

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

IDWR / NORTH

Notice of Change in Water Right Ownership

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. If the water right is leased to the Water Supply Bank, check "Yes". If you are not sure if the water right is leased to the Water Supply Bank, see #6 of the instructions.

Water Right/Claim No.	Split?	Leased to Water Supply Bank?	Water Right/Claim No.	Split?	Leased to Water Supply Bank?
96-8516	Yes ☐	Yes ☐		Yes ☐	Yes ☐
96-2177	Yes ☐	Yes ☐		Yes ☐	Yes ☐
	Yes ☐	Yes ☐		Yes ☐	Yes ☐
	Yes ☐	Yes ☐		Yes ☐	Yes ☐
	Yes ☐	Yes ☐		Yes ☐	Yes ☐

2. Previous Owner's Name: University of Idaho Regents
Name of current water right holder/claimant
3. New Owner(s)/Claimant(s): Tim McDonnell
New owner(s) as listed on the conveyance document Name connector ☐ and ☐ or ☐ and/or
- 115 Lulu Court Sandpoint ID 83864
Mailing address City State ZIP
208-290-5341 tfmcdonnell@hotmail.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: June 11, 2019

6. If the water right is leased to the Water Supply Bank changing ownership of a water right will reassign to the new owner any Water Supply Bank leases associated with the water right. Payment of revenue generated from any rental of a leased water right requires a completed IRS Form W-9 for payment to be issued to an owner. A new owner for a water right under lease shall supply a W-9. Water rights with multiple owners must specify a designated lessor, using a completed Lessor Designation form. Beginning in the calendar year following an acknowledged change in water right ownership, compensation for any rental will go to the new owner(s).

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):
o \$25 per undivided water right.
o \$100 per split water right.
o No fee is required for pending adjudication claims.
☐ If water right(s) are leased to the Water Supply Bank AND there are multiple owners, a Lessor Designation form is required.
☐ If water right(s) are leased to the Water Supply Bank, the individual owner or designated lessor must complete, sign and submit an IRS Form W-9.

8. Signature: Tim McDonnell Title, if applicable: Tim McDonnell Date: July 8, 2020
Signature of new owner/claimant
- Signature: _____ Title, if applicable: _____ Date: _____
Signature of new owner/claimant

For IDWR Office Use Only:

Received by: [Signature] Date: 7-20-2020 Receipt No. N036276 Receipt Amt. 50.00
Active in the Water Supply Bank? Yes ☐ No ☐ If yes, forward to the State Office for processing W-9 received? Yes ☐ No ☐
Name on W-9: _____ Approved by: _____ Processed by: NS Date: 8/19/2020

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is entered into on June 11, 2019, between The Board of Regents of the University of Idaho, a state educational institution and body politic and corporate organized and existing under the constitution and laws of the State of Idaho ("Seller"), and Tim McDonnell, whose address is 115 Lula Court, Sandpoint ID 83864 ("Buyer").

1. Purchase and Sale.

Seller shall sell and Buyer shall purchase that certain real property located in the County of Bonner, State of Idaho, and more particularly described in Exhibit A, together with all easements, rights and appurtenances thereto and improvements thereon, all in accordance with the terms and conditions hereinafter set forth ("Subject Property").

2. License for Entry.

Seller grants to Buyer a license to enter upon Subject Property for all purposes reasonably related to a full and adequate determination of its suitability, including, without limitation, the right to conduct surveys, soils tests, engineering studies, and environmental tests and audits.

3. Purchase Price.

The purchase price of the Subject Property is the sum of Four Million Dollars (\$4,000,000) ("Purchase Price").

4. Conditions Subsequent.

Notwithstanding anything to the contrary in this Agreement, Buyer shall not be obligated to purchase the Subject Property and Seller shall not be obligated to sell unless at or prior to closing each of the following conditions has been met or waived in writing. The parties agree

to cooperate with one another to execute any documents which may be necessary or convenient to the performance of these conditions:

(a) **Buyer's due diligence:** Seller makes no representations as to the title, permitted uses, or status of the Subject Property other than as specifically set forth herein and Buyer shall have a due diligence period from the date of execution hereof until November 15, 2019 to perform such examination of the Subject Property and the title thereto to satisfy Buyer, including

(i) Title Insurance. Buyer is able to obtain, at Buyer's cost, from a title insurance company authorized to do business in the State of Idaho a commitment for a policy of title insurance, including any endorsements reasonably required by Buyer in the full amount of the Purchase Price, insuring marketable fee simple title to the Subject Property in Buyer. Between the date of this Agreement and the earlier of closing or the termination of this Agreement, Seller shall not enter into any lease or occupancy agreement affecting the Subject Property or any portion thereof unless first approved in writing by Buyer.

(ii) Boundary Survey and Environmental Hazards. Such surveys of the boundary and such environmental tests and audits of the Subject Property deemed necessary by Buyer to determine that status of the Subject Property with respect to hazardous materials, as well as the suitability of the property, in Buyer's sole opinion, for Buyer's intended use or uses.

