

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

RECEIVED DE
JUL 03 2019
WATER RESOURCES
WESTERN REGION


Notice of Change in Water Right Ownership

1. List the numbers of all water rights and/or adjudication claim records to be changed. If you only acquired a portion of the water right or adjudication claim, check "Yes" in the "Split?" column. If the water right is leased to the Water Supply Bank, check "Yes". If you are not sure if the water right is leased to the Water Supply Bank, [see #6](#) of the instructions.

Water Right/Claim No.	Split?	Leased to Water Supply Bank?	Water Right/Claim No.	Split?	Leased to Water Supply Bank?
63-32649	Yes <input checked="" type="checkbox"/>	Yes <input type="checkbox"/>		Yes <input type="checkbox"/>	Yes <input type="checkbox"/>
63-32915	Yes <input checked="" type="checkbox"/>	Yes <input type="checkbox"/>		Yes <input type="checkbox"/>	Yes <input type="checkbox"/>
	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>		Yes <input type="checkbox"/>	Yes <input type="checkbox"/>
	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>		Yes <input type="checkbox"/>	Yes <input type="checkbox"/>
	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>		Yes <input type="checkbox"/>	Yes <input type="checkbox"/>

2. Previous Owner's Name: McKay Properties LP
Name of current water right holder/claimant
3. New Owner(s)/Claimant(s): HBU Investments LLC
New owner(s) as listed on the conveyance document Name connector ☐ and ☐ or ☐ and/or
- 2901 East Pine Ave Meridian ID 83642
Mailing address City State ZIP
- (208) 863-5889 sjohnson@scentsy.com
Telephone Email

4. If the water rights and/or adjudication claims were split, how did the division occur? (see attached narrative)
☐ The water rights or claims were divided as specifically identified in a deed, contract, or other conveyance document.
☒ The water rights or claims were divided proportionately based on the portion of their place(s) of use acquired by the new owner.
5. Date you acquired the water rights and/or claims listed above: July 13, 2017
6. If the water right is leased to the Water Supply Bank changing ownership of a water right will reassign to the new owner any Water Supply Bank leases associated with the water right. Payment of revenue generated from any rental of a leased water right requires a completed [IRS Form W-9](#) for payment to be issued to an owner. A new owner for a water right under lease shall supply a W-9. Water rights with multiple owners must specify a designated lessor, using a completed [Lessor Designation](#) form. Beginning in the calendar year following an acknowledged change in water right ownership, compensation for any rental will go to the new owner(s).
7. This form must be signed and submitted with the following **REQUIRED** items:
☒ A copy of the conveyance document – warranty deed, quitclaim deed, court decree, contract of sale, etc. The conveyance document must include a legal description of the property or description of the water right(s) if no land is conveyed.
☒ Plat map, survey map or aerial photograph which clearly shows the place of use and point of diversion for each water right and/or claim listed above (if necessary to clarify division of water rights or complex property descriptions).
☒ Filing fee (see instructions for further explanation):
 ☐ \$25 per *undivided* water right.
 ☐ \$100 per *split* water right.
 ☐ No fee is required for pending adjudication claims.
☐ If water right(s) are leased to the Water Supply Bank AND there are multiple owners, a Lessor Designation form is required.
☐ If water right(s) are leased to the Water Supply Bank, the individual owner or designated lessor must complete, sign and submit an IRS Form W-9.

8. Signature:  Managing Member 6-20-19
Signature of new owner/claimant Title, if applicable Date
- Signature: _____ _____ _____
Signature of new owner/claimant Title, if applicable Date

For IDWR Office Use Only:

Received by KT Date 7/3/19 Receipt No. W047562 Receipt Amt. 200⁰⁰
 Active in the Water Supply Bank? Yes ☐ No ☐ If yes, forward to the State Office for processing W-9 received? Yes ☐ No ☒
 Name on W-9 _____ Approved by TS Processed by TS Date 03/18/2020

Notice of Change in Water Right Ownership

Additional Information

As shown in the figure below, portions of stacked water rights 63-32649 (groundwater) and 63-32915 (Tenmile Creek) are appurtenant to a 10.5-acre parcel HBU Investments LLC purchased from H.O.T 3, LLC in 2017. These water rights also appear to be appurtenant to property currently owned by Boise Hunter Homes (BHH). The following is a brief summary of the ownership history behind these two water rights.

In 2004, all the acres authorized under the water rights were owned by McKay Properties LP. In August of that year, McKay Properties quitclaimed 10.5 acres now owned by HBU to Darwin and Lorraine McKay and sold the property now owned by BHH to Blackrock LP. The associated quitclaim deed and special warranty deed are included as Attachment A. The special warranty deed specifies McKay Properties withheld the water rights from the Blackrock LP property, with the exception of a 6-acre portion appurtenant to the lands under and adjacent to Taconic Drive, which are currently in the water bank under water rights 63-32950 (ground water) and 63-32916 (Tenmile Creek). Such language was not included on the quitclaim deed, indicating McKay Properties did not withhold the water rights from the 10.5-acre parcel.

Since a quitclaim deed represents HBU's purchase of the 10.5-acre property, a chain of ownership deeds (six total) from 2004 to date are provided as Attachment B. Each of the six deeds confirm the water rights were not specified as ever being withheld from the property.



Attachment B
Chain of Title Deeds



QUITCLAIM DEED

FOR VALUE RECEIVED, H.O.T. 3, LLC, an Idaho Limited Liability Company does hereby convey,
release, remise and forever quit claim unto HBU Investments, LLC whose current address is:
2901 E Pine Ave, Meridian, Idaho 83642 the following described premise on 5875 S Eagle Rd, Meridian,
Idaho:

See Exhibit A

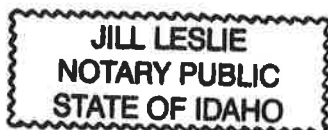
TO HAVE AND TO HOLD the said premises, unto the said grantees, heirs and assigns forever.

Date: July 13, 2017

By: 
R. Orville Thompson

State of Idaho)
) S.S.
County of Ada)

On this 13th day of July, in the year 2017, before me Jill Leslie, personally appeared
R. Orville Thompson, proved to me on the basis of satisfactory evidence to be the person(s) whose name(s)
is(are) subscribed to the within instrument, and acknowledged that he(he)(they) executed the same.



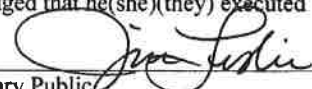

Notary Public
My Commission Expires on 12/8/2020

EXHIBIT "A"

Land within the Northeast 1/4 of the Southeast 1/4, Section 32, Township 3 North, Range 1 East, Boise Meridian, Ada County, Idaho, as follows:

Beginning at the Southeast corner of the Northeast 1/4 of the Southeast 1/4 of Section 32, Township 3 North, Range 1 East of the Boise Meridian, which is marked by a found 5/8" iron pin with a plastic cap, from which the East 1/4 corner of Section 32, marked by a found 3/4" iron pin, bears North 00°12'18" East, 1338.21 feet;

thence

Along the South Line of said Northeast 1/4 of the Southeast 1/4, North 89°50'04" West, 528.00 feet, to a set 5/8" iron pin with a plastic cap;

thence

North 00°12'18" East, 866.05 feet, to a set 5/8" iron in with a plastic cap;

thence

South 89°50'04" East, 528.00 feet, to a Point on the East Line of said Northeast 1/4 of the Southeast 1/4;

thence

Along said East Line, South 00°12'18" West, 866.05 feet, to the POINT OF BEGINNING.



