

Water Supply Bank No. _____

Water Right No. 95-2112

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

RECEIVED

FEB 19 2008

DEPARTMENT OF
WATER RESOURCES

APPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANK

Name of Seller/Lessor Bluewater Development, LLC Phone 208-667-0100

Post office address P.O. Box 2350, Coeur d'Alene, ID 83816-2350

1. DESCRIPTION OF WATER RIGHT:

Right evidenced by:

- a. Decree No. _____ Decreed to _____
(Name)
in case of _____ vs _____
dated _____ in _____ county of _____
(Name of court)
- b. License No. 95-2112 issued by the Idaho Department of Water Resources.
- c. Permit No. _____ issued by the Idaho Department of Water Resources.

2. DESCRIPTION OF PORTION OF RIGHT FOR SALE OR LEASE: (If the entire right is for sale or lease, show "all" on line a. below and skip the remainder of part 2.)

- a. Amount of water under right: All cubic feet per second &/or
_____ acre-fee per annum
- b. Point of diversion: _____ ¼ of _____ ¼ of Section _____ Township _____ Range
_____, B.M. in _____ County.
Additional points _____

c. Place of use:

TWP	RGE	SEC	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	

If the right is for irrigation, show the number of acres for the part of the right to be put into the bank.

Total number of acres _____

3. ADDITIONAL INFORMATION ABOUT RIGHT, OR PORTION THEREOF, FOR SALE OR LEASE

- a. Explain how the seller/lessor acquired the right, or portion thereof, and attach a copy of the deed to the land to which it is appurtenant or other evidence of ownership of the right. If the right is not recorded in the name of the seller/lessor, attach a copy of a change of ownership form as required by Section 42-248 or 42-1409(6), Idaho Code, together with required documentation.

The applicant has submitted a "Notice of Change in Water Right Ownership" form, together with exhibits documenting the current ownership.

- b. Describe the frequency of water user under the right, or portion thereof, during the past five (5) years of use. Attach watermaster records, pumping power bills, or other evidence to demonstrate that the right has not been lost through abandonment or forfeiture. (This information is not required if a partial decree has been issued on the right within the last 5 years.)

Water right historically used for bluegrass production. Last crop harvested in 2005.

- c. If the right is from a surface water source, describe the period of the year that water is typically available to satisfy the right.

Not applicable. This is a ground water source.

- d. Describe any other water rights with the same purpose and place of use as the right, or portion thereof, offered for lease. Will the present place of use continue to receive water from any source? If so, describe

The present place of use will not continue to receive irrigation water from any source. No other irrigation water right serves this place of use.

The applicant is submitting a separate application to lease a water right to the water supply bank for Water Right No. 95-2200 which uses the same POD as this water right to irrigate an adjacent parcel.

- e. If the water right is a permit, describe the work accomplished toward developing the right.

Not applicable. Water right is licensed.

- f. If the right to the use of the water or the use of the diversion works or irrigation system is represented by shares of stock in a company or corporation, or if such works or system is owned or managed by an irrigation district, a written consent of the sale or lease must be attached.

4. REMARKS:

This water right is offered for lease for a two year period (part of which has expired) ending on 12-31-2008. The applicant will consider leases and rentals on an annual basis after that date, subject to the express approval of the applicant or its successor in interest.

5. SALE/LEASE AGREEMENT

1. The water right, or portion thereof, described above is offered to the Idaho Water Resource Board:

_____ For sale;

_____ For lease for a period from 1-1-2007 To 12-31-2008 (two years)
(Day, month, year) (Day, month, year)

(The lease period may be shown as "indefinite," if the total duration of lease is unknown); or

_____ As a gift to the state of Idaho.

2. Show the minimum payment acceptable to the Seller/Lessor. Include the method of determining the minimum payment. The minimum payment may be shown as the "current rental rate."

\$2,000 per each calendar year or portion thereof for the entire water right.

I hereby assert that the information contained in this application is true to the best of my knowledge, and that I have the authorities to off this right for sale or lease to the Idaho Water Resource Board.

The owner/lessor acknowledges the following:

1. Payment to the owner/lessor is contingent upon the sale or rental of the right from the bank.
2. While a right is in the bank, the owner of the right may not use the right even if the right is not rented
3. A right accepted into the bank stays in the bank until the Board releases it or until the lease term expires.
4. While a water right is in the bank, forfeiture provisions are stayed.
5. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right.

