

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

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Notice of Change in Water Right Ownership MAY 12 2014

IDWR/NORTHERN

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.

Water Right/Claim No.	Split?	Water Right/Claim No.	Split?	Water Right/Claim No.	Split?
95-12043	Yes ☐		Yes ☐		Yes ☐
	Yes ☐		Yes ☐		Yes ☐
	Yes ☐		Yes ☐		Yes ☐
	Yes ☐		Yes ☐		Yes ☐
	Yes ☐		Yes ☐		Yes ☐

2. Previous Owner's Name: MTC, LLC
Name of current water right holder/claimant

3. New Owner(s)/Claimant(s): MARK E. & MARTHA J. REDDEMANN
New owner(s) as listed on the conveyance document Name connector ☐ and ☐ or ☒ and/or

603 BIG SKY DR. RICHLAND WA 99352
Mailing address City State ZIP
(509) 308-6257 y995m y99352@ymail.com
Telephone Email

4. If the water rights and/or adjudication claims were split, how did the division occur?
☐ 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: 8/19/13
6. If the water right described herein has been rented from the Water Supply Bank, rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
- Rental payments will go to the lessor(s) of record at the beginning of the rental season.
 - If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - New lessor(s) of record will receive payment after the following rental season.
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.

8. Signature: [Signature] 5/9/14
Signature of new owner/claimant Title, if applicable Date
- Signature: [Signature] 5/9/14
Signature of new owner/claimant Title, if applicable Date

For IDWR Office Use Only:

Received by N/A Date N/A Receipt No. N/A Receipt Amt. N/A
 Approved by [Signature] Processed by [Signature] Date 05-14-2014

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MAY 14 2014



1450 Northwest Blvd., Ste 200, Coeur d'Alene, ID 83814
(208)667-9431 / Fax: (208)765-1654

ESCROW INSTRUCTIONS

Date: August 8, 2013
Escrow Number: 80671
Escrow Officer: Keri Mitchell

Buyer:
Mark E. Reddemann and Martha J. Reddemann

Seller:
MJC, LLC

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The above stated Seller and Buyer employ Kootenai County Title Company to act as Escrow Holder in connection with a sale by seller to buyer, upon the following terms and conditions which shall be complied with by said parties on or before August 23, 2013, except as otherwise specified herein:

Purchase Price	\$750,000.00
Earnest money paid by Buyer	\$10,000.00
New Loan amount	\$600,000.00
Seller Financing: Mortgage/Deed of Trust Amount	\$
Principal balance of loan being assumed	\$
At the close of escrow, Buyer will hand you the balance of down payment (plus closing costs, if applicable) in certified or wired funds payable to Kootenai County Title Company, Inc. in the sum of	\$(AS PER SETTLEMENT STATEMENT)

And, on or before said date, Escrow Holder will be handed additional funds and/or instruments required to enable Escrow Holder to comply with these instructions, which Escrow Holder is instructed to use when in a position to disburse sale proceeds and procure/issue the following policy(ies) of title insurance:

(X) Owners (X) Standard Title Policy / () Extended Title Policy, in the amount of \$750,000.00;
(X) ALTA Lenders () Standard Title Policy / (X) Extended Title Policy, in the amount of \$600,000.00
with endorsements (if applicable): 9-06/22-06/8.1-06;

issued from Chicago Title Insurance Company, covering the property located in the County of Kootenai, State of Idaho, more particularly described on the attached Exhibit "A":

SELLER/TRANSFEROR STATES THAT THE PROPERTY ADDRESS IS:

1664 S. Backlog Lane
Coeur d'Alene, ID 83814

INSTRUMENT(S) ESCROW HOLDER IS INSTRUCTED TO PREPARE TO TRANSFER TITLE:

(X) Warranty Deed -or- () Special Warranty Deed -or- () Other.

SHOW TITLE VESTED IN:

Mark E. Reddemann and Martha J. Reddemann, husband and wife

Escrow Holder is authorized and instructed to insert the Buyer's exact vesting on the Deed over the signatures thereon without further instructions or approval.