Fidelity National Title

Order No.: 1085634-pa

ADA COUNTY RECORDER Christopher D. Rich
BOISE IDAHO Pgs=3 DAWN TRIVOLIS
FIDELITY NATIONAL TITLE - BOISE

2016-020214
03/11/2016 10:50 AM
\$16.00

WARRANTY DEED

FOR VALUE RECEIVED

McKay Family Investments, LLC

GRANTOR(s), does(do) hereby GRANT, BARGAIN, SELL AND CONVEY unto:

H.O.T. 3, LLC, an Idaho limited liability company

GRANTEES(s), whose current address is: **PO Box 1335, Meridian, ID 83680**
the following described real property in Ada County, State of Idaho, more particularly
described as follows, to wit:

SEE ATTACHED EXHIBIT "A"

TO HAVE AND TO HOLD the said premises, with their appurtenances unto the said heirs and assigns forever. And the said Grantor(s) does(do) hereby covenant to and with the said Grantee(s), that Grantor(s) is/are the owner(s) in fee simple of said premises; that said premises are free from all encumbrances EXCEPT those to which this conveyance is expressly made subject and those made, suffered or done by the Grantee(s); and subject to reservations, restrictions, dedications, easements, rights of way and agreements, (if any) of record, and general taxes and assessments, (including irrigation and utility assessments, if any) for the current year, which are not yet due and payable, and that Grantor(s) will warrant and defend the same from all lawful claims whatsoever.

Effective this 10th day of March, 2016

McKay Family Investments, LLC

 Member
By: William D. McKay
Its: Member

State of Idaho

County of

Ada

On this 10th day of March, 2016, before me the undersigned, a Notary Public in and for said state, personally appeared William D. McKay known or identified to me to be the person(s) whose name is/are subscribed to the within instrument as the Member of McKay Family Investments, LLC and acknowledged to me that William D. McKay executed the same as such Member.

Notary Public Name:

Residing at

My Commission Expires:

Samantha Stephenson

Residing in: Boise, Idaho

Commission expires: 01/15/2020



EXHIBIT "A"

Land within the Northeast 1/4 of the Southeast 1/4, Section 32, Township 3 North, Range 1 East, Boise Meridian, Ada County, Idaho, as follows:

Beginning at the Southeast corner of the Northeast 1/4 of the Southeast 1/4 of Section 32, Township 3 North, Range 1 East of the Boise Meridian, which is marked by a found 5/8" iron pin with a plastic cap, from which the East 1/4 corner of Section 32, marked by a found 3/4" iron pin, bears North 00°12'18" East, 1338.21 feet;

thence

Along the South Line of said Northeast 1/4 of the Southeast 1/4, North 89°50'04" West, 528.00 feet, to a set 5/8" iron pin with a plastic cap;

thence

North 00°12'18" East, 866.05 feet, to a set 5/8" iron in with a plastic cap;

thence

South 89°50'04" East, 528.00 feet, to a Point on the East Line of said Northeast 1/4 of the Southeast 1/4;

thence

Along said East Line, South 00°12'18" West, 866.05 feet, to the POINT OF BEGINNING.

Initials WJ Mc

Initials _____

THIS INSTRUMENT FILED
FOR RECORD BY STEWART
TITLE COMPANY AS AN
ACCOMMODATION ONLY. IT
HAS NOT BEEN EXAMINED
AS TO ITS EFFECTS UPON
THE TITLE

ADA COUNTY RECORDER J. DAVID NAVARRO
BOISE IDAHO 03/17/06 04:37 PM
DEPUTY Bonnie Oberbillig
RECORDED - REQUEST OF
Stewart Title Company

AMOUNT 6.00 2



EK

WARRANTY DEED

For Value Received Darwin Junior McKay, Trustee of the Junior & Lorraine McKay Family Trust, U/T/A dated April 26, 2005

the Grantor, hereby grants, bargains, sells, conveys and warrants unto

McKay Family Investments, LLC

the grantee, whose current address is 7115 Diamond, Boise, ID 83709

the following described premises, to wit:

See Attached Exhibit A

SUBJECT TO: Current General Taxes, a lien in the process of assessments, not yet due or payable. Easements, restrictions, reservations, provisions of record, and assessments, if any.

TO HAVE AND TO HOLD the said premises, with their appurtenances unto the said Grantee, their heirs and assigns forever. And the said Grantor does hereby covenant to and with the said Grantee, that it is the owner in fee simple of said premises, that said premises are free from all encumbrances and that he will warrant and defend the same from all lawful claims whatsoever.

Dated this 10th day of March, 2006.

Junior & Lorraine McKay Family Trust, U/T/A dated April 26, 2005

By:

Darwin Junior McKay
Darwin Junior McKay, Trustee

STATE OF Idaho)
) ss.
COUNTY OF Ada)

On this 16th day of March, 2006, before me, the undersigned, a Notary Public, in and for said State, personally appeared Darwin Junior McKay known to me, and/or identified to me on the basis of satisfactory evidence, to be the Trustee of the Junior & Lorraine McKay Family Trust, U/T/A dated April 26, 2005 the Trust that executed the within instrument and acknowledged to me that he/she/they executed the same on behalf of said Trust.

WITNESS MY HAND AND OFFICIAL SEAL.

Robert Ruiz

Notary Public:

Residing at: Boise, Ida.

My commission expires 8/22/2011

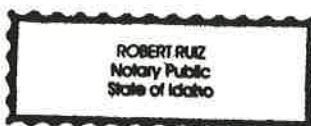


EXHIBIT "A"

A portion of the Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 32, Township 3 North, Range 1 East of the Boise Meridian, Ada County, Idaho, more particularly described as follows:

Commencing at the Southeast corner of the Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 32, Township 3 North, Range 1 East of the Boise Meridian, which is marked by a found 5/8" iron pin with a plastic cap, which is the INITIAL POINT of this description, which bears South $00^{\circ}12'18''$ West 1338.21 feet (formerly stated as 1338.06 feet) from the East $\frac{1}{4}$ Corner, Section 32, a found 5/8" iron pin.

thence North $89^{\circ}50'04''$ West 531.00 feet along the Southerly boundary of the said Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 32 to a set 5/8" iron pin with a plastic cap;

thence North $00^{\circ}12'18''$ East 861.05 feet to a set 5/8" iron pin with a plastic cap;

thence South $89^{\circ}50'04''$ East 531.00 feet to a set Mag Nail on the Easterly boundary of the said Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$;

thence along the Easterly boundary of the said Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$, South $00^{\circ}12'18''$ West 861.05 feet to the INITIAL POINT of this description.

THIS INSTRUMENT FILED
FOR RECORD BY STEWART
TITLE COMPANY AS AN
ACCOMMODATION ONLY. IT
HAS NOT BEEN EXAMINED
AS TO ITS EFFECTS UPON
THE TITLE.

ADA COUNTY RECORDER J. DAVID NAVARRO
BOISE IDAHO 02/03/06 04:25 PM
DEPUTY Neava Haney
RECORDED - REQUEST OF
Stewart Title Company

AMOUNT 6.00 2



WARRANTY DEED

For value received Darwin Junior McKay and Lorraine R McKay, Husband & Wife

the Grantor, hereby grants, bargains, sells, conveys and warrants unto

McKay Family Investments, LLC,

the Grantee, whose current address is 7115 Diamond, Boise, ID 83709

the following described premises, to wit:

See "Exhibit A" attached hereto

Parcel Number:

SUBJECT TO: Current General Taxes, a lien in the process of assessments, not yet due or payable. Easements, restrictions, reservations, provisions of record, and assessments, if any.