2/15/08
Date


John M. Marshall, Givens Pursley LLP,
Power of Attorney

FOR DEPARTMENT USE ONLY

Received by _____ Date _____ Preliminary check by _____

Watermaster recommendation requested on _____ Received _____

Recommended for _____ approval _____ denial _____ by _____

SPECIAL POWER OF ATTORNEY FOR WATER RIGHTS

Bluewater Development, LLC, an Idaho Limited Liability Company, hereby appoints the attorneys of Givens Pursley LLP, 601 West Bannock Street, P.O. Box 2720, Boise, Idaho, 83701 as its true and lawful attorneys for the purpose of signing on its behalf the following forms for submission to the Idaho Department of Water Resources and/or any Idaho court adjudicating these rights:

1. Notice of Claim to a Water Right;
2. Application for Amendment of Permit to Appropriate the Waters of the State of Idaho;
3. Notice of Change of Water Right Ownership;
4. Request for Extension of Time to Provide Additional Time in Which to Submit Proof of Beneficial Use for a Water Right Permit;
5. Notice of Protest;
6. Application for Transfer of a Water Right;
7. Proof of Beneficial Use;
8. Application for Exchange of Water;
9. Application for Extension of Time to Avoid Forfeiture of a Water Right;
10. Application to Sell or Lease a Water Right to the Water Supply Bank;
11. Application for Temporary Approval of a Water Application;
12. Application for Permit to Appropriate the Waters of the State of Idaho;
13. Pleadings submitted to any Idaho court adjudicating the water rights of Bluewater Development, LLC; and
14. Any other document in support or furtherance of any of the above.

In addition, Givens Pursley LLP is hereby given authority to request and obtain aerial photographs, crop records, ownership and financial information, and related information from the U.S. Department of Agriculture Farm Service Agency related to property irrigated by water rights owned by Bluewater Development, LLC.

All may rely on such authority. This Special Power of Attorney shall be effective until revoked in writing by Bluewater Development, LLC.

For purposes of the exercise of the powers herein granted, the facsimile signature of said attorneys shall be lawful and binding and any person may rely upon such facsimile signature as if it were an original.

[End of text]

IN WITNESS WHEREOF, Bluewater Development, LLC has executed this Special Power of Attorney effective as of the date noted.

Dated: 11-28-07

John Magnuson
Bluewater Development, LLC

By: John Magnuson

Its: Managing Member

ACKNOWLEDGMENT

STATE OF Idaho
County of Kootenai) ss.

On this 28th day of November, 2007, before me, a Notary Public in and for the State of Idaho, personally appeared John F. Magnuson, known or identified to me to be the member of the limited liability company that executed the instrument or the person who executed the instrument on behalf of said limited liability company, and acknowledged to me that such limited liability company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Stephanie Belden
Notary Public for Idaho
Residing at Coeur d'Alene
My Commission expires 3/8/2010

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
NOTICE OF CHANGE IN WATER RIGHT OWNERSHIP

Please print or type. Attach pages with additional information. Instructions are included at the end of this form. Incomplete forms will be returned.

1. Please list the water right number(s) and/or adjudication claim number(s) (if any) for each water right to be changed. List just the adjudication claim number if there is no corresponding water right record on file with the department. Indicate, by checking in the space provided (under the "split" heading), if the change in ownership is limited to a portion of a water right in which case IDWR will produce new water right number(s) for the split(s).

Water Right No(s).	Adjudication Claim No(s).	Split(s)	Water Right No(s).	Adjudication Claim No(s).	Split(s)
<u>95-2112</u>	_____	_____	_____	_____	_____
<u>95-2200</u>	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

2. The following **REQUIRED** information must be submitted with this form:

- A. The appropriate **FILING FEE**. See instructions for fee amounts.
- B. A copy of the most recent **DEED, TITLE POLICY, CONTRACT OF SALE** or other legal document indicating your ownership of the property and water right(s) or claim(s) in question, **WITH ATTACHED LEGAL DESCRIPTION**.
- C. Either of the following (if necessary to clarify diversion of water rights or other complex property descriptions): **PLAT OF PROPERTY** or **SURVEY MAP** clearly showing the location of the point(s) of diversion and place of use of your water right(s) and/or adjudication claims(s) (these are on file with the county Planning and Zoning or Recorder's Office).
- OR**
- D. If your water right(s) and/or adjudication claim(s) is for ten or more acres of irrigation you must submit a USDA Farm Service Agency **AERIAL PHOTO** with the irrigated acres outlined and point(s) of diversion clearly marked. The **AERIAL PHOTO** should be submitted in place of the **PLAT OF PROPERTY** or **SURVEY MAP**.