POLICY TO BE ISSUED SUBJECT TO: Exceptions General Exceptions 1 through 6, Special Exceptions 8 through 20 and 22, as cited in Schedule B, Sections I and II of Commitment No. 80671, dated 06/17/13 and issued by Kootenai County Title Company, Inc., which the undersigned Buyer acknowledges they have read and approved. Exceptions to policy which will be created due to instrument recording concurrently herewith or other special circumstance: Deed of Trust

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PRORATIONS:

You are authorized and instructed to adjust or prorate the following as of 08/23/13:

Property Taxes: Current year's taxes

Assessments: N/A

Other Items to Prorate: N/A

Seller Initials	Buyer Initials	
		The undersigned parties hereby acknowledge that all the contingencies and conditions of the original purchase and sale agreement and any and all related counter offers and/or addenda thereto, to which Escrow Holder is not an active party, have been met to the satisfaction of said parties.
N/A	N/A	If personal property is to be transferred as a part of this transaction, a Bill of Sale will be handed to the Escrow Holder for delivery to Buyer at the close of escrow. Escrow Holder assumes no liability as to the sufficiency of said Bill of Sale, nor as to the disposition, ownership, lien holder status, or condition of said personal property.
N/A	N/A	The undersigned parties hereby acknowledge that Kootenai Title has not performed any search regarding the ownership or claim of any water rights pertaining to said property, and makes no warranties or representations regarding same. Transfer of any water rights and/or adjudication claims should be handled outside of escrow; however, Escrow Holder may forward any transfer documents, as completed by the undersigned parties, to the Idaho Department of Water Resources, if they are deposited into escrow along with separate escrow instructions regarding same. Buyer acknowledges it is their responsibility to contact the Idaho Department of Water Resources regarding water rights and/or the adjudication claims process, if so applicable to the subject property.
		The undersigned Buyer hereby acknowledges that they have read and do hereby approve the Covenants, Conditions and Restrictions as shown on the title commitment acknowledged and approved herewith.
		The undersigned Buyer acknowledges that they may be eligible for a homeowner's exemption on subject property which would reduce the amount of property taxes they are required to pay. This exemption is <u>not automatic</u>. The undersigned Buyer is aware that they are responsible to file an application with the County Assessor's Office where subject property is located in order to obtain said exemption. This application cannot be done by Kootenai Title Company, but it must be done by the undersigned homeowners themselves. Therefore, the undersigned Buyer acknowledges that they have been notified of such potential exemption, that they are responsible for filing the application for said exemption, and hereby hold Kootenai Title Company harmless for any loss and/or legal action for same. Should the Buyer desire to file for a timber or agricultural exemption, such request must be filed with the County Assessor's Office no later than December 31 (for the timber exemption) and March 15th (for the agriculture exemption) of the current year, in order to apply to the following year's taxes.

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GENERAL PROVISIONS TO ESCROW INSTRUCTIONS

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DEFINITIONS:

1. The word "charges" as used herein, refers to all charges and advances made and obligations incurred by Escrow Holder in connection herewith, and all charges in connection with the issuance of title insurance policy or the cancellation of any order thereof.
2. The word "property" as used herein, refers to the real property described in and which is subject to these Escrow Instructions.
3. The word "party" as used herein, refers to Seller or Buyer as the case may be.
4. The phrase "Seller and Buyer" as used herein, refers to Seller and Buyer both jointly and severally unless otherwise specified.
5. The day provided within which compliance with any requirements must be met shall end at the close of the then regularly established public business hours of Escrow Holder for such day, provided, should Escrow Holder be closed during any of said business hours on said day, such requirement may be met on the next succeeding day on which Escrow Holder is open for business through said business hours.
6. "Close of Escrow" shall be date of recordation of deed, unless otherwise specified herein.
7. The word "mortgage" includes "deed of trust" when permitted by law.

SELLER:

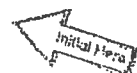
8. Will deliver to Escrow Holder a deed from Seller to Buyer, regarding subject property, to be held by Escrow Holder until the terms hereof have been performed, at which time Escrow Holder shall record said deed.

SELLER AND BUYER:

9. Will deliver to Escrow Holder all documents, pay to Escrow Holder all sums, and do or cause to be done all other things necessary, in the sole judgment of Escrow Holder, to enable it to comply herewith, and to enable any title insurance policy provided for herein to be issued.
10. Authorize Escrow Holder to pay, from any funds held in escrow for their respective credit hereunder, all amounts necessary to procure the delivery of such documents and to pay, on their behalf, all charges and obligations payable by them respectively.
11. Should these instructions contemplate a transfer of an interest pursuant to a purchase and sale agreement between said parties, Seller and Buyer will deliver to Escrow Holder such documents as Escrow Holder may, in its sole judgment, require for the benefit of any party to said agreement.
12. Will each pay to Escrow Holder upon demand, all charges payable by them respectively.
13. Authorize Escrow Holder to execute and process on their behalf, form assignments, or otherwise order changes in property and casualty insurance called for herein.
14. Authorize Escrow Holder, in the event conflicting demand is made upon it concerning these instructions or the escrow, at its election, to hold any funds and documents deposited hereunder until an action shall be brought in a court of competent jurisdiction to determine the rights of the Sellers and Buyers, or to interplead for said parties, any funds or documents. Deposit by Escrow Holder of said funds and documents, after deducting from said funds its charges, expenses and attorneys' fees incurred in connection with any such court action, shall relieve Escrow Holder of all further liability and responsibility.
15. Will indemnify and save harmless Escrow Holder against all costs, damages, attorney's fees, expenses and liabilities which it may incur or sustain in connection with these instructions to escrow, or any court action arising therefrom, and will pay the same upon demand.
16. Grant to Escrow Holder a lien upon, and authority to reimburse itself for its charges and for any damages or expenses which it may incur or sustain in connection herewith, from all of the rights, title and interest of Seller and Buyer, in all of the documents and money deposited hereunder.
17. Direct that no notice, demand or change in these instructions shall be in effect unless given in writing; and that said instructions, and any supplement thereto, given mutually by the parties to Escrow Holder, shall constitute the complete instructions, notwithstanding any agreement which Seller and Buyer may have to the contrary.
18. Direct that all money payable pursuant to these Escrow Instructions be paid to Escrow Holder. Disbursement of any funds from escrow may be made by check of Escrow Holder. Escrow Holder shall be under no obligation to disburse any funds represented by check or draft, and no check or draft shall be payment to Escrow Holder in compliance with any of the requirements hereof, until it is advised by the bank depository that such check or draft has been honored, unless Escrow Holder specifically agrees in writing to accept liability for the sufficiency thereof.
19. Escrow Holder to act upon any statement furnished by the holder or payee, or a collection agent for the holder or payee, of any lien on or charge or assessment in connection with the property concerning the amount of such charge or assessment or the amount secured by such lien without liability or responsibility for the accuracy of such statement.
20. Direct that when these instructions have been complied with and Chicago Title Insurance Company is willing to issue its title insurance policy, as hereinafter provided, and when Escrow Holder's charges have been paid, it shall file for record in the appropriate public office all necessary documents required to be filed or recorded.
21. Agree that the employment of Kootenai County Title Company as Escrow Holder shall not affect any rights or subrogation under the terms of any title insurance policy.

Initials: _____

MR *ave*



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CANCELLATION:

22. Escrow Holder is authorized to cancel this transaction upon receipt of mutually executed cancellation instructions from the parties hereto, which may also be given as a copy of any Termination Agreement to the Purchase and Sale Agreement. If either party has not returned their signed Escrow Instructions herein to Escrow Holder by the close of escrow date indicated hereon, Escrow Holder may, at its discretion, cancel this escrow.
23. Upon cancellation, Escrow Holder is to return all documents deposited hereunder to the party who delivered the same, except documents executed by both Seller and Buyer, which shall be marked "canceled" and retained in the files of Escrow Holder. Escrow Holder is then further authorized to release any funds deposited into escrow back the party who deposited same, with the exception of any earnest money deposited with Escrow Holder.
24. In the event Escrow Holder is in receipt of the Buyer's earnest money, Escrow Holder will need fully executed instructions from both parties regarding the distribution of said funds. If the parties have not come to an agreement, and Escrow Holder has not received said instructions within thirty (30) days of notification of cancellation of escrow, Escrow Holder may, at their option, deposit said funds with a court of competent jurisdiction for an interpleader action.

ADDITIONAL PROVISIONS:

25. Escrow Holder shall bear no responsibility to verify that the fire insurance provided for herein is renewed upon expiration, or otherwise kept in force. It is the responsibility of the insured to determine that such premiums are paid and that such policies are in effect.
26. A signed copy of these Escrow Instructions, or any addendum or supplement thereto, or any other closing document generated by Escrow Holder, may be returned to Escrow Holder via facsimile or email transmission, and be deemed an original for closing therewith, with the exception of any documents that are to be recorded with the County Recorder, or that the original signed document is necessary to be returned or held by Escrow Holder to perfect its validity thereof.
27. The Escrow Holder assumes no responsibility for determining that the parties to this escrow have complied with the requirements of the Consumer Credit Protection Act (Public Law 90-321).
28. Both parties acknowledge that Kootenai Title Company does not provide legal or financial advice. By their execution hereon, the parties hereto acknowledge it is their right to consult with a legal or financial professional at any time prior to closing.