TO HAVE AND TO HOLD the said premises, with their appurtenances unto the said Grantee, their heirs and assigns forever. And the said Grantor does hereby covenant to and with the said Grantee, that it is the owner in fee simple of said premises, that said premises are free from all encumbrances and that he will warrant and defend the same from all lawful claims whatsoever.

Dated this 17th day of January, 2006.

Darwin Junior McKay
Darwin Junior McKay

Lorraine R. McKay
Lorraine R McKay

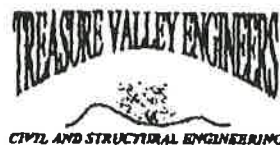
STATE OF Idaho)
) ss.
COUNTY OF Ada)

On this 2 day of Feb, 2006, before me, the undersigned, a Notary Public, in and for said State, personally appeared Darwin Junior McKay and Lorraine R McKay known to me, and/or identified to me on the basis of satisfactory evidence, to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same.

WITNESS MY HAND AND OFFICIAL SEAL.

Notary Public: Betty Mendosa
Residing at: Boise Idaho
My commission expires Sept 22, 2011





NEW PARCEL 1 DESCRIPTION
For D. J. McKAY
Job No. 03053 August 16, 2004

Land within the Northeast 1/4 of the Southeast 1/4, Section 32, T3N, R1E, B.M., Ada County, Idaho, as follows:

BEGINNING at the Southeast corner of the Northeast 1/4 of the Southeast 1/4 of Section 32, Township 3 North, Range 1 East of the Boise Meridian, which is marked by a found 5/8" iron pin with a plastic cap, from which the East 1/4 Corner of Section 32, marked by a found 3/4" iron pin, bears North 00°12'18" East, 1338.21 feet;

thence along the South Line of said Northeast 1/4 of the Southeast 1/4, North 89°50'04" West, 528.00 feet, to a set 5/8" iron pin with a plastic cap;

thence North 00°12'18" East, 866.05 feet, to a set 5/8" iron pin with a plastic cap;

thence South 89°50'04" East, 528.00 feet, to a point on the East Line of said Northeast 1/4 of the Southeast 1/4;

thence along said East Line, South 00°12'18" West, 866.05 feet, to the POINT OF BEGINNING.

Containing 10.50 acres, gross and 10.00 acres net, more or less, AND subject to a road right of way for South Eagle Road of 25.00 feet on the Easterly boundary of the above-described parcel of land and any easements and rights of way of record or otherwise existing.



P:\McKay\PLA-8-14-04\03053-PARCEL 1.DOC

Treasure Valley Engineers, Inc.
5080 F. Franklin Rd., Suite 220
Nampa, Idaho 83687

Office: (208) 463-0305
Fax: (208) 463-4391
www.TreasureValleyEngineers.com

ADA COUNTY RECORDER J. DAVID NAVARRO
BOISE IDAHO 05/13/05 08:58 AM
DEPUTY Vicki Allen
RECORDED-REQUEST OF
Ahrens & De Angeli

AMOUNT 9.00 3



105060262

Recording Requested By And
When Recorded Mail To:

Edward D. Ahrens
Ahrens & DeAngeli, p.l.l.c.
P.O. Box 6561
Boise, Idaho 83707-6561

BARGAIN AND SALE DEED

Darwin Junior McKay (also known as D. Junior McKay) and Lorraine R. McKay, husband and wife, Grantors, for good and valuable consideration, the receipt of which is hereby acknowledged, do hereby grant, bargain, and convey to Darwin Junior McKay, Trustee of The Junior & Lorraine McKay Family Trust, Grantee, a trust established under the laws of the State of Idaho by an agreement dated April 26, 2005, whose current address is 5875 S. Eagle Road, Meridian, Idaho 83642, the following described real property located in Ada County, Idaho, more particularly described as follows, to wit:

10.496 ACRES GROSS, 10.002 ACRES NET, IN THE NORTHEAST
¼ OF THE SOUTHEAST ¼ OF SECTION 32, T 3 N, R 1 E, B.M.,
ADA COUNTY, IDAHO

A portion of the Northeast ¼ of the Southeast ¼ of
Section 32, Township 3 North, Range 1 East of the Boise
Meridian, Ada County, Idaho, more particularly
described as follows:

Commencing at the Southeast corner of the Northeast ¼
of the Southeast ¼ of Section 32, Township 3 North,
Range 1 East of the Boise Meridian, which is marked by
a found 5/8" iron pin with a plastic cap, which is the
INITIAL POINT of this description, which bears South
00°12'18" West 1338.21 feet (formerly stated as 1338.06
feet) from the East ¼ Corner, Section 32, a found 5/8"
iron pin.

BARGAIN AND SALE DEED-1

thence North 89°50'04" West 531.00 feet along the Southerly boundary of the said Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 32 to a set 5/8" iron pin with a plastic cap;

thence North 00°12'18" East 861.05 feet to a set 5/8" iron pin with a plastic cap;

thence South 89°50'04" East 531.00 feet to a set Mag Nail on the Easterly boundary of the said Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$;

thence along the Easterly boundary of the said Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$, South 00°12'18" West 861.05 feet to the INITIAL POINT of this description.

This parcel contains 10.496 acres, gross, 10.002 acres net, more or less, AND is subject to a road right of way for S. Eagle Road of 25.00 feet on the Easterly boundary of the above-described parcel of land AND is subject to all existing easements and rights of way.

TOGETHER WITH all improvements, easements, hereditaments, and appurtenances thereto, and all tenements, revisions, remainders, rights-of-way and water rights in anywise appertaining to the property herein described.

SUBJECT TO taxes and assessments for the year 2005 and all subsequent years, and to such rights, easements, liens, encumbrances, covenants, rights-of-way, reservations, restrictions, and zoning regulations as appear of record or based upon the premises, and to any state of facts an accurate survey or inspection of the premises would show.

IN WITNESS WHEREOF, the Grantors have executed this instrument on this 26th day of April, 2005.

Darwin Junior McKay
Darwin Junior McKay

Lorraine R. McKay
Lorraine R. McKay

STATE OF IDAHO)
County of Ada) ss.

On this 26 day of April, in the year 2005, before me, Ronald D. Harris, a Notary Public, personally appeared Darwin Junior McKay (also known as D. Junior McKay) and Lorraine R. McKay, husband and wife, 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.

(SEAL)



Ronald D. Harris
Notary Public for Idaho
Commission expires: 7-16-09

ADA COUNTY RECORDER J. DAVID NAVARRO
BOISE IDAHO 08/25/04 11:16 AM
DEPUTY Bonnie Oberbillig
RECORDED - REQUEST OF
McKay Properties

AMOUNT 12.00 4



WHEN RECORDED, RETURN TO:

L. Edward Miller
GIVENS PURSLEY LLP
601 W. Bannock St.
P.O. Box 2720
Boise, Idaho 83701
(208) 388-1209


QUITCLAIM DEED

FOR VALUE RECEIVED, McKay Properties, L.P., an Idaho limited partnership, the Grantor, does hereby quitclaim all of Grantor's right, title and interest in and to the real property and its appurtenances legally described on Exhibit A (the "Property"), unto Darwin Junior McKay and Lorraine R. McKay, husband and wife, the Grantees, whose address is 5875 S. Eagle Road, Meridian, Idaho 83642.

IN WITNESS WHEREOF, the undersigned, being all of the partners of McKay Properties, L.P., an Idaho limited partnership, have caused their names to be hereunto subscribed this 25 day of August, 2004.