3. Name and Address of Former **Lyle G. Jacklin**
Owner/Claimant(s) **P.O. Box 13128, Dishman, WA 99213**
4. New Owner/Claimant(s) **Bluewater Development, LLC**
Name Connector (Check one): [] and, [] or, [] and/or
New Mailing Address **1250 Northwood Center Court, P.O. Box 2350**
City, State and ZIP Code **Coeur d'Alene, ID 83816-2350**
New Telephone Number **(208) 667-0100**

5. Date you acquired the property

9-23-2003 (No. 95-2200); 3-28-2006 (No. 95-2112) – See Exhibit A

6. If the change in ownership affects the entire water right for each water right or adjudication claim number listed in line 1, then skip this line and go to line 7. If the change in ownership divides the water right(s) among multiple owners, you must describe, in detail, your portion of each water right after the change. Fill in the appropriate spaces in the box(es) below to describe your water right(s) after the change (you may copy this page as necessary). If your quantity of water is greater than a proportionate split, you must attach documentation to show justification for a larger amount. If you are not sure how to identify your portion of the original water right or adjudication claim records, please contact the nearest IDWR office for assistance.

DESCRIPTION OF YOUR PORTION OF WATER RIGHT (If the right will not be split, skip this area and proceed to line 7)		
Water Use	Diversion Rate or Volume (cubic feet per second or acre-feet per annum)	Description (acres, number and type of stock, homes, etc)
Water Right and/or Adjudication Claim Number		
Irrigation		
Stock		
Domestic		
Other		
Totals		
Water Right and/or Adjudication Claim Number		
Irrigation		
Stock		
Domestic		
Other		
Totals		
Water Right and/or Adjudication Claim Number		
Irrigation		
Stock		
Domestic		
Other		
Totals		

For Snake River Basin Adjudication Claims: Please attach a Notice of Appearance completed by your attorney, if you wish IDWR to correspond with him/her for all matters related to your claims.

7. Signature of New Owner(s) or Claimant(s)

John M. Marshall, Givens Pursley LLPPower of Attorney

(title if applicable)

(title if applicable)

IT IS IMPORTANT TO FILE THIS COMPLETED FORM AT THE APPROPRIATE IDWR OFFICE, WITH PAYMENT OF THE FILING FEE AND THE OWNERSHIP DOCUMENT(S), AS REFERRED TO IN LINE 2.

For IDWR Office Use Only

Received by _____ Date _____ Receipt Amt. _____
 Received by _____ Date _____ Receipt No. _____
 Processed by _____ AJ Date _____ WR _____ Date _____

Exhibit A

To Notice of Change in Water Right Ownership

Lyle G. Jacklin is listed in IDWR's records as the owner of Water Right Nos. 95-2112 and 95-2200. Notwithstanding this listing, these water rights and the property to which they were appurtenant were owned since their inception by the Jacklin Seed Company, Inc. The Jacklin Seed Company, Inc. was owned by Lyle G. Jacklin and his two brothers, Owen and Arden Jacklin. The Jacklin Seed Company, Inc. used these water rights to irrigate bluegrass for commercial sale.

When the family later divided up the holdings in the company, the parcel to which these water rights were appurtenant was conveyed to Owen Jacklin and his wife Gladys Jacklin. During their lifetime, Owen and Gladys Jacklin conveyed the property, together with appurtenant water rights, to trusts now known as the Owen F. Jacklin Decedent's Trust and the Gladys Jacklin Survivors Trust.

On August 19, 2003, the trusts conveyed to Bluegrass Development, LLC, an Idaho Limited Liability Company, via Warranty Deed the property to which Water Right No. 95-2200 is appurtenant (the northeast quarter of section 28, T51N, R4W) together with appurtenant water rights (copy of deed attached as Exhibit 1). On September 23, 2003, Bluegrass Development, LLC, then conveyed via Quitclaim Deed the water rights associated with this parcel to Bluewater Development, LLC, an Idaho Limited Liability Company (copy of deed attached as Exhibit 2).

On February 28, 2006, the trusts conveyed to BTTA, LLC, an Idaho Limited Liability Company, via Warranty Deed the property to which Water Right No. 95-2112 is appurtenant (the northwest quarter of section 28, T51N, R4W) together with appurtenant water rights (copy of deed attached as Exhibit 3). On March 28, 2006, BTTA, LLC then conveyed via Quitclaim Deed the water rights appurtenant to this parcel to Bluewater Development, LLC (copy of deed attached as Exhibit 4).

