



State of Idaho

DEPARTMENT OF WATER RESOURCES

900 N. SKYLINE DR., SUITE A, IDAHO FALLS, ID 83402-1718

PHONE: (208) 525-7161 FAX: (208) 525-7177 WEB SITE: www.idwr.state.id.us

EASTERN REGION
December 13, 2006

JAMES E. RISCH
Governor

KARL J. DREHER
Director

CHERRY GROVE LLC
C/O JULIE BRYAN
PO BOX 6834
JACKSON WY 83002

RE: WATER RIGHT OWNERSHIP CHANGE 22-426A, 22-427A, 22-13122

Dear Ms. Bryan:

I received your request to change water right ownership from Smith to Cherry Grove LLC. I examined your evidence of ownership (a warranty deed and contracts of sale) and determined the warranty does not convey the property described in the water rights, but the contracts of sale do. Until your organization completes payment to the seller in 2011, the best we can do is list the three parties as "current owners." I suggest you resubmit your request with a registered deed in 2011 in order to complete this process.

Regarding water right 22-13122, there is a \$25 fee to change the ownership. I made a copy of your request. Please send these documents and fee to our state office in Boise for processing of this right. Their address is: IDWR, P.O. Box 83720, Boise, ID 83720.

Respectfully,

Jennifer Crabtree
Technical Records Specialist

Enclosure

cc: Steve and Kendra Smith

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:

*This deed
is not
recorded.
The county
has no
record
of it.
JC
6-15-07*

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 00°23'38" E, 1321.64 feet to the Northwest corner of the S1/2SE ¼; 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 to the point of beginning.

→ takes out
property
appurtenant
to
22-426A
22-427A

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.

Section
13

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 *Brian 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:

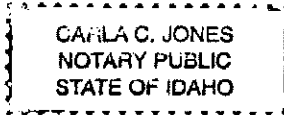
NOTICE OF CONTRACT OF SALE
306 CherryGr-Smith-Notice

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:

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:

Section 13

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)
 : 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:

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

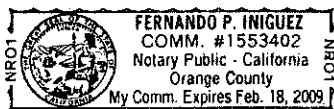
STATE OF IDAHO)
 : ss.
County of Teton)

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)

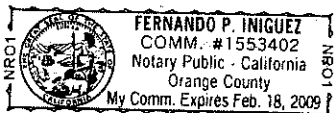
On this 22 day of APRIL, 2006, personally appeared before me BRIAN A. PALAFOX, who, being by me first duly sworn, declared that he is the Trustee of BRIAN A. PALAFOX LIVING TRUST, dated March 9, 1990, that he signed the foregoing document as Trustee of the entity and that the statements therein contained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

BLT INVESTORS, LLC, Buyer

By Julie Bryan, Mayor
JULIE BRYAN, Majority Member

By ~~S. A. Fox~~ Trustee
BRIAN A. PALAFOX, Trustee
PALAFOX

By John Harris
JOHN HARRIS, Trustee

By Melissa Harris
MELISSA HARRIS, Trustee

STEVEN H. SMITH, Seller

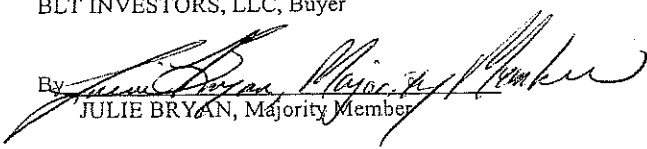
KENDRA J. SMITH, Seller

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

above written:

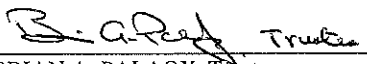
BLT INVESTORS, LLC, Buyer

By


JULIE BRYAN, Majority Member

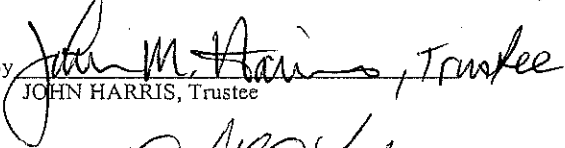
BRIAN A. PALAFOX LIVING TRUST, Buyer

By

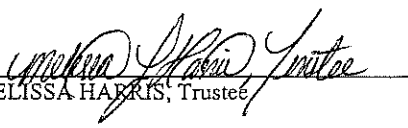

BRIAN A. PALAFOX, Trustee
PALAFOX

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)

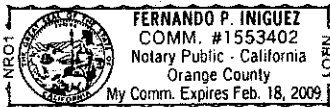
On this 22 day of APRIL, 2006, personally appeared before me BRIAN A. PALAFOX, who, being by me first duly sworn, declared that he is the Trustee of BRIAN A. PALAFOX LIVING TRUST, dated March 9, 1990, that he signed the foregoing document as Trustee of the entity and that the statements therein contained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