NOTICES, DEMANDS OR DECLARATIONS

29. The respective addresses of Seller and Buyer as set forth herein or the last notice of change thereof filed with Escrow Holder shall be used by Escrow Holder in mailing any Notice, Demand or Declaration to either party.

TITLE INSURANCE

30. The title insurance provided for herein shall be subject to the conditions of and evidenced by the regular form of owner's title insurance policy with a limit of liability equal to the total amount reflected herein. Said policy, upon issuance, shall insure Buyer against loss by reason of defects in the title to the property on the date of filing for record of the documents as provided herein, subject to such of the following exceptions as may be applicable, in addition to the printed exceptions thereof.
 - a. Taxes and assessments payable by Buyer as set forth herein;
 - b. Building and other restrictive covenants to which the property is subject;
 - c. Easements and rights of way for roadways, canals, laterals, ditches and public utilities over and across the property;
 - d. Mortgages referred to herein;
 - e. Rights of parties under the Purchase and Sale Agreement referred to herein;
 - f. Any liens or encumbrances affecting said property suffered or incurred through any act of fault of the party insured or anyone deriving an interest in said property by or through the said party insured;
 - g. Liabilities and obligations imposed on the land by inclusion in any water or irrigation district;
31. NOTE: there are some matters that a title insurance company does not attempt to investigate or determine and for which it assumes no liability. While not a complete list, experience has shown that among these, the following deserve your particular consideration:
 - a) Unrecorded mechanic's liens and materialmen's liens.
 - b) Current personal property taxes
 - c) Utility charges, such as gas, electric, water, irrigation, and sewer.
 - d) Boundary lines, location of improvements and possession.
 - e) Compliance with limitations on use of the property, such as zoning and building ordinances and building and other restrictions.
 - f) Premiums for fire insurance policies provided for herein. (It is the obligation of the party wishing to be insured to determine that such premiums are paid and that such policies are in effect.)
 - g) Proposed improvement assessments, not yet liens.
32. The undersigned have read and received a copy of Chicago Title Insurance Company's Preliminary Commitment for Title Insurance No. 80671, which is hereby approved in form and content.

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Initials: _____

[Signature]

[Signature]



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EXHIBIT "A"

A portion of the South Half of Section 20, Township 50 North, Range 3 West, Boise Meridian, Kootenai County, Idaho and further described as follows:

COMMENCING at the South Quarter corner of said Section 20; thence

South 88°45'45" West along that South line of said Section 20, a distance of 912.02 feet; thence

North 00°01'12" East, a distance of 350.08 feet to an iron pin; thence

North 88°45'45" East, a distance of 443.89 feet to an iron pin and the TRUE POINT OF BEGINNING for this description; thence

Continuing North 88°45'45" East, a distance of 464.79 feet to a point; thence

North 89°42'15" East, a distance of 882.84 feet to an iron pin on the Westerly right-of-way of I-90; thence

Along said right-of-way, the following 2 courses:

North 08°34'44" West, a distance of 293.19 feet to a R.O.W. monument; thence

North 41°20'26" West, a distance of 168.86 feet to a R.O.W. monument; thence

Leaving said I-90 right-of-way, South 24°15'12" West, a distance of 14.48 feet to an iron pin on the Westerly right-of-way of Mullan Trail; thence

Along said right-of-way North 34°57'22" West, a distance of 150.00 feet to an iron pin; thence

South 64°34'09" West, a distance of 79.93 feet to a point on the centerline of a 60.00 foot wide easement; thence

Along said easement centerline, the following courses:

Around a curve to the left through a central angle of 56°42'06" an arc distance of 98.96 feet, a chord bearing of South 43°12'44" West, a distance of 94.97 feet to a point of reverse curve; thence

Around a curve to the right through a central angle of 118°31'13", an arc distance of 310.29 feet, a chord bearing of South 74°07'18" West, a distance of 257.85 feet to a point of reverse curve; thence

Around a curve to the left through a central angle of 92°40'33" an arc distance of 566.12 feet a chord bearing of South 87°02'38" West, a distance of 506.40 feet to a point of tangent; thence

South 40°42'22" West, a distance of 174.65 feet to an iron pin on the edge of a 60.00 foot radius culdesac easement; thence

Leaving said easement and around a curve to the left through a central angle of 32°10'45", an arc distance of 232.29 feet, a chord bearing of South 24°36'59" West, a distance of 229.25 feet to the POINT OF BEGINNING.