As a result of these transactions, Bluewater Development, LLC is now the sole owner of Water Right Nos. 95-2112 and 95-2200.

Communications regarding this water right should be sent to John F. Magnuson, Managing Member, Bluewater Development, LLC at the address and telephone shown on the form.

A power of attorney is attached as Exhibit B documenting the authority of Mr. Meyer to submit this document on behalf of Bluewater Development, LLC. However, Mr. Meyer does not represent Bluewater Development, LLC as its legal counsel. Instead, Mr. Meyer is attorney for a potential purchaser of the right.

Exhibit 1 to Exhibit A

May. 7. 2007 3:02PM

No. 1067 P. 4

CS4435 NC

1823315

WARRANTY DEED

For Value Received Gladys Jacklin, R. Wesley Yandt, and Janet J. Rogers, as Trustees of the Owen F. Jacklin Decedent's Trust and Gladys Jacklin, R. Wesley Yandt, and Janet J. Rogers, as Trustees of the Gladys Jacklin Survivor's Trust

Hereinafter called the Grantor, hereby grants, bargains, sells and conveys unto

Bluegrass Development, LLC, an Idaho Limited Liability Company

whose address is: 1250 Northwood Center Court, Ste A, Coeur D'Alene, ID 83814.

Hereinafter called the Grantee, the following described premises situated in Kootenai County, Idaho, to-wit:

The North Half of Section 28, Township 51 North, Range 4 West Boise Meridian, Kootenai County, State of Idaho,
EXCEPTING therefrom the Northwest Quarter of Section 28.

"TOGETHER WITH ANY AND ALL WATER RIGHTS, PERMITS AND/OR LICENSES ASSOCIATED WITH OR APPURTENANT TO THE SUBJECT PROPERTY"

SUBJECT TO all easements, right of ways, covenants, restrictions, reservations, applicable building and zoning ordinances and use regulations and restrictions of record, and payment of accruing present year taxes and assessments as agreed to by parties above.

TO HAVE AND TO HOLD the said premises, with its appurtenances unto the said Grantee and to the Grantee's heirs and assigns forever. And the said Grantor does hereby covenant to and with the said Grantee, that the Grantor is the owner in fee simple of said premises; that said premises are free from all encumbrances except current years taxes, levies, and assessments, and except U. S. Patent reservations, restrictions, easements of record, and easements visible upon the premises, and that Grantor will warrant and defend the same from all claims whatsoever.

Dated: August 19, 2003

The Gladys Jacklin Survivor's Trust

BY: Gladys Jacklin, Trustee
Gladys Jacklin, Trustee

BY: R. Wesley Yandt, Trustee
R. Wesley Yandt, Trustee

BY: Janet J. Rogers, Trustee
Janet J. Rogers, Trustee

The Owen F. Jacklin Decedent's Trust

BY: Gladys Jacklin, Trustee
Gladys Jacklin, Trustee

BY: R. Wesley Yandt, Trustee
R. Wesley Yandt, Trustee

BY: Janet J. Rogers, Trustee
Janet J. Rogers, Trustee

STATE OF IDAHO
COUNTY OF KOOTENAI
AT THE REQUEST OF
First American Title Company

2003 AUG 21 P 1:51

DANIEL J. ENGLISH
DEPUTY
FEES 9-

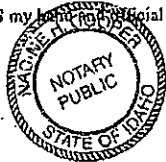
May. 7. 2007 3:02PM
1600000

No. 1067 P. 5

STATE OF WASHINGTON
COUNTY OF SPOKANE

On this 20 day of August, 2003, before me, the undersigned, a Notary Public in and for the said State and County, personally appeared GLADYS JACKLIN, known or identified to me to be the Trustee of The Gladys Jacklin Survivor's Trust, the person whose name is subscribed to the within instrument and who acknowledged that she is authorized to execute the same.

WITNESS my hand and official seal.

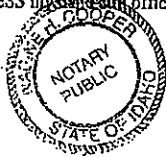


Richard H. Cooper
Notary Public in and for the State of Wash. IDAHO
Residing at: Arden ED
My commission expires: 11-04-05

STATE OF WASHINGTON
COUNTY OF SPOKANE

On this 21 day of August, 2003, before me, the undersigned, a Notary Public in and for the said State and County, personally appeared JANET J. ROGERS, known or identified to me to be the Trustee of The Gladys Jacklin Survivor's Trust, the person whose name is subscribed to the within instrument and who acknowledged that she is authorized to execute the same.

