

MEMORANDUM

TO: Water Right Files 63-32650 and 63-32916
FROM: Daniel A. Nelson
DATE: March 29, 2011
SUBJECT: Blackrock LLC. Water Supply Bank Rental Application

SUMMARY

Lori Graves of SPF Water Engineering filed an application to lease a portion of water rights 63-16414 which was decreed on 9/19/2007 and 63-10416 which was decreed on 2/6/2008. A change of ownership was filed for Blackrock's portion of these water rights which created water right numbers 63-32650 and 63-32916. All of water rights 63-32650 and 63-32916 are to be placed into the water bank. Water right 63-32650 will place 0.11 cfs, 27 af, and 6 acres of irrigation into the water bank. Water right 63-32916 will place 0.12 cfs for the same 6 acres into the water bank. When these rights are combined they are limited to 0.12 cfs and 6 acres of irrigation. Both rights have conditions that state they are used with Boise Kuna Irrigation District and Nampa Meridian Irrigation District canal shares.

The conditions that make these ground water rights supplemental to the two canal companies were carried over from the original water rights and do not represent the 6 acres described on the split water rights. It has been determined through the Entitlement to Water Quitclaim Deed dated August 24, 2004, that the canal company that delivers the water to the 6 acres in the north half of the NESE and north half of the NWSE are all delivered by Nampa Meridian Irrigation District. Therefore, the reference to the Boise Kuna Irrigation District can be disregarded.

AUTHORITY TO FILE

Douglas R. McMaster signed this water bank lease application. Mr. McMaster is listed as the Manager for Blackrock LLC on the Secretary of State Business Search Webpage. Therefore, Mr. McMaster has the authority to sign and file this application for Blackrock LLC.

SUFFICIENCY OF SUPPLY

There is no evidence to suggest that there are any issues with the sufficiency of water for this water bank lease.

INJURY

There is nothing to suggest that putting these water rights into the water bank would cause injury to other water users. However, any rental of these water rights would need to be for supplemental purposes for Nampa Meridian Irrigation District land or land under a comparable water delivery.

ENLARGEMENT

Any rental of this water right should require the water user renting this water right to have and maintain sufficient water shares in the Nampa Meridian Irrigation District or comparable canal company to the number of acres being rented from this water right. This water right should be rented as a supplemental water right to canal company shares.

BENEFICIAL USE

All uses comply with beneficial use requirements in Idaho.

LOCAL PUBLIC INTEREST

There is nothing to suggest that these are not in the local public interest.

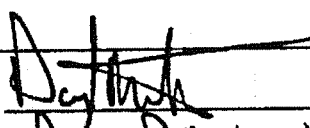
WATER DISTRICT

There is no water district for ground water in this area.

RECOMMENDATION

I recommend that all of water rights 63-32650 and 63-32916 be accepted into the water bank. The lease term will need to be prorated from August 31, 2007 to August 31, 2012. Any water being rented under this water right should be rented as a supplemental water right to a water user with Nampa Meridian Irrigation District water or a canal company with similar delivery as Nampa Meridian Irrigation District. These water rights will need to be rented together, and the condition limiting the irrigation of these rights when combined are limited to 0.12 cfs and 6 acres of irrigation must be carried forward.

No. W 32030	Due no later than Jul 31, 2010 Annual Report Form		2. Registered Agent and Address (NO PO BOX)			
Return to: SECRETARY OF STATE 700 WEST JEFFERSON PO BOX 83720 BOISE, ID 83720-0080 NO FILING FEE IF RECEIVED BY DUE DATE	1. Mailing Address: Correct in this box if needed. BLACKROCK, LLC DOUGLAS R MCMASTER PO BOX 1341 EAGLE ID 83616 USA		DOUGLAS R MCMASTER 901 WAGON WHEEL RD MCCALL ID 83638			
			3. <u>New</u> Registered Agent Signature:*			
4. Limited Liability Companies: Enter Names and Addresses of at least one Member or Manager.						
Office Held	Name	Street or PO Address	City	State	Country	Postal Code
MANAGER	MCMASTER REAL ESTATE LLC	10040 W HIGHLANDER RD	BOISE	ID	USA	83709
MANAGER	DOUGLAS R MCMASTER	10040 W HIGHLANDER RD	BOISE	ID	USA	83709
5. Organized Under the Laws of: ID W 32030		6. Annual Report must be signed.* Signature: Meagan McMaster Name (type or print): Meagan McMaster Date: 05/13/2010 Title: Secretary				
Processed 05/13/2010		* Electronically provided signatures are accepted as original signatures.				