McKay Properties, L.P.,
An Idaho limited partnership


Darwin Junior McKay, General Partner

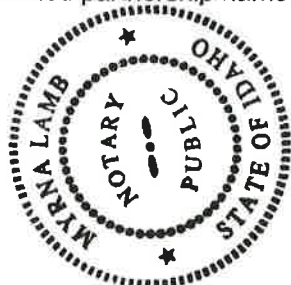

Lorraine R. McKay, General Partner

EXHIBITS

Exhibit A – Legal Description of the Property

State of Idaho)
) ss.
County of Ada)

On this 25 day of August, 2004, before me, a Notary Public in and for said State, personally appeared Darwin Junior McKay, known or identified to me to be a general partner in the partnership of McKay Properties, LP, a general limited partnership, the general partner or one of the general partners who subscribed said limited partnership name to the foregoing instrument, and acknowledged to me that he executed the same in said limited partnership name.



Myrna Lamb
Notary Public for Idaho
Residing at: Eagle
My commission expires: 10/20/06

State of Idaho)
) ss.
County of Ada)

On this 25 day of August, 2004, before me, a Notary Public in and for said State, personally appeared Lorraine R. McKay, known or identified to me to be a general partner in the partnership of McKay Properties, LP, a general limited partnership, the general partner or one of the general partners who subscribed said limited partnership name to the foregoing instrument, and acknowledged to me that she executed the same in said limited partnership name.

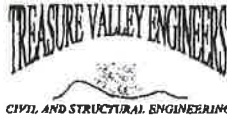


Myrna Lamb
Notary Public for Idaho
Residing at: Eagle
My commission expires: 10/20/06

EXHIBIT A

Legal Description of the Property

[attached]



**NEW PARCEL 1 DESCRIPTION
For D. J. McKAY
Job No. 03053 August 16, 2004**

Land within the Northeast 1/4 of the Southeast 1/4, Section 32, T3N, R1E, B.M., Ada County, Idaho, as follows:

BEGINNING at the Southeast corner of the Northeast 1/4 of the Southeast 1/4 of Section 32, Township 3 North, Range 1 East of the Boise Meridian, which is marked by a found 5/8" iron pin with a plastic cap, from which the East 1/4 Corner of Section 32, marked by a found 3/4" iron pin, bears North 00°12'18" East, 1338.21 feet;

thence along the South Line of said Northeast 1/4 of the Southeast 1/4, North 89°50'04" West, 528.00 feet, to a set 5/8" iron pin with a plastic cap;

thence North 00°12'18" East, 866.05 feet, to a set 5/8" iron pin with a plastic cap;

thence South 89°50'04" East, 528.00 feet, to a point on the East Line of said Northeast 1/4 of the Southeast 1/4;

thence along said East Line, South 00°12'18" West, 866.05 feet, to the POINT OF BEGINNING.

Containing 10.50 acres, gross and 10.00 acres net, more or less, AND subject to a road right of way for South Eagle Road of 25.00 feet on the Easterly boundary of the above-described parcel of land and any easements and rights of way of record or otherwise existing.



T:\McKay\PLA-8-14-04\03053-PARCEL 1.DOC

Treasure Valley Engineers, Inc.
8680 E. Franklin Rd., Suite 220
Nampa, Idaho 83687

Office: (208) 463-0305
Fax: (208) 463-4391
www.TreasureValleyEngineers.com

Attachment A
2004 Ownership Documents

IX . FA 307117

ADA COUNTY RECORDER J. DAVID NAVARRO
BOISE IDAHO 08/27/04 09:31 AM
DEPUTY Vicki Allen
RECORDED - REQUEST OF
First American

AMOUNT 75.00 25



WHEN RECORDED, RETURN TO:

L. Edward Miller
GIVENS PURSLEY LLP
601 W. Bannock St.
P.O. Box 2720
Boise, Idaho 83701
(208) 388-1209

SPECIAL WARRANTY DEED

FOR VALUE RECEIVED, McKay Properties, L.P., an Idaho limited partnership, the Grantor, hereby grants, bargains, sells and conveys unto Blackrock, LLC, an Idaho limited liability company, whose address is 10040 W. Highlander Road, Boise, ID 83709, the Grantee(s), the real property, excluding any and all water rights, located in Meridian, Ada County, Idaho legally described on Exhibit A (the "Premises"), which is attached hereto and incorporated herein by this reference.

TO HAVE AND TO HOLD the Premises with its appurtenances, except for any and all water rights, which the Grantor reserves for itself, unto the Grantee(s), Grantee's successors and assigns forever, subject to rights reserved in federal patents, building or use restrictions, building and zoning regulations and ordinances of any governmental unit, rights of way and easements established or of record or shown on any survey, and all those matters set forth in the Schedule of Exceptions contained on Exhibit B hereto.

IN WITNESS WHEREOF, the undersigned, being all of the general partners of McKay Properties, L.P., an Idaho limited partnership, have caused their names to be hereunto subscribed this 26th day of August, 2004.

McKay Properties, L.P.,
an Idaho limited partnership



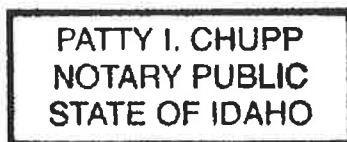
Darwin Junior McKay, General Partner



Lorraine R. McKay, General Partner

State of Idaho)
) ss.
County of Ada)

On this 26th day of August, 2004, before me, a Notary Public in and for said State, personally appeared Darwin Junior McKay, known or identified to me to be a general partner in the partnership of McKay Properties, L.P., a limited partnership, the general partner or one of the general partners who subscribed said limited partnership name to the foregoing instrument, and acknowledged to me that he executed the same in said limited partnership name.

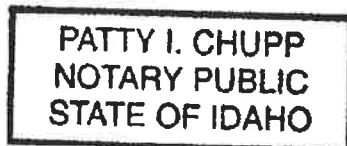


My Commission Expires 5-8-2010.

Patty I. Chupp
Notary Public for Idaho
Residing at: *Bowle, Idaho*
My commission expires: *5/8/2010*

State of Idaho)
) ss.
County of Ada)

On this 26th day of August, 2004, before me, a Notary Public in and for said State, personally appeared Lorraine R. McKay, known or identified to me to be a general partner in the partnership of McKay Properties, L.P., a limited partnership, the general partner or one of the general partners who subscribed said limited partnership name to the foregoing instrument, and acknowledged to me that she executed the same in said limited partnership name.



My Commission Expires 5-8-2010.

Patty I. Chupp
Notary Public for Idaho
Residing at: *Bowle, Idaho*
My commission expires: *5/8/2010*

EXHIBIT A
Legal Description of the Premises

Aug. 18, 2004 2:45PM

No. 7589 P. 2



NEW PARCEL 2 DESCRIPTION
For D. J. McKay
Job No. 03053 August 18, 2004

Land within Section 32, T3N, R1E, B.M., Ada County, Idaho, as follows:

The Northwest 1/4 of the Southeast 1/4; The Northeast 1/4 of the Southwest 1/4; The Southeast 1/4 of the Northwest 1/4; and a portion of the Northeast 1/4 of the Southeast 1/4, more particularly described by metes and bounds as follows:

COMMENCING at the Southeast corner of the Northeast 1/4 of the Southeast 1/4 of Section 32, Township 3 North, Range 1 East of the Boise Meridian, which is marked by a found 5/8" iron pin with a plastic cap, from which the East 1/4 Corner of Section 32, marked by a found 3/4" iron pin, bears North 00°12'18" East, 1338.21 feet;

thence along the South Line of said Northeast 1/4 of the Southeast 1/4, North 89°50'04" West, 528.00 feet, to a set 5/8" iron pin with a plastic cap, and the POINT OF BEGINNING;

thence continuing along said South Line, North 89°50'04" West, 801.88 feet, to a found 5/8" iron pin with a plastic cap marking the Southwest Corner thereof;

thence along the South Line of the Northwest 1/4 of the Southeast 1/4, North 89°50'19" West, 1329.85 feet, to a found 1/2" iron pin marking the Southwest Corner thereof;

thence along the South Line of the Northeast 1/4 of the Southwest 1/4, North 89°51'16" West, 1340.65 feet, to the Southwest Corner thereof;

thence along the West Line of the Northeast 1/4 of the Southwest 1/4, North 00°09'41" West, 1345.73 feet, to the Northwest Corner thereof;

thence along the West Line of the Southeast 1/4 of the Northwest 1/4, North 00°50'11" East, 1338.77 feet, to a found 5/8" iron pin marking the Northwest Corner thereof;

thence along the North Line of the Southeast 1/4 of the Northwest 1/4, South 89°46'37" East, 1335.86 feet, to the Northeast Corner thereof;

thence along the East Line of the Southeast 1/4 of the Northwest 1/4, South 00°17'40" West 1337.70 feet, to an aluminum cap monument, set in concrete marking the Southeast Corner thereof;

thence along the North Line of the North 1/2 of the Southeast 1/4, South 89°41'35" East, 2660.56 feet to a 3/4 inch iron pin marking the Northeast Corner thereof;

thence along said East Line, South 00°12'18" West 472.16 feet;

thence North 89°50'04" West 528.00 feet to a set 5/8" iron pin with a plastic cap;

thence South 00°12'18" West 866.05 feet to the POINT OF BEGINNING.

Containing 154.19 acres, gross and 153.92 acres net, more or less, AND subject to a road right of way for South Eagle Road of 25.00 feet on the Easterly boundary of the above-described parcel of land and any easements and rights of way of record or otherwise existing.

P:\McKay\PLA-E-14-0403053-PARCEL-2.DXX

Treasure Valley Engineers, Inc.
5010 E. Franklin Rd., Suite 220
Nampa, Idaho 83655



Office (208) 463-0305
Cell (208) 463-6391
www.treasurevalleyengineers.com

SPECIAL WARRANTY DEED - 3

S:\CLIENTS\675813\Special Warranty Deed -- EXECUTION COPY-0001.DOC

EXHIBIT B

Schedule of Exceptions

[attached]

307117/MLC
Your No. MCKAY PROPERTIES

SCHEDULE B - Section 2

EXCEPTIONS

Any Policy we issue will have the following exceptions unless they are taken care of to our satisfaction.

PART I:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interest, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.
6. Any liens, or rights to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

NOTE: The foregoing numbered exceptions (1-6) may be eliminated in an ALTA Extended or EAGLE Coverage Policy.

continued

SCHEDULE B CONTINUED

7. INTENTIONALLY DELETED.

The new parcel number for our property for 2004 will be Code Area 240, A.P. No. S-1132-24-4710 & S-1132-24-17200

8. Levies and assessments of the Nampa Meridian Irrigation District.

9. Levies and assessments of the Boise Kuna Irrigation District.

10. Right of way for EAGLE ROAD, FARR LATERAL & PIERCE LATERAL.

11. Reservations in U.S. Patent, recorded in Book 6 of Patents at Page 426, Official Records.

12. An Easement over said land in favor of IDAHO POWER COMPANY, a corporation, for power lines and incidental purposes as set forth in an instrument recorded October 18, 1955, as Instrument No. 384634, Official Records.

13. Agreement for an access roadway, by and between ARVINE GALE & MARIAM GALE, husband and wife; GLEN E. CLAYTON and WILDA CLAYTON, husband and wife, and D.J. MCKAY and LORAIN MCKAY, husband and wife, recorded August 22, 1966, as Instrument No. 645605, Records of Ada County, Idaho.

14. An Easement over said land in favor of IDAHO POWER COMPANY, a corporation, for power lines and incidental purposes as set forth in an instrument recorded June 4, 1987, as Instrument No. 8733096, Official Records.

15. Agreement for an access roadway, by and between WILLIAM DEAN MCKAY and CYNTHIA MCKAY, husband and wife, GLEN E. CLAYTON and WILDA CLAYTON, husband and wife, and D.J. MCKAY and LORAIN MCKAY, husband and wife, recorded December 4, 1995, as Instrument No. 95089234, Records of Ada County, Idaho.

continued

307117/MLC
Your No. MCKAY PROPERTIES

SCHEDULE B CONTINUED

16. Relocation Agreement and Grant of Easement for relocation of Pierce Lateral, recorded April 10, 1997, as Instrument No. 97027413, Records of Ada County, Idaho.

17. Lack of a right of access to and from said land, as to that portion of said property lying Westerly of Farr Lateral and Pierce Lateral.

18. General and Special Taxes for the year 2004, an accruing lien not due or payable until the fourth Monday in November 2004 when the bills are issued, the first half of which is not delinquent until after December 20, 2004.

END SCHEDULE B

18. A Declaration of Easements and Agreement shall be recorded prior to Closing, a copy of which is attached hereto as part of this Exhibit B to the Special Warranty Deed.

WHEN RECORDED, RETURN TO:

L. Edward Miller
GIVENS PURSLEY LLP
601 W. Bannock Street
PO Box 2720
Boise, Idaho 83701
(208) 388-1209

DECLARATION OF EASEMENTS AND AGREEMENT

THIS DECLARATION OF EASEMENTS AND AGREEMENT (the "Agreement") is made this 26th day of August, 2004 (the "Effective Date") by McKay Properties, L.P., an Idaho limited partnership (the "McKay Properties") and Darwin Junior McKay (a/k/a D. Junior McKay) and Lorraine R. McKay, husband and wife (the "McKays") (McKay Properties and the McKays shall be collectively referred to as the "Declarant"), and is entered into as of the same date by and between McKays and Blackrock, LLC, an Idaho limited liability company (the "Buyer"). McKay Properties, McKays, and Buyer may be individually referred to as a "Party" or collectively as the "Parties" as appropriate under the circumstances.

RECITALS

A. Declarant is the owner of that certain real property legally described as the NE ¼ SE ¼ SEC. 32 T 3 N, R 1 E, B.M., Ada County, Idaho (the "Servient Estate"); and

B. Declarant desires to declare, create and constitute a perpetual easement along the southern border of the Servient Estate (the "Irrigation Easement") for the benefit of two parcels of land legally described on Exhibit A, which is attached hereto and incorporated herein by this reference (the "Dominant Estates").

C. McKays are the owner of that certain real property legally described on Exhibit B, which is attached hereto and incorporated herein by this reference (the "Retained Property").

D. McKays desire to declare, create and constitute an easement (the "Emergency Easement") along the southern border of the Retained Property. The Emergency Easement shall be for the benefit of that parcel of land legally described on Exhibit C, which is attached hereto and incorporated herein by this reference (the "Purchased Property").

E. McKays and Buyer desire to provide the terms for a future sale or exchange of a certain fifty (50) foot wide strip of land along the southern border of the Retained Property.

DECLARATION OF THE IRRIGATION EASEMENT

NOW, THEREFORE, Declarant hereby declares that all of the Servient Estate shall be held, sold and conveyed subject to the following perpetual easement which shall run with the Servient Estate and be binding on all parties having any right, title or interest in the Servient Estate or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

1. **LOCATION OF IRRIGATION EASEMENT.** The Irrigation Easement shall be ten (10) feet in width and shall run continuously across the entire southern border of the Servient Estate. The approximate location of the Irrigation Easement is depicted graphically on Exhibit D, which is attached hereto and incorporated herein by this reference.