WITNESS my hand and official seal.



Richard H. Cooper
Notary Public in and for the State of Wash. IDAHO
Residing at: Arden ED
My commission expires: 11-04-05

STATE OF WASHINGTON
COUNTY OF SPOKANE

On this 21 day of August, 2003, before me, the undersigned, a Notary Public in and for the said State and County, personally appeared WESLEY YANDT, known or identified to me to be the Trustee of The Gladys Jacklin Survivor's Trust, the person whose name is subscribed to the within instrument and who acknowledged that he is authorized to execute the same.

WITNESS my hand and official seal.



Richard H. Cooper
Notary Public in and for the State of Wash. IDAHO
Residing at: Arden ED
My commission expires: 11-04-05

May, 7, 2007 3:02PM

No. 1067 P. 6

1823315

IDAHO
STATE OF WASHINGTON
Kootenai ss:
COUNTY OF SPOKANE

On this 20 day of August, 2003, before me, the undersigned, a Notary Public in and for the said State and County, personally appeared GLADYS JACKLIN, known or identified to me to be the Trustee of The Owen F. Jacklin Decedent's Trust, the person whose name is subscribed to the within instrument and who acknowledged that she is authorized to execute the same.

WITNESS my hand and official seal.



Debbie H. Cooper
Notary Public in and for the State of Wash. IDAHO
Residing at: ATL 20 NK
My commission expires: 11-04-05

IDAHO
STATE OF WASHINGTON
Kootenai ss:
COUNTY OF SPOKANE

On this 21 day of August, 2003, before me, the undersigned, a Notary Public in and for the said State and County, personally appeared JANET J. ROGERS, known or identified to me to be the Trustee of The Owen F. Jacklin Decedent's Trust, the person whose name is subscribed to the within instrument and who acknowledged that she is authorized to execute the same.

WITNESS my hand and official seal.



Debbie H. Cooper
Notary Public in and for the State of Wash. IDAHO
Residing at: ATL 20 NK
My commission expires: 11-04-05

IDAHO
STATE OF WASHINGTON
Kootenai ss:
COUNTY OF SPOKANE

On this 21 day of August, 2003, before me, the undersigned, a Notary Public in and for the said State and County, personally appeared R. WESLEY YANDT, known or identified to me to be the Trustee of The Owen F. Jacklin Decedent's Trust, the person whose name is subscribed to the within instrument and who acknowledged that he is authorized to execute the same.

WITNESS my hand and official seal.



Debbie H. Cooper
Notary Public in and for the State of Wash. IDAHO
Residing at: ATL 20 NK
My commission expires: 11-04-05

Exhibit 2 to Exhibit A

1832260

RECORDING REQUESTED BY:

Bluewater Development, LLC
1250 Northwood Center Court, Suite A
P.O. Box 2350
Coeur d'Alene, ID 83816

STATE OF IDAHO
COUNTY OF KOOTENAI
AT THE REQUEST OF
John E. Magnuson

2003 SEP 29 P 4: 12

DANIEL J. ENGLISH

DEPUTY

FEES

QUITCLAIM DEED

For value received, Bluegrass Development, LLC, an Idaho limited liability company, of P.O. Box 2350, 1250 Northwood Center Court, Suite A, Coeur d'Alene, ID 83816, as Grantor, does hereby grant, bargain, sell, and convey unto Bluewater Development, LLC, an Idaho limited liability company, of P.O. Box 2350, 1250 Northwood Center Court, Suite A, Coeur d'Alene, ID 83816, the following described real property rights situated in Kootenai County, Idaho, to wit:

Any and all water rights, permits, and/or licenses associated with or appurtenant to the following described real property: The North Half of Section 28, Township 51 North, Range 4 West Boise Meridian, Kootenai County, State of Idaho, EXCEPTING therefrom the Northwest Quarter of Section 28.

To have and to hold the said real property rights unto said Grantee and to the Grantee's heirs and assigns forever.

DATED this 23rd day of September, 2003.

BLUEGRASS DEVELOPMENT, LLC

BY:



Tom Anderl, Managing Member

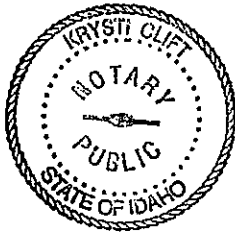
QUITCLAIM DEED - PAGE 1

1832260

STATE OF IDAHO)
) ss.
County of Kootenai)

On this 23rd day of September, 2003, before me, the undersigned, a Notary Public in and for the said State and County, personally appeared, **Tom Anderl**, known or identified to me to be a Managing Member of Bluegrass Development, LLC, whose name is subscribed to the within instrument and who acknowledged that he is authorized to execute the same.

