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April 25, 2012

RECEIVED

APR 26 2012

DEPARTMENT OF
WATER RESOURCES

VIA US MAIL

Shelly Keen
Manager, Water Rights Section
Idaho Department of Water Resources
322 E. Front St.
P.O. Box 83720
Boise, ID 83720-0098

Re: Notice of Change in Water Right Ownership; 65-586, 65-587 and 65-7094

Dear Shelly:

Enclosed is a Notice of Change in Water Right Ownership form notifying the Department of the new ownership of water right numbers 65-586, 65-587 and 65-7094. These water rights were transferred by Special Warranty Deed from Boise Cascade Corporation to my client, Renewable Energy of Idaho, Inc. and/or Emerald Forest Products, Inc. on October 25, 2004. The delay in processing this matter was the result of my client's misunderstanding concerning the responsibility of Boise Cascade to make the transfer prior to the closing of the sale of the property. Also enclosed are a copy of the Special Warranty Deed dated October 25, 2004, the Real Estate Sales Agreement between Boise Cascade and Renewable Energy dated December 3, 2003, and a survey map/aerial photograph depicting the place of use and points of diversion for the water rights.

In the Special Warranty Deed the parties contemplated that water right 65-7094 would transfer in full to Renewable Energy, that a portion of 65-586 would transfer to Renewable Energy and that the conveyance "shall include any and all appurtenances,...and water rights in anywise appertaining to the property." Water right nos. 65-585 for domestic purposes and 65-587 for industrial purposes are appurtenant to the property. In this Notice of Transfer of Ownership, Renewable Energy is requesting that all four rights, including water right 65-586, be transferred to Renewable Energy in their entirety. The Purchase and Sale Agreement at p. 8, paragraph 10 states that the parties only contemplated a portion of water right 65-586 be transferred to Renewable Energy and only after a portion of that right was transferred to an industrial use from a fire protection/suppression use. Since such a transfer cannot be

accomplished under Idaho law, and because the point of diversion groundwater well from which the water right would be drawn for fire protection purposes was transferred to Renewable Energy as a result of the sale, Renewable Energy believes there is no reasonable basis for Boise Cascade to withhold any portion of the right from transferring to Renewable Energy.

Thank you very much for your assistance in processing this Notice of Change in Water Right Ownership. A check in the amount of \$100.00 is included as a filing fee for the four undivided water rights. I am representing Renewable Energy of Idaho, Inc. and Emerald Forest Products, Inc. in this process so please serve me in addition to my client, with any notices, pleadings, protests, requests for additional information, and other documents that may arise in these proceedings.

Very truly yours,

BARKER ROSHOLT & SIMPSON LLP

A handwritten signature in black ink, appearing to read 'S. M. Davis', with a large, sweeping flourish extending to the right.

Shelley M. Davis

Enc.

C/c with Attachments via US Mail: Wilma Williams, Emerald Forest Products, Inc.