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Initials: _____

TDR

Wye





The undersigned Buyer and Seller have read and hereby acknowledge the escrow instructions contained herein, and hereby authorize and instruct Escrow Holder to proceed with closing this transaction in accordance with said instructions.

SELLERS:

MJC, LLC

BY: _____

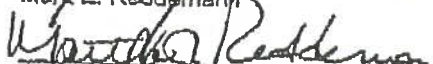
Michael J. Clark, Manager

Dated: _____

BUYERS:



Mark E. Reddemann



Martha J. Reddemann

Dated: 8-19-13

SIGN HERE

ACCEPTED AND ACKNOWLEDGED:

Kootenai County Title Company

By: 
Keri Mitchell, Escrow Officer

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MAY 14 2014

Chicago Title Insurance Company

Commitment No.:80671

SCHEDULE A

Escrow Officer: Keri Mitchell - keri@kootenaititle.com

Title Officer: Nikki Droll - nikkid@kootenaititle.com

2nd Report

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1. Effective Date: June 17, 2013 at 05:00 PM

2. Policy (or Policies) to be issued:

(a) Owner's Policy	(ALTA Own. Policy (6/17/06))	Amount:	\$ 750,000.00
Proposed Insured:		Premium:	\$ 2,442.00
Mark E. Reddemann and Martha J. Reddemann		Credit:	
		Total:	\$ 2,442.00

(b) Loan Policy	(ALTA Loan Policy (6/17/06))	Amount:	\$ 600,000.00
Extended Coverage		Premium:	\$ 667.00
Proposed Insured:		Credit:	
Global Credit Union, its successors and/or assigns		Total:	\$ 667.00

Requested Endorsements: ALTA Endorsements 9-06, 22-06 and 8.1-06 Endorsement Premium: \$ 55.00

(c)	()	Amount:	
Standard Coverage		Premium:	
Proposed Insured:		Credit:	
		Total:	

Requested Endorsements: Endorsement Premium:

3. The estate or interest in the land described or referred to in this Commitment is:

Fee Simple

4. Title to the FEE SIMPLE estate or interest in said land is at the Effective Date vested in:

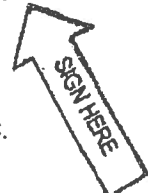
MJC, LLC, an Idaho limited liability company

5. The land referred to in this Commitment is described as follows:

SEE EXHIBIT "A" ATTACHED HERETO

Read & Approved by:

[Signature]
Mark E. Reddemann



KOOTENAI COUNTY TITLE COMPANY, INC.

1450 Northwest Blvd., Ste 200

Coeur d'Alene, ID 83814

Phone (208) 667-9431 Fax (208) 666-0410

ALTA Commitment
Schedule A (6/17/06)

Valid Only if Schedule B and
Cover are Attached

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Chicago Title Insurance Company

Commitment Number: 80671

EXHIBIT "A"
PROPERTY DESCRIPTION

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The land referred to in this Commitment is described as follows:

A portion of the South Half of Section 20, Township 50 North, Range 3 West, Boise Meridian, Kootenai County, Idaho and further described as follows:

COMMENCING at the South Quarter corner of said Section 20; thence

South 88°45'45" West along that South line of said Section 20, a distance of 912.02 feet; thence

North 00°01'12" East, a distance of 350.08 feet to an iron pin; thence

North 88°45'45" East, a distance of 443.89 feet to an Iron pin and the TRUE POINT OF BEGINNING for this description; thence

Continuing North 88°45'45" East, a distance of 464.79 feet to a point; thence

North 89°42'15" East, a distance of 882.84 feet to an iron pin on the Westerly right-of-way of I-90; thence

Along said right-of-way, the following 2 courses:

North 08°34'44" West, a distance of 293.19 feet to a R.O.W. monument; thence

North 41°20'26" West, a distance of 168.86 feet to a R.O.W. monument; thence

Leaving said I-90 right-of-way, South 24°15'12" West, a distance of 14.48 feet to an iron pin on the Westerly right-of-way of Mullan Trail; thence

Along said right-of-way North 34°57'22" West, a distance of 150.00 feet to an iron pin; thence

South 64°34'09" West, a distance of 79.93 feet to a point on the centerline of a 60.00 foot wide easement; thence

Along said easement centerline, the following courses:

Around a curve to the left through a central angle of 56°42'06" an arc distance of 98.96 feet, a chord bearing of South 43°12'44" West, a distance of 94.97 feet to a point of reverse curve; thence

