN & MELISSA HARRIS FAMILY TRUST
John and Melissa Harris, Trustees
303 Driftwood Road
Carona Del Mar, CA 92625

SELLER

STEVEN H. & KENDRA J. SMITH
11391 Nine Mile Road
South Lyons, MI 48178

21. *BINDING EFFECT AND CONSTRUCTION OF TERMS*

This Agreement shall extend to and bind the heirs, administrators, executors, representative, successors and assigns of the parties hereto. In construing this Contract, it is understood that the SELLER or the BUYER may be more than one person; that if the context so requires, the singular pronoun shall be taken to mean and include the plural, the masculine, the feminine, and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to individuals.

IN WITNESS WHEREOF, the parties have executed this Contract the day and year first
above written.

BLT INVESTORS, LLC, Buyer

By _____
JULIE BRYAN, Majority Member

BRIAN A. PALAFOX LIVING TRUST, Buyer

By _____
BRIAN A. PALAFOX, Trustee

THE JOHN & MELISSA HARRIS FAMILY TRUST, Buyer

By _____
JOHN HARRIS, Trustee

By _____
MELISSA HARRIS, Trustee

* Steven H. Smith
STEVEN H. SMITH, Seller

* Kendra J. Smith
KENDRA J. SMITH, Seller

IN WITNESS WHEREOF, the parties have executed this Contract the day and year first
above written.

BLT INVESTORS, LLC, Buyer

By _____
JULIE BRYAN, Majority Member

BRIAN A. PALAFOX LIVING TRUST, Buyer

By _____
BRIAN A. PALAFOX, Trustee

THE JOHN & MELISSA HARRIS FAMILY TRUST, Buyer

By _____
JOHN HARRIS, Trustee

By _____
MELISSA HARRIS, Trustee

* Steven H. Smith
STEVEN H. SMITH, Seller

* Kendra J. Smith
KENDRA J. SMITH, Seller

IN WITNESS WHEREOF, the parties have executed this Contract the day and year first
above written.

BLT INVESTORS, LLC, Buyer

By _____
JULIE BRYAN, Majority Member

BRIAN A. PALAFOX LIVING TRUST, Buyer

By _____
BRIAN A. PALAFOX, Trustee

THE JOHN & MELISSA HARRIS FAMILY TRUST, Buyer

By _____
JOHN HARRIS, Trustee

By _____
MELISSA HARRIS, Trustee

* Steven H. Smith
STEVEN H. SMITH, Seller

* Kendra J. Smith
KENDRA J. SMITH, Seller

above written.

B3

JULIE BRYAN, Majority Member

By

BRIAN A. ~~PALAOX~~, Trustee

PALAFOX

By

JOHN HARRIS, Trustee

By

MELISSA HARRIS, Trustee

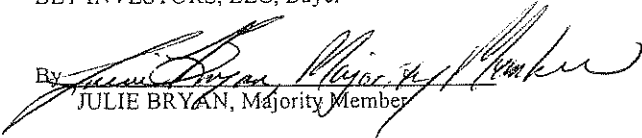
KENDRA J. SMITH, Seller

IN WITNESS WHEREOF, the parties have executed this Contract the day and year first

above written.

BLT INVESTORS, LLC, Buyer

By


JULIE BRYAN, Majority Member

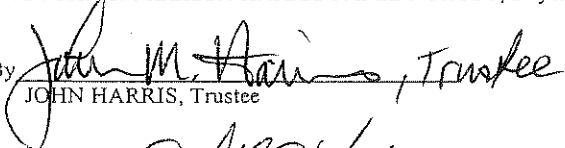
BRIAN A. PALAFOX LIVING TRUST, Buyer

By


BRIAN A. PALAFOX, Trustee
PALAFOX

THE JOHN & MELISSA HARRIS FAMILY TRUST, Buyer

By


JOHN HARRIS, Trustee

By


MELISSA HARRIS, Trustee

STEVEN H. SMITH, Seller

KENDRA J. SMITH, Seller

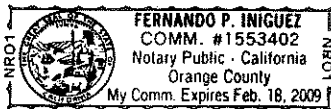
STATE OF IDAHO)
) ss.
County of Teton)

On this ____ day of _____, 2006, personally appeared before me JULIE BRYAN, who, being by me first duly sworn, declared that she is the Majority Member of BLT INVESTORS, LLC, that she signed the foregoing document as Majority Member of the entity and that the statements therein contained are true.

Notary Public for Idaho
My Commission Expires:

STATE OF CALIFORNIA)
) ss.
County of ORANGE)

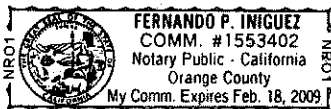
On this 22 day of APRIL, 2006, personally appeared before me BRIAN A. PALAFOX, who, being by me first duly sworn, declared that he is the Trustee of BRIAN A. PALAFOX LIVING TRUST, dated March 9, 1990, that he signed the foregoing document as Trustee of the entity and that the statements therein contained are true.



Fernando P. Iniguez
Notary Public for California
My Commission Expires:

STATE OF CALIFORNIA)
) ss.
County of ORANGE)

On this 22 day of APRIL, 2006, personally appeared before me JOHN HARRIS and MELISSA HARRIS, who, being by me first duly sworn, declared that they are the Trustees of THE JOHN & MELISSA HARRIS FAMILY TRUST, dated December 3, 2004, that they signed the foregoing document as Trustees of the entity and that the statements therein contained are true.



Fernando P. Iniguez
Notary Public for California
My Commission Expires: