

PAINE HAMBLENTM
ATTORNEYS

Janet D. Robnett
Attorney at law
janet.robnett@painehamblen.com

November 1, 2010

RECEIVED
NOV 08 2010
DEPARTMENT OF
WATER RESOURCES

Idaho Department of Water Resources
Attn: Keith Franklin
Northern Region
7600 Mineral Drive, Suite 100
Coeur d'Alene, ID 83815

Re: Fidelity National Timber Resources, Inc. / Discovery Squaw Bay Land, LLC
Notice of Security Interest in a Water Right

Dear Sirs:

Enclosed is a Notice of Security Interest in a Water Right which we are filing on behalf of Fidelity National Timber Resources, Inc. in connection with a loan for the benefit of Discovery Squaw Bay Land, LLC. Also enclosed is a copy of the Deed of Trust, Security Agreement, Assignment of Rents and Fixture Filing Statement evidencing the security interest, which was recorded October 18, 2010 in the real property records for Kootenai County, Idaho, along with this firm's check in the sum of \$25.00 as your filing fee. If anything further is needed, please let me know.

Thank you for your assistance.

Sincerely,

PAINE HAMBLEN LLP



Janet D. Robnett

Enclosure

cc: Greg Lane
Ben Thinnes
Kathryn McKinley

H:\CDADOC\37219\00002\LTR\C039241