Around a curve to the right through a central angle of 118°31'13", an arc distance of 310.29 feet, a chord bearing of South 74°07'18" West, a distance of 257.85 feet to a point of reverse curve; thence

Around a curve to the left through a central angle of 92°40'33" an arc distance of 566.12 feet a chord bearing of South 87°02'38" West, a distance of 506.40 feet to a point of tangent; thence

South 40°42'22" West, a distance of 174.65 feet to an iron pin on the edge of a 60.00 foot radius culdesac easement; thence

Leaving said easement and around a curve to the left through a central angle of 32°10'45", an arc distance of 232.29 feet, a chord bearing of South 24°36'59" West, a distance of 229.25 feet to the POINT OF

BEGINNING
ALTA Commitment
Exhibit A

(80671.PFD/80671/11)

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Chicago Title Insurance Company

Commitment Number: 80671

SCHEDULE B - SECTION I
EXCEPTIONS

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Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the company:

- A. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the Public Records, or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires of record for value the estate or interest or mortgage thereon covered by this Commitment.
- B. General Exceptions:
- (1) Rights or claims of parties in possession not shown by the Public Records.
 - (2) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land.
 - (3) Easements, or claims of easements, not shown by the Public Records.
 - (4) Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the Public Records.
 - (5) (a) Unpatented mining claims; (b) reservations 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 Public Records.
 - (6) Taxes or special assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments of real property or by the Public Records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
- C. Special Exceptions:
7. General Taxes and Assessments, which are a lien, for the year 2012, of which the 1st installment is due December 20 of the tax year and the 2nd installment is due June 20 of the subsequent year (amounts do not include penalty and interest if delinquent) :
Total: \$7,837.08, paid
Exemptions: N/A
Amount Exempt: N/A
Parcel No.: 50N03W208700
AIN No.: 204734
 8. General taxes for the year 2013, which are a lien, are not yet due or payable.
 9. Special Assessments, if any, for the City of Coeur d' Alene.
 10. Assessments, if any, of the Coeur d' Alene Country Estates Homeowners Association.
 11. An easement for the purpose shown below and rights incidental thereto as set forth in a document
Granted to: Washington Water Power Company
Purpose: public utilities
Recorded: March 22, 1907

Commitment Number: 80671

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SCHEDULE B - SECTION II

EXCEPTIONS

(Continued)

Instrument No.: Book 25 of Deeds at Page 174, records of Kootenai County, Idaho.

12. An easement for the purpose shown below and rights incidental thereto as set forth in a document
Granted to: Pacific Telephone and Telegraph Company
Purpose: To erect and maintain poles, with the necessary wires and fixtures thereon and to keep same free from foliage.
Recorded: September 26, 1924
Instrument No.: Book 83 of Deeds at Page 343, records of Kootenai County, Idaho.
13. A negative easement for the purpose shown below and rights incidental thereto as set forth in a document
Granted to: STATE OF IDAHO
Purpose: Grantor agrees that no buildings or structures, except irrigation or drainage structures, will be permitted to be constructed within 20 feet of the real property above described.
Grantor further agrees that no billboards or other advertising signs will be permitted closer than 100 feet from the real property above described, excepting signs pertaining to business established on lands adjacent to the described real property.
Recorded: March 9, 1984
Book 328 of Deeds at Page 832, records of Kootenai County, Idaho.
14. Relinquishment of access right as contained in a deed to the State of Idaho recorded in Book 328 of Deeds at Page 832 as Instrument No. 965539, records of Kootenai County, Idaho.
15. An easement for the purpose shown below and rights incidental thereto as set forth in a document
Granted to: Washington Water Power Company
Purpose: public utilities
Recorded: November 21, 1988
Instrument No.: 1134652, records of Kootenai County, Idaho.
16. Any rights, interests, or claims which may exist or arise by reason of the following facts shown on Record of Survey recorded April 18, 1995, in Book 17 at Page 39 and amended by Survey recorded June 19, 1995 in Book 17 of Surveys at Page 102, records of Kootenai County, Idaho, and amended by Survey recorded August 1, 1997 in Book 19 of Surveys at Page 58, records of Kootenai County, Idaho, described as follows:
1. Private Road right of ways
 2. Access restrictions
 3. Location of public road right of ways

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Chicago Title Insurance Company

Commitment Number: 80671

SCHEDULE B - SECTION II

EXCEPTIONS

(Continued)