2. **PURPOSE OF IRRIGATION EASEMENT.** The Irrigation Easement shall be for aboveground and underground irrigation facilities, including but not limited to, irrigation pipes and ditches (the "Irrigation Facilities"), and for the installation, maintenance, repair, and replacement thereof. This Irrigation Easement shall also include a right of ingress and egress to maintain the Irrigation Facilities described above. All pipes, equipment and their related components placed within the Irrigation Easement by Declarant or Declarant's agents, employees, or contractors, and any water transported thereby shall remain the property of Declarant.

3. **BURIAL OF THE IRRIGATION FACILITIES.** Buyer, and Buyer's successors and assigns, shall have the right, at its sole cost and expense, to bury the Irrigation Facilities within the Irrigation Easement; provided such burial in no way reduces the amount of, increases the cost of, or impedes the flow of the water transported by such Irrigation Facilities. The time and manner of the burial of the Irrigation Facilities shall be subject to Declarant's prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed, and the excavation and construction shall be performed in a professional and first-class fashion using high-quality materials.

4. **EASEMENT NON-EXCLUSIVE.** The Irrigation Easement herein declared and granted is non-exclusive, but all other uses of the Irrigation Easement by the owners of the Servient Estate shall be subject to Declarant's rights and uses. In the event the use of the Irrigation Easement by any of the owners of the Servient Estate results in damage to the Irrigation Facilities, those owners of the Servient Estate responsible for such damage shall be liable for all repairs and replacements.

5. **NO PUBLIC RIGHT OF WAY OR BENEFIT:** This declaration and creation of the Irrigation Easement is not intended to confer any benefit upon the general public.

DECLARATION OF THE EMERGENCY EASEMENT

NOW, THEREFORE, McKays hereby declare that the Retained Property shall be held, sold and conveyed subject to the following perpetual easement which shall run with the Retained Property and be binding on all parties having any right, title or interest in the described property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

1. **LOCATION OF EMERGENCY EASEMENT.** The Emergency Easement shall be twenty (20) feet in width and shall run continuously across the entire southern border of the Retained Property. The approximate location of the Emergency Easement is depicted graphically on Exhibit E, which is attached hereto and incorporated herein by this reference.

2. **PURPOSE OF EMERGENCY EASEMENT.** The Emergency Easement shall be used exclusively for: (i) secondary emergency ingress and egress to the Purchased Property as may be required by a governmental authority; and (ii) temporary construction access for

development of the Purchased Property until another access from Eagle Road is established. In no event, however, shall the Emergency Easement be used for general ingress or egress to the Purchased Property or any other purpose besides those provided in this Section.

2.1 **Dust.** In the event the Emergency Easement is used as a temporary construction access, Buyer shall take all actions reasonably necessary to control dust arising from such use.

3. **TERMINATION OF THE EMERGENCY EASEMENT.** In the event no governmental authority requires the Emergency Easement to serve as a secondary emergency ingress and egress in order for the Purchased Property to be developed, then this Emergency Easement shall terminate upon the date of approval of the final plat for that portion of the Purchased Property located in the NE ¼ SE ¼ SEC. 32 T 3 N, R 1 E, B.M., Ada County, Idaho.

4. **EMERGENCY EASEMENT NON-EXCLUSIVE.** The Emergency Easement herein declared and granted is non-exclusive, and shall be subordinate to the use of the Easement by the Dominant Estate. No use of the Emergency Easement, therefore, shall impede the transmission of water by the Irrigation Facilities located on the Easement nor hinder maintenance of the Irrigation Facilities. In the event use of the Emergency Easement results in damage to the Dominant Estates' Irrigation Facilities, the owner of the Purchased Property shall be responsible for such damage and shall be liable for all repairs and replacements.

5. **NO PUBLIC RIGHT OF WAY OR BENEFIT.** This declaration and creation of the Emergency Easement is not intended to confer any benefit upon the general public.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, and in consideration of the recitals above, and the promises and the mutual representations, covenants, undertakings and agreements hereinafter contained, McKays and Buyer agree as follows:

1. **PURCHASE OR EXCHANGE.** Subject the following provisions, Buyer shall have an option (the "Option") to purchase from McKays a rectangular fifty (50) foot-wide strip of land extending across the entire southern border of the Retained Property, which strip of land is illustratively shown on Exhibit E, attached hereto and incorporated herein by this reference (the "Strip").

1.1 **Duration.** The Option shall expire twelve (12) months from the Effective Date.

1.2 **Exercise.** Buyer shall provide McKays with thirty (30) days written notice of Buyer's intent to exercise the Option.

1.3 **Option Price.** The price of the Strip Buyer shall purchase under the Option shall be calculated on the basis of Thirty-Eight Thousand Dollars (\$38,000) per gross acre.

1.4 **Limitation on Exercise of the Option.** Buyer may exercise the Option only if McKays, in their sole and absolute discretion, determine that Buyer's purchase of the Strip shall have no detrimental effect on McKays' ability to develop the Retained Property.

1.5 **Alternative.** In the event McKays do not grant consent for the exercise of the Option as required in Section 1.4, Buyer shall then have an option (the "Option-2") to exchange land of equal square footage contiguous to the Retained Property and on its western border for the Strip; provided, however, the land received by McKays in the exchange is of such configuration as to be practically integrated into and useful to the Retained Property. Option-2 shall expire on the same date and shall be exercised in the same manner as the Option.

1.5.1 **Survey.** Buyer and McKays acknowledge that the exercise of the Option or Option-2 shall require additional survey work of the Retained Property, including any additions of land thereto. To provide McKays with a new legal description of the Retained Property, and any additions of land thereto, Buyer agrees to provide at its sole cost and expense such survey work upon its exercise of the Option or Option-2.

1.6 **General Intent.** The general intent of this Agreement is to provide Buyer with possibilities to acquire the Strip, but in no event, other than with McKays' consent, shall such acquisition result, in McKays' sole and absolute discretion, in the Retained Property being so diminished as to result in its being in violation of any governmental ordinances, requirements, rules, or regulations or its being otherwise less capable of further development.

2. **PIPE.** Buyer acknowledges that currently a pipe belonging to McKays is located on the Easement within the Strip (the "Pipe"). In the event Buyer exercises the Option or Option-2, and at any time thereafter construction in the Strip requires the burial of the Pipe, Buyer, at its sole cost and expense, shall effect such burial at such time in a manner subject to McKays' approval, which approval shall not be unreasonably withheld, conditioned, or delayed.

3. **PUMP AND WELL.** Buyer acknowledges that currently a pump, well, and other irrigation pumping equipment belonging to McKays is located on the Easement within the Strip (the "Pump and Well"). In the event Buyer exercises the Option or Option-2 and at any time thereafter construction in the Strip requires the relocation of the Pump and Well, Buyer, at its sole cost and expense, shall effect such relocation of the Pump and Well, and any related facilities now or hereafter existing, including, without limitation, any power poles and electrical facilities, to a location and in a manner subject to McKays' approval, which approval shall not be unreasonably withheld, conditioned, or delayed.

3.1 **Permits.** Buyer shall be responsible for obtaining, and for all costs and expenses associated therewith, any and all necessary licenses and permits for relocating the Pump and Well and any power poles and electrical facilities as provided in Section 3, including, but not limited to, a permit for a new well and point of diversion.

3.2 **Easement.** Upon relocation of the Pump and Well as provided in Section 3, Buyer shall provide any necessary easements across the Strip or its property so that the Pump and Well may be connected to the Pipe, power poles and electrical facilities may be relocated to provide the Pump and Well with electricity, and to ensure that all land irrigated by the Pump and Well prior to their relocation remain equally irrigated after the relocation. Buyer, at its own expense, shall also pay all costs associated with purchasing and laying any pipe necessary to connect the relocated Pump and Well with the Pipe.