No. W 32030	Due no later than July 31, 2007 Annual Report Form		2. Registered Agent and Office NO PO BOX												
Return to: SECRETARY OF STATE 450 NORTH FOURTH STREET PO BOX 83720 BOISE, ID 83720-0080 NO FILING FEE IF RECEIVED BY DUE DATE	1. Mailing Address - Correct in this box, if applicable BLACKROCK, LLC DOUGLAS R MCMASTER 2949 S VICTORY VIEW WAY BOISE, ID 83709		DOUGLAS R MCMASTER 2949 S VICTORY VIEW WAY BOISE, ID 83709												
			3. New Registered Agent Signature												
4. Limited Liability Companies: Enter Names and Addresses of Managers. <table border="0"> <thead> <tr> <th><u>Office held</u></th> <th><u>Name</u></th> <th><u>Street or P.O. Address</u></th> <th><u>City</u></th> <th><u>State</u></th> <th><u>Zip</u></th> </tr> </thead> <tbody> <tr> <td>Managing Member</td> <td>Douglas R. McMaster</td> <td>2949 Victory View Way</td> <td>Boise</td> <td>ID</td> <td>83638</td> </tr> </tbody> </table>				<u>Office held</u>	<u>Name</u>	<u>Street or P.O. Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>	Managing Member	Douglas R. McMaster	2949 Victory View Way	Boise	ID	83638
<u>Office held</u>	<u>Name</u>	<u>Street or P.O. Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>										
Managing Member	Douglas R. McMaster	2949 Victory View Way	Boise	ID	83638										
5. Organized Under the Laws of: IDAHO W 32030	6. Signature  Date <u>5-15-07</u> Name (Typed or Printed) <u>Douglas R. McMaster</u> Title <u>Managing Member</u>														

Issued 05/01/2007

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Blue rock Sub

WHEN RECORDED, RETURN TO:

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

ENTITLEMENT TO WATER QUITCLAIM DEED

FOR VALUE RECEIVED, McKay Properties, L.P., an Idaho limited partnership, and D J McKay and Lorraine R. McKay, husband and wife, collectively referred to hereinafter as the Grantor, do hereby quitclaim all of their right, title and interest, if any, to the following entitlements to water:

Boise-Kuna Irrigation District
Identifying No: Code 69 for 42.47 acres
Legal Description: S2NW4 SE4 and NE4 SW4, Section 32 3N1E

Nampa Meridian Irrigation District
Identifying No: NM1137 for 88.84 acres
Legal Description: SE4 NW4 NE4 SE4 and N-HF NW4 SE4, Section 32 3N1E
(Grantor retains and does not hereby convey any right it possesses to continue irrigating with Nampa Meridian Irrigation District water the approximately ten and a half (10.5) gross acre parcel legally described on Exhibit A.)

5.3% of the water right granted through Ground Water Permit Number 63-10416, which is appurtenant to six acres of the property legally described on Exhibit B.

unto Blackrock, LLC, an Idaho limited liability company, the Grantee, whose address is 10040 W. Highlander Road, Boise, Idaho 83709. Grantor further agrees that any such right or entitlement may, at the option of Grantee or its successor in interest, be transferred to another point of diversion, place of use and/or type of use.

IN WITNESS WHEREOF, the undersigned have caused their names to be hereunto subscribed this 26th day of August, 2004.

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

D J McKay and Lorraine McKay,
husband and wife

Darwin Junior McKay
Darwin Junior McKay, General Partner

D. J. McKay
D J McKay

Lorraine R. McKay
Lorraine R. McKay, General Partner

Lorraine R. McKay
Lorraine R. McKay

ENTITLEMENT TO WATER QUITCLAIM DEED - 1

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S 1/2 of
section 2?
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