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4. Turn around

17. An easement for the purpose shown below and rights incidental thereto as reserved in a document
Purpose: ingress and egress
Recorded: March 5, 1996
Instrument No.: 1436354, records of Kootenai County, Idaho.
18. An easement for the purpose shown below and rights incidental thereto as set forth in a document
Granted to: Washington Water Power Company
Purpose: public utilities
Recorded: January 14, 1997
Instrument No.: 1475955, records of Kootenai County, Idaho.
19. Covenants, conditions and restrictions as set forth in the document, but omitting any covenant or restriction based on race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.
Recorded: April 22, 1997
Instrument No.: 1487351, records of Kootenai County, Idaho
- Modification of said covenants, conditions and restrictions
Recorded: August 2, 1999
Instrument No.: 1600664, records of Kootenai County, Idaho.
20. Terms, conditions and easements contained in Reciprocal Easement Agreement by and between Kelly N. Nelson and Candice L. Nelson, husband and wife and Michael J. Clark and Kimberley A. Clark, husband and wife, recorded August 1, 2003 as Instrument No. 1818278, records of Kootenai County, Idaho.
21. Deed of Trust to secure an indebtedness in the amount shown below and any other obligations secured thereby
Amount: \$250,000.00
Dated: July 1, 2005
Recorded: July 13, 2005
Instrument No.: 1964321, records of Kootenai County, Idaho
Grantor: MJC, LLC, an Idaho limited liability company
Trustee: Pioneer Title Company
Beneficiary: Panhandle State Bank-CDA Branch
- An agreement to modify the terms and provisions of said Deed of Trust as therein provided
Executed by: MJC, LLC, an Idaho limited liability company
and Panhandle State Bank
Recorded: June 20, 2008
Instrument No.: 2165158000, records of Kootenai County, Idaho.

An agreement to modify the terms and provisions of said Deed of Trust as therein provided

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SCHEDULE B - SECTION II

EXCEPTIONS

(Continued)

Executed by: MJC, LLC, an Idaho limited liability company
and Panhandle State Bank
Recorded: November 15, 2007
Instrument No.: 2131879000, records of Kootenai County, Idaho.

An agreement to modify the terms and provisions of said Deed of Trust as therein provided

Executed by: MJC, LLC, an Idaho limited liability company
and Panhandle State Bank-CDA Branch
Recorded: November 27, 2006
Instrument No.: 2069134000, records of Kootenai County, Idaho.

22. An easement for the purpose shown below and rights incidental thereto as set forth in a document
Granted to: Avista Corporation
Purpose: public utilities
Recorded: May 3, 2012
Instrument No.: 2356716000, records of Kootenai County, Idaho.

23. This company will require the following documents in order to insure a conveyance or encumbrance by the Limited Liability Company named below:
COMPANY: MJC, LLC

- A: Articles of organization to determine its legal existence, the names of the original member, whether business is to be carried on by the members or manage or managers, and for any limitations that may affect the transaction to be insured or the acts of the persons to bind the company;
- B: If management is in its members, then a copy of the current list of the names;
- C: The company's current agreement including all amendments if the company adopted one, for regulations and the management of its affairs with a verified statement that the operating agreement is a true and correct copy of the agreement now in effect.

NOTES:

The following matters will not be listed as Special Exceptions in Schedule B of the policy to be issued pursuant to this Commitment. Notwithstanding the absence of a Special Exception to Schedule B of the policy to be issued, there will be no coverage for loss arising by reason of the matters listed below because these matters are either excepted from coverage under the General Exceptions section of Schedule B, excluded from coverage under the Exclusions from Coverage or are not matters for which coverage is afforded under the insuring clauses of the policy.

Note 1:
ALTA Commitment
Schedule B - Section II
(6/17/06)

(80671.PFD/80671/11)

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SCHEDULE B - SECTION II

EXCEPTIONS

(Continued)

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In the event this transaction fails to close and this commitment is cancelled, a fee will be charged to comply with the state insurance code.

Note 2:

The address of the herein described property is:
1664 S. Backlog Lane
Coeur d' Alene, ID 83814

Note 3:

As of the date hereof, we have done a Judgment and Lien search on the proposed purchaser(s)/borrower(s) Mark E. Reddemann and Martha J. Reddemann, and find the following: NONE

Note 4:

Our records show the following conveyances within and/or immediately prior to the past 24 months:

A. Warranty Deed by and between Michael J. Clark and Kimberly A. Clark, husband and wife, as Grantor and MJC, LLC, an Idaho limited liability company, as Grantee, recorded February 28, 2005 as Instrument No. 1932052 and re-recorded April 14, 2005 as Instrument No. 1941862, records of Kootenai County, Idaho.