3.3 **Off-Season.** Any physical work of Buyer on the Pipe or the Pump and Well shall take place and be completed during the "Non-Irrigation Season," hereby defined as the period of each year extending from November 1 of one year to March 1 of the next year.

4. **INGRESS AND EGRESS.** In the event Buyer exercises the Option or Option-2 and acquires the Strip, McKays shall retain for the benefit of the Retained Property an easement across the entire Strip for ingress and egress. This easement shall terminate only when (i) the Strip is dedicated to the public for road right-of-way purposes and is accepted and confirmed by the appropriate public road authority; and (ii) curb cuts for ingress and egress are provided for the Retained Property at locations acceptable to McKays.

5. **PUBLIC ROAD.** Buyer shall indemnify and hold the McKays harmless for any costs imposed by a public authority associated with construction of a public road across the Strip.

6. **MISCELLANEOUS.**

6.1 **Paragraph Headings.** The headings in this Agreement are inserted for convenience and identification only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any of the provisions of this Agreement.

6.2 **Provisions Severable.** In the event any non-material term or provisions of this Agreement shall be held illegal, invalid or unenforceable or inoperative as a matter of law, the remaining terms and provisions of this Agreement shall not be affected thereby, but each such term and provision shall be valid and shall remain in full force and effect.

6.3 **Attorneys' Fees.** In the event of any action or proceeding brought by a Party against another under this Agreement, the prevailing Party shall be entitled to recover all reasonable attorneys' fees, including attorneys' fees on appeal, and all costs of the litigation. If an action or proceeding is not commenced, but it is necessary for the Party who sought compliance with this Agreement to retain the services of legal counsel in that process, then that Party shall be entitled to receive from the Party who has failed to perform all reasonable attorneys' fees and related costs.

6.4 **Governing Law.** This Agreement shall be governed by, and construed in accordance with, the statutes, laws, legal decisions, rules, and regulations of the State of Idaho.

6.5 **No Waiver.** No waiver of any breach by a Party of the terms of this Agreement shall be deemed a waiver of any subsequent breach of the Agreement.

6.6 **Other Documents.** The Parties agree to execute and deliver such other documents as may be necessary or desirable to carry out the purposes of this Agreement.

6.7 **Time of the Essence.** Time and timely performance is of the essence of this Agreement.

6.8 **Recitals and Exhibits.** The recitals to this Agreement and the exhibits attached hereto are incorporated herein as if set forth in full. However, in the event of any

conflict between such recitals and/or exhibits and the test of this Agreement, this Agreement shall control.

6.9 Integration. This Agreement (including the exhibits hereto) sets forth the entire agreement between the Parties with respect to the subject matter hereof and supersedes any and all other agreements, understandings, communications, representations, or negotiations, whether oral or written, relating thereto. There are no other agreements, representations, or warranties, either oral or written, express or implied, relating to the subject matter of this Agreement that are not expressly set forth in this Agreement, and no agreement, statement, promise, representations, or warranty relating to the subject matter of the Agreement that is not expressly set forth in this Agreement shall be valid or binding in any case.

6.10 Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto, and their respective heirs, personal representatives, successors and assigns.

6.11 Remedies. In the event of a breach hereunder by a Party, the non-breaching Party shall have all remedies available at law or in equity, including injunctive or other equitable relief.

6.12 Notice. Any notice under this Agreement shall be in writing and shall be delivered in person or by overnight delivery service (so long as such service provides written confirmation of delivery). Notice may also be given by fax, provided that the notice is concurrently given through overnight delivery service. All notices shall be addressed to the Parties, respectively, as provided below, or at such other addresses as the Parties may from time to time direct in writing. Any notice shall be deemed to have been given on (a) the day of actual delivery or refusal, (b) one day after placement with an overnight delivery service, or (c) the day of facsimile transmission, provided such delivery is confirmed through notice given through an overnight delivery service.

If to McKay Properties
or the McKays:

Darwin Junior McKay
5875 S. Eagle Road
Meridian, Idaho 83642
208-888-2488

Pat Hambelton
7115 Diamond
Boise, Idaho 83709
208-362-9667

If to Buyer:

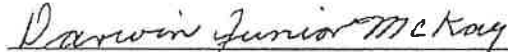
Blackrock, LLC
Attn: Doug McMaster
10040 W. Highlander Road
Boise, ID 83709

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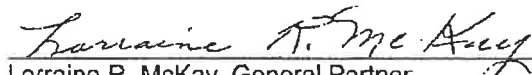
IN WITNESS WHEREOF, the Parties have executed this Declaration of Easements and Agreement effective the year and day first above written.

"MCKAY PROPERTIES"

McKay Properties, L.P., an Idaho limited partnership

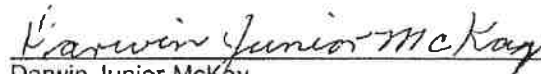


Darwin Junior McKay, General Partner

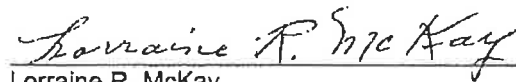


Lorraine R. McKay, General Partner

"MCKAYS"



Darwin Junior McKay



Lorraine R. McKay

"BUYER"

Blackrock, LLC, an Idaho limited liability company



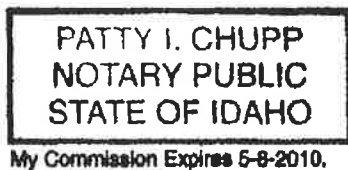
Douglas R. McMaster, Manager

EXHIBITS

- Exhibit A – Legal Description of the Dominant Estates
- Exhibit B – Legal Description of the Retained Property
- Exhibit C – Legal Description of the Purchased Property
- Exhibit D – Graphic Depiction of the Irrigation Easement
- Exhibit E – Graphic Depiction of the Emergency Easement
- Exhibit F – Graphic Depiction of the Strip

State of Idaho)
) ss.
County of Ada)

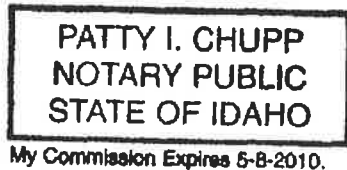
On this 26th day of August, 2004, before me, a Notary Public in and for said State, personally appeared Darwin Junior McKay, known or identified to me to be a general partner in the partnership of McKay Properties, L.P., a limited partnership, the general partner or one of the general partners who subscribed said limited partnership name to the foregoing instrument, and acknowledged to me that he executed the same in said limited partnership name.



Patty I. Chupp
Notary Public for Idaho
Residing at: *Base, Idaho*
My commission expires: *5/8/2010*

State of Idaho)
) ss.
County of Ada)

On this 26th day of August, 2004, before me, a Notary Public in and for said State, personally appeared Lorraine R. McKay, known or identified to me to be a general partner in the partnership of McKay Properties, L.P., a limited partnership, the general partner or one of the general partners who subscribed said limited partnership name to the foregoing instrument, and acknowledged to me that she executed the same in said limited partnership name.