WITNESS my hand and official seal.



Kristi Clift
Notary Public in and for the State of Idaho
Residing at: Coeur d'Alene
My commission expires: 11/13/08

BLUEGRASS DEVELOPMENT, LLC

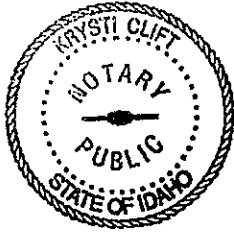
BY:

John F. Magnuson
John F. Magnuson, Managing Member

STATE OF IDAHO)
) ss.
County of Kootenai)

On this 17th day of September, 2003, before me, the undersigned, a Notary Public in and for the said State and County, personally appeared, **John F. Magnuson**, known or identified to me to be a Managing Member of Bluegrass Development, LLC, whose name is subscribed to the within instrument and who acknowledged that he is authorized to execute the same.

WITNESS my hand and official seal.



Kristi Clift
Notary Public in and for the State of Idaho
Residing at: Coeur d'Alene
My commission expires: 11/13/08

QUITCLAIM DEED - PAGE 2

Exhibit 3 to Exhibit A

May. 7. 2007 3:02PM

RECORDING REQUESTED BY
First American Title Company

AND WHEN RECORDED MAIL TO:
First American Title Company
1866 North Lakewood Drive
Coeur d'Alene, ID 83814

2017346

No. 1067 P. 2

STATE OF IDAHO
COUNTY OF KOOTENAI
AT THE REQUEST OF
First American Title Company

2006 MAR -6 P 4: 31

DANIEL J. ENGLISH

DEPUTY

FEES

Space Above This Line for Recorder's Use Only

WARRANTY DEED

File No.: 152395-C (nc)

Date: February 28, 2006

For Value Received, Gladys Jacklin, R. Wesley Yandt and Janet J. Rogers as Trustees of the Owen F. Jacklin Decedent's Trust and Gladys Jacklin, R. Wesley Yandt and Janet J. Rogers as Trustees of the Gladys Jacklin Survivor's Trust, each as to an undivided one-half interest, hereinafter called the Grantor, hereby grants, bargains, sells and conveys unto BTTA, LLC, an Idaho Limited Liability Company, hereinafter called the Grantee, whose current address is 1250 Northwood Center Court, Ste A, Coeur d'Alene, ID 83814, the following described premises, situated in Kootenai County, Idaho, to-wit:

NE Quarter

*= Water Right
No 95-21/2*

The Northwest quarter of Section 28, Township 51 North, Range 4 West, Boise Meridian, Kootenai County, Idaho, less and except those portions lying within Road Rights of Way.

SUBJECT TO all easements, right of ways, covenants, restrictions, reservations, applicable building and zoning ordinances and use regulations and restrictions of record, and payment of accruing present year taxes and assessments as agreed to by parties above.

TO HAVE AND TO HOLD the said premises, with its appurtenances, unto the said Grantee, and to the Grantee's heirs and assigns forever. And the said Grantor does hereby covenant to and with the said Grantee, that the Grantor is the owner in fee simple of said premises; that said premises are free from all encumbrances except current years taxes, levies, and assessments, and except U.S. Patent reservations, restrictions, easements of record and easements visible upon the premises, and that Grantor will warrant and defend the same from all claims whatsoever.

May. 7. 2007 3:02PM

No. 1067 P. 3

2017346

Date: 02/28/2006

Warranty Deed
- continued

File No.: 152395-C (nc)

The Owen F. Jacklin Decedent's Trust

The Gladys Jacklin Survivors Trust

Gladys Jacklin, Trustee
Gladys Jacklin, Trustee

Gladys Jacklin, Trustee
Gladys Jacklin, Trustee

R. Wesley Yandt, Trustee
R. Wesley Yandt, Trustee

R. Wesley Yandt, Trustee
R. Wesley Yandt, Trustee

Janet J. Rogers, Trustee
Janet J. Rogers, Trustee

Janet J. Rogers, Trustee
Janet J. Rogers, Trustee

STATE OF Idaho)
COUNTY OF Kootenai)
ss.

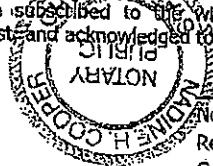
On this 3 day of March, 2006, before me, a Notary Public in and for said State, personally appeared Gladys Jacklin, R. Wesley Yandt and Janet R. Rogers, known or identified to me to be the person(s) whose name(s) are subscribed to the within instrument as Trustees of the The Owen F. Jacklin Decedent's Trust Trust, and acknowledged to me that they executed the same as such Trustees.



H. Cooper
Notary Public of Idaho
Residing at: Athol, ID
Commission Expires: 11-04-2011

STATE OF Idaho)
COUNTY OF Kootenai)
ss.

On this 3 day of March, 2006, before me, a Notary Public in and for said State, personally appeared Gladys Jacklin, R. Wesley Yandt and Janet J. Rogers, known or identified to me to be the person(s) whose name(s) are subscribed to the within instrument as Trustees of the The Gladys Jacklin Survivor's Trust Trust, and acknowledged to me that they executed the same as such trustees.



H. Cooper
Notary Public of Idaho
Residing at: Athol, ID
Commission Expires: 11-04-2011

Exhibit 4 to Exhibit A

DANIEL J. ENGLISH 2P I 2022445000
KOOTENAI CO. RECORDER Page 1 of 2
BBB Date 03/30/2006 Time 14:05:18
REC-REQ OF JOHN F MAGNUSON
RECORDING FEE: 6.00
2022445000 DD 10

RECORDING REQUESTED BY:

Bluewater Development, LLC
1250 Northwood Center Court, Suite A
P.O. Box 2350
Coeur d'Alene, ID 83816

QUITCLAIM DEED

For value received, BTTA, LLC, an Idaho limited liability company, of P.O. Box 2350, 1250 Northwood Center Court, Suite A, Coeur d'Alene, Idaho 83814, as Grantor, does hereby grant, bargain, sell, and convey unto Bluewater Development, LLC, an Idaho limited liability company, of P.O. Box 2350, 1250 Northwood Center Court, Suite A, Coeur d'Alene, Idaho 83814, the following described real property rights situated in Kootenai County, Idaho, to wit:

Any and all water rights, permits, and/or licenses associated with or appurtenant to the following described real property: The Northwest Quarter of Section 28, Township 51 North, Range 4 West, Boise Meridian, Kootenai County, State of Idaho, less and except those portions lying within road rights-of-way.

To have and to hold the said real property rights unto said Grantee and to the Grantee's heirs and assigns forever.

DATED this 28th day of March, 2006.

GRANTOR:

BTTA, LLC


By: John F. Magnuson, Managing Member

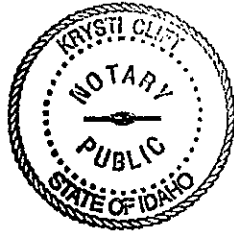
STATE OF IDAHO)
COUNTY OF KOOTENAI) ss:

On this 28th day of March, 2006, before me, the undersigned, a Notary Public in and for the said State and County, personally appeared JOHN F. MAGNUSON, known or identified to me to be a

QUITCLAIM DEED - PAGE 1

Managing Member of BTTA, LLC, the person whose name is subscribed to the within instrument and who acknowledged that he is authorized to execute the same.

WITNESS my hand and official seal.



Krysti Clift
Notary Public in and for the State of Idaho
Residing at: Coeur d'Alene
My commission expires: 11/13/08