Note 5:

Notwithstanding anything to the contrary in this Commitment, if the policy to be issued is other than an ALTA Owner's Policy (6/17/06) or ALTA Loan Policy (6/17/06), the policy may not contain an arbitration clause, or the terms of the arbitration clause may be different from those set forth in this Commitment. If the policy does contain an arbitration clause, and the Amount of Insurance is less than the amount, if any, set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.

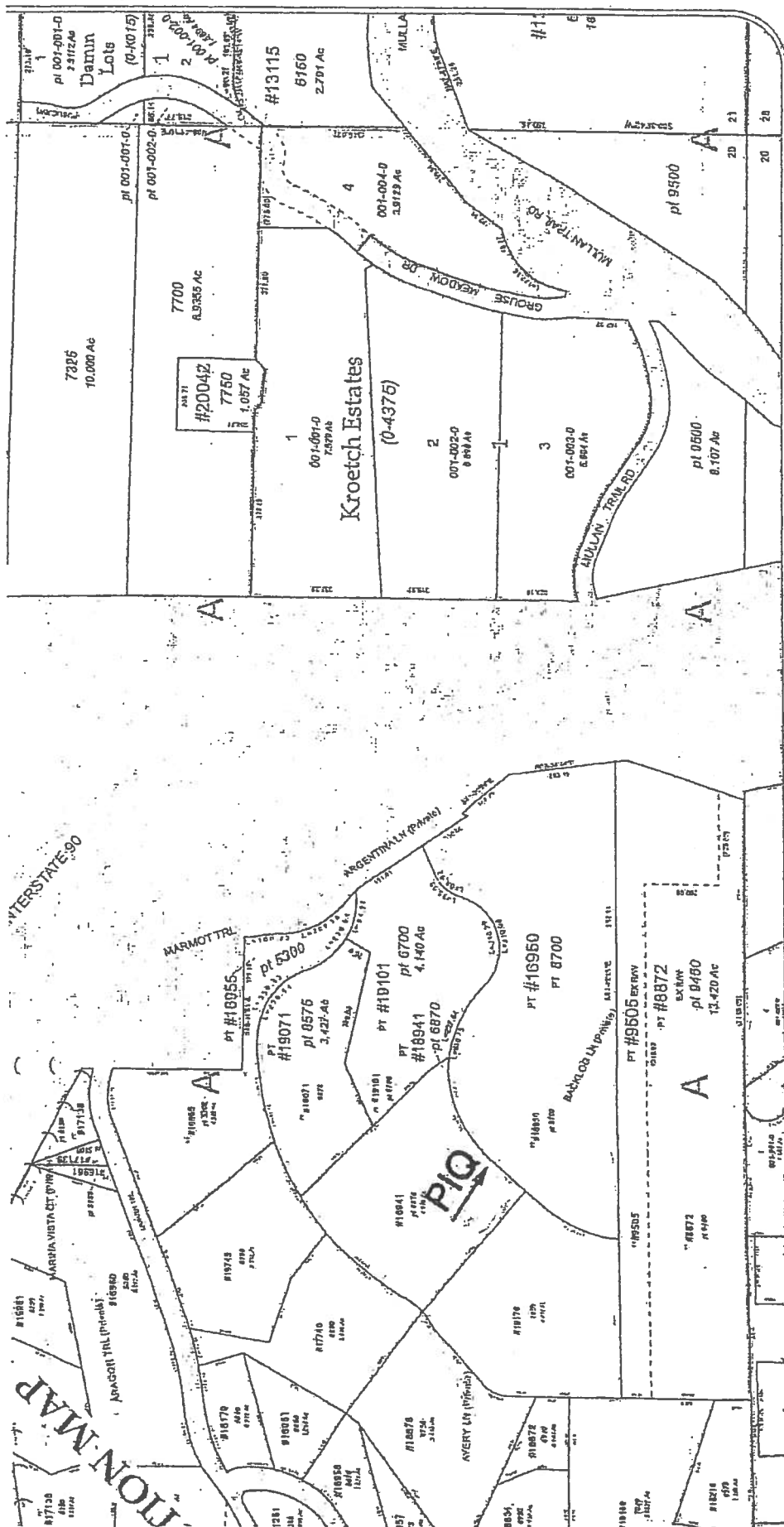
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Sec. 20 Twp 50 N. R. 3 W. B. M.

This sketch is provided without charge
for your information. It is not intended to
show all matters related to the property.
The Company assumes NO LIABILITY
for any matter related to this sketch.

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