Patty I. Chupp
Notary Public for Idaho
Residing at: *Base, Idaho*
My commission expires: *5/8/2010*

ADA COUNTY RECORDER J. DAVID NAVARRO
BOISE IDAHO 08/25/04 11:16 AM
DEPUTY Bonnie Oberbillig
RECORDED - REQUEST OF
McKay Properties

AMOUNT 12.00 4



WHEN RECORDED, RETURN TO:

L. Edward Miller
GIVENS PURSLEY LLP
601 W. Bannock St.
P.O. Box 2720
Boise, Idaho 83701
(208) 388-1209

QUITCLAIM DEED


FOR VALUE RECEIVED, McKay Properties, L.P., an Idaho limited partnership, the Grantor, does hereby quitclaim all of Grantor's right, title and interest in and to the real property and its appurtenances legally described on Exhibit A (the "Property"), unto Darwin Junior McKay and Lorraine R. McKay, husband and wife, the Grantees, whose address is 5875 S. Eagle Road, Meridian, Idaho 83642.

IN WITNESS WHEREOF, the undersigned, being all of the partners of McKay Properties, L.P., an Idaho limited partnership, have caused their names to be hereunto subscribed this 25 day of August, 2004.

McKay Properties, L.P.,
An Idaho limited partnership



Darwin Junior McKay, General Partner



Lorraine R. McKay, General Partner

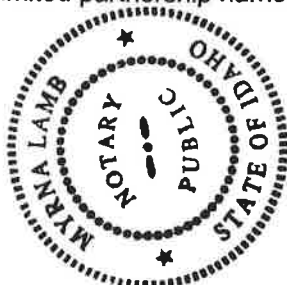
EXHIBITS

Exhibit A - Legal Description of the Property

QUITCLAIM DEED - 1
S:\CLIENTS\6758\3\Quitclaim Deed (Partnership to McKays) GP01b.DOC

State of Idaho)
) ss.
County of Ada)

On this 25 day of August, 2004, before me, a Notary Public in and for said State, personally appeared Darwin Junior McKay, known or identified to me to be a general partner in the partnership of McKay Properties, LP, a general limited partnership, the general partner or one of the general partners who subscribed said limited partnership name to the foregoing instrument, and acknowledged to me that he executed the same in said limited partnership name.



Myrna Lamb
Notary Public for Idaho
Residing at: Eagle
My commission expires: 10/20/06

State of Idaho)
) ss.
County of Ada)

On this 25 day of August, 2004, before me, a Notary Public in and for said State, personally appeared Lorraine R. McKay, known or identified to me to be a general partner in the partnership of McKay Properties, LP, a general limited partnership, the general partner or one of the general partners who subscribed said limited partnership name to the foregoing instrument, and acknowledged to me that she executed the same in said limited partnership name.

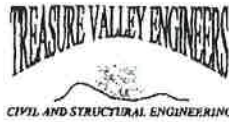


Myrna Lamb
Notary Public for Idaho
Residing at: Eagle
My commission expires: 10/20/06

EXHIBIT A

Legal Description of the Property

[attached]



**NEW PARCEL 1 DESCRIPTION
For D. J. McKAY
Job No. 03053 August 16, 2004**

Land within the Northeast 1/4 of the Southeast 1/4, Section 32, T3N, R1E, B.M., Ada County, Idaho, as follows:

BEGINNING at the Southeast corner of the Northeast 1/4 of the Southeast 1/4 of Section 32, Township 3 North, Range 1 East of the Boise Meridian, which is marked by a found 5/8" iron pin with a plastic cap, from which the East 1/4 Corner of Section 32, marked by a found 3/4" iron pin, bears North 00°12'18" East, 1338.21 feet;

thence along the South Line of said Northeast 1/4 of the Southeast 1/4, North 89°50'04" West, 528.00 feet, to a set 5/8" iron pin with a plastic cap;

thence North 00°12'18" East, 866.05 feet, to a set 5/8" iron pin with a plastic cap;

thence South 89°50'04" East, 528.00 feet, to a point on the East Line of said Northeast 1/4 of the Southeast 1/4;

thence along said East Line, South 00°12'18" West, 866.05 feet, to the POINT OF BEGINNING.

Containing 10.50 acres, gross and 10.00 acres net, more or less, AND subject to a road right of way for South Eagle Road of 25.00 feet on the Easterly boundary of the above-described parcel of land and any easements and rights of way of record or otherwise existing.



T:\McKay\PLA-8-14-04\03053-PARCEL 1.DOC

Treasure Valley Engineers, Inc.
5680 E. Franklin Rd., Suite 120
Nampa, Idaho 83687

Office: (208) 463-0305
Fax: (208) 463-4391
www.TreasureValleyEngineers.com



July 1, 2019

Patrick Kelly, Water Rights Supervisor
IDWR Western Region Office
2735 Airport Way
Boise, ID 83705

Subject: Notice of Change in Water Right Ownership

Dear Patrick,

Enclosed on behalf of HBU Investments LP, is a *Notice of Change in Water Right Ownership* for a portion of water rights 63-32649 and 63-32915 appurtenant to property HBU now owns.

Check No. 001018 for \$200 is enclosed for the filing fee. Thank you very much for your consideration and assistance in this matter. Please call me if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Lori Graves", is written in a cursive style.

Lori Graves
Water Rights Specialist

Cc: Sam Johnson

Enclosures

SPF file number: 1435.0010

MEMORANDUM

TO: Files 63-32649 & 63-32915

FROM: Tyler Smith

DATE: 3/18/2020

RE: *Split Ownership Change 63-32649 & 63-32915*

The split ownership changes for 63-32649 and 63-32915 were submitted by HBU Investments LLC to take ownership of the portions of these rights that occur on their property from McKay Properties LP. The HBU owned land is a 10-acre parcel in the NESE of Twp 03N Rge 01E Sec 32. Right no. 63-32649 was split into 63-32649 & 63-34867. Right no. 63-32915 was split into 63-32915 & 63-34868. There was a combined use limit of 2.14 cfs and 107 acres for rights 63-32649 and 63-32915. This combined limit now applies to all 4 new rights, as they are all still part of the same diversion system.



State of Idaho

DEPARTMENT OF WATER RESOURCES

Western Region • 2735 W AIRPORT WAY • BOISE, ID 83705-5082

Phone: (208)334-2190 • Fax: (208)334-2348 • Website: www.idwr.idaho.gov

Brad Little
Governor

Gary Spackman
Director

March 18, 2020

HBU INVESTMENTS LLC
2901 E PINE AVE
MERIDIAN ID 83642-5980

**Re: Change in Water Right Ownership: 63-32649 (split into 63-32649 and 63-34867),
63-32915 (split into 63-32915 and 63-34868)**

Dear Water Right Holder(s):

The Department of Water Resources (Western) acknowledges the receipt of correspondence changing ownership of a portion of the above referenced water rights to you. The Department has modified its records based on the information received and has enclosed a computer-generated report for you.

Your portion of each water right has a specified point of diversion, nature of use and place of use. If you plan to change the authorized point of diversion, nature of use, or place of use, including adding a new point of diversion, you must file an Application for Transfer of Water Right. If you do not plan to change any elements of your water right, then no further action is required at this time.

The portion of the water right retained by the original right holder retains the original water right number. The Department is sending the original right holder a copy of this letter and a computer-generated report showing the changes to the original water right.

Updating the ownership record for a water right does not reconfirm the validity of the right. When processing a Notice of Change in Water Right Ownership, the Department does not review the history of water use to determine if the right has been forfeited or deliberately abandoned through five years or more of non-use. To read more about water right forfeiture, including how to protect a water right from forfeiture, please see Idaho Code §§ 42-222 and 42-223.

Please note, water right owners are required to report any change of water right ownership and any change of mailing address to the Department within 120 days of the change. Reporting forms are available from any office of the Department, or from the Department's website.

If you have any questions concerning the enclosed information, please contact me at (208) 605-4622.

Sincerely,

Lynne Evans
Office Specialist II

Enclosure(s)

c: MC KAY PROPERTIES LP