QUITCLAIM DEED - PAGE 2

Exhibit B **To Notice of Change in Water Right Ownership**

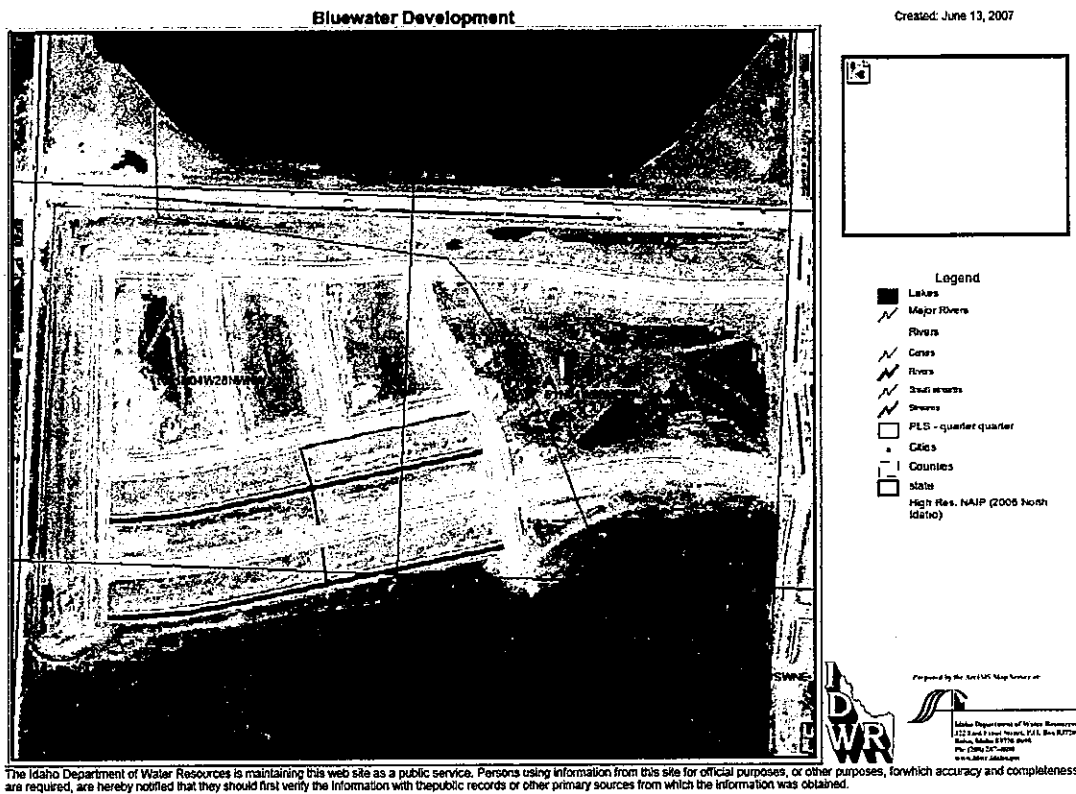


Exhibit C
Power of Attorney

SPECIAL POWER OF ATTORNEY FOR WATER RIGHTS

Bluewater Development, LLC, an Idaho Limited Liability Company, hereby appoints the attorneys of Givens Pursley LLP, 601 West Bannock Street, P.O. Box 2720, Boise, Idaho, 83701 as its true and lawful attorneys for the purpose of signing on its behalf the following forms for submission to the Idaho Department of Water Resources and/or any Idaho court adjudicating these rights:

1. Notice of Claim to a Water Right;
2. Application for Amendment of Permit to Appropriate the Waters of the State of Idaho;
3. Notice of Change of Water Right Ownership;
4. Request for Extension of Time to Provide Additional Time in Which to Submit Proof of Beneficial Use for a Water Right Permit;
5. Notice of Protest;
6. Application for Transfer of a Water Right;
7. Proof of Beneficial Use;
8. Application for Exchange of Water;
9. Application for Extension of Time to Avoid Forfeiture of a Water Right;
10. Application to Sell or Lease a Water Right to the Water Supply Bank;
11. Application for Temporary Approval of a Water Application;
12. Application for Permit to Appropriate the Waters of the State of Idaho;
13. Pleadings submitted to any Idaho court adjudicating the water rights of Bluewater Development, LLC; and
14. Any other document in support or furtherance of any of the above.

In addition, Givens Pursley LLP is hereby given authority to request and obtain aerial photographs, crop records, ownership and financial information, and related information from the U.S. Department of Agriculture Farm Service Agency related to property irrigated by water rights owned by Bluewater Development, LLC.

All may rely on such authority. This Special Power of Attorney shall be effective until revoked in writing by Bluewater Development, LLC.

For purposes of the exercise of the powers herein granted, the facsimile signature of said attorneys shall be lawful and binding and any person may rely upon such facsimile signature as if it were an original.

[End of text]

IN WITNESS WHEREOF, Bluewater Development, LLC has executed this Special Power of Attorney effective as of the date noted.

Dated: 11-28-07

[Signature]
Bluewater Development, LLC

By: John Magnuson

Its: Managing Member

ACKNOWLEDGMENT

STATE OF Idaho
County of Kootenai) ss.

On this 28th day of November, 2007, before me, a Notary Public in and for the State of Idaho, personally appeared John F. Magnuson, known or identified to me to be the member of the limited liability company that executed the instrument or the person who executed the instrument on behalf of said limited liability company, and acknowledged to me that such limited liability company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Stephanie Belden
Notary Public for Idaho
Residing at Coeur d'Alene
My Commission expires 3/8/2010