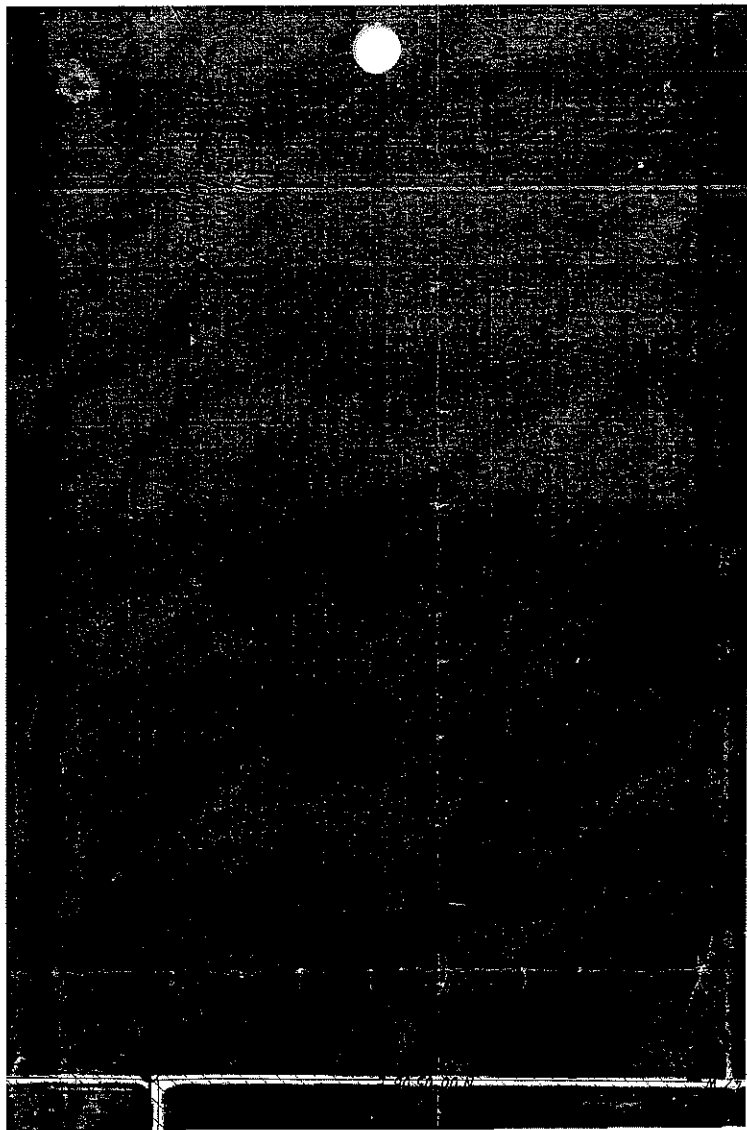
Fernando P. Iniguez
Notary Public for California
My Commission Expires:

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.

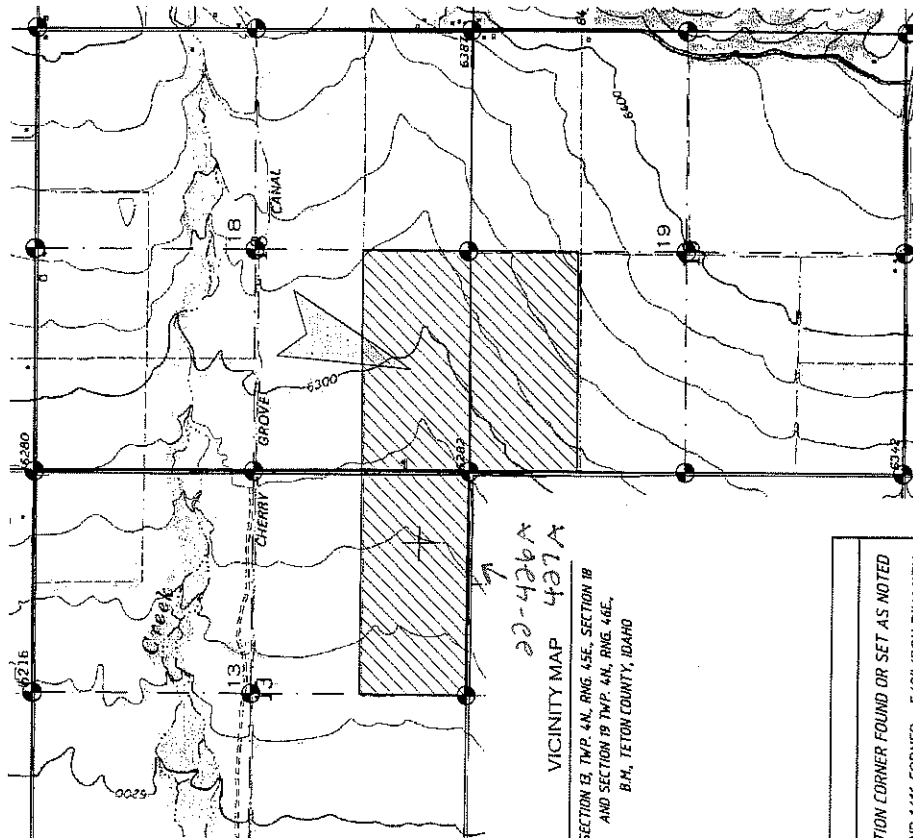


Fernando P. Iniguez
Notary Public for California
My Commission Expires:



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

5.00' 05.2" W
1321



VICINITY MAP 437A
22-426A
SECTION 18, TWP. 4N, RING 4SE, SECTION 18
AND SECTION 19 TWP. 4N, RING 4SE,
B.M., TETON COUNTY, IDAHO

SECTION CORNER FOUND OR SET AS NOTED
AND 1/16 CORNER - 5/8" IRON PIN WITH
INSCRIBED: AM ENG 2860

1/16 CORNER - 5/8" IRON PIN WITH
INSCRIBED: AM ENG 2860

PROPERTY BOUNDARY LINE

ADDITIONAL BREAKDOWN LINE

LINE

BOUNDING AS NOTED

MENT - 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