(b) **Seller's Board Approval.** Seller is not obligated to sell until Seller has obtained approval from Seller's governing body, the Board of Regents of the University of Idaho ("Regents") to convey the Subject Property in accordance with the terms of this Agreement. The

parties acknowledge that the execution and delivery of this agreement is made prior to presentation of the proposed transaction and the terms hereof to Regents for the foregoing approval. The determination of Regents whether to approve is an independent decision of Regents, and nothing herein shall be deemed bind Regents in favor of approval, or to limit the independent discretion of Regents in making its decision.

(c) At any time during the due diligence period, Buyer may elect to terminate this agreement upon fifteen (15) days' prior written notice to Seller and this Agreement shall terminate. In the event Regents deny approval of this agreement, or approval is not obtained prior to the end of the due diligence period, this Agreement shall terminate. In the event of any such termination of this Agreement, both parties shall be released from any further obligations hereunder except for liabilities, actual or contingent, which arose prior to the date of termination and not the result of failure to meet the above conditions.

5. Closing Agent.

First American Title of Sandpoint shall serve as the Closing Agent. Seller shall deliver to the Closing Agent on or before December 11, 2019, i) a duly executed and acknowledged Special Warranty Deed ("Deed"), similar to that attached as **Exhibit B**, conveying all of Seller's right, title and interest in Subject Property to Buyer, together with instructions to deliver and record Deed after Buyer deposits Purchase Price with the Closing Agent. On or before November 15, 2019, Buyer shall notify Seller and Closing Agent, in writing that Buyer is satisfied with the conditions of transaction closing as set forth in Section 4 of this Agreement. Upon acknowledgment that all of the conditions of transaction closing as set forth in Section 4 have been met by Buyer and Seller, Buyer shall deposit the Purchase Price prior to December 11, 2019 with the Closing Agent, with

instructions to disburse the Purchase Price to Seller upon recordation of the Deed by Closing Agent.

6. Closing.

Once all conditions of transaction closing (as described in Section 4 of this Agreement) have been completed, the Deed is delivered, and the Purchase Price is deposited, the Closing Agent shall complete the transaction as prescribed by this Agreement ("Closing"). Upon Closing, possession shall pass to Buyer.

7. Costs.

Seller and Buyer shall split closing fees. Buyer shall pay any title insurance premiums and title insurance shall not be provided at any cost to Seller. Utilities (if any) shall be prorated as of the time of transfer of possession from Seller to Buyer. This property is exempt from property taxes while in the possession of Seller and no property taxes shall be paid by Seller.

8. Commissions.

Each party represents and warrants that it has not dealt with or contracted with any broker, agent or finder to act in their behalf in connection with this transaction.

9. Seller's Representations and Warranties.

(a) Seller represents and warrants that Seller has authority to enter into this Agreement (subject to the condition listed in Section 4 (b) herein) and to grant the license granted in Section 2.

(b) Seller represents there are no pending or threatened condemnation proceedings which are known to affect all or any portion of the Subject Property, or the performance by Seller of any of its obligations set forth in this Agreement.

(c) Seller represents and warrants that, to Seller's knowledge, there are no attachments, executions, assignments for the benefit of creditors, or voluntary or involuntary proceedings contemplated by, or pending or threatened against, Seller which could prevent or delay the consummation of this transaction.

(d) Seller represents and warrants that execution, delivery and performance of this Agreement has been duly authorized and approved by all actions necessary by Seller, on the part of Seller, and that this Agreement (subject to the condition described by Section 4(b) herein) constitutes valid and binding agreement of Seller in accordance with their terms.

The representations and warranties set forth in this Section 9 shall constitute continuing representations and warranties and shall be deemed to be true and correct as of the date of closing of Buyer's purchase of the Subject Property.

10. Condemnation.

Should any entity having the power of condemnation bring an action or otherwise indicate an intent prior to the time of closing to acquire all or any portion of, or any interest in, the Subject Property, Buyer or Seller at either parties' sole option, may elect to terminate this Agreement by giving written notice to the other party at any time prior to the time of closing. If neither party chooses to terminate Agreement as provided herein, Buyer and Seller shall complete the purchase and sale as provided herein with Seller immediately appointing Buyer its attorney-in-fact to negotiate with said condemning entity as to its interest in the Property and assigning to Buyer all amounts to be awarded for the Property. Seller agrees to provide Buyer, within ten (10) days after Seller's receipt of same but in no event later than the time of closing, written notice of any actual or threatened condemnation proceeding.

11. Successors.

This Agreement shall be binding on the heirs, successors, assigns and personal representatives of the parties hereto.

12. Attorneys' Fees.

In the event either party initiates or defends any legal action or proceeding in any way connected with this Agreement, the prevailing party in any such action or proceeding (in addition to any other relief which may be granted, whether legal or equitable), shall be entitled to recover from the losing party in any such action its reasonable costs and attorneys' fees (including, without limitation, its reasonable costs and attorneys' fees on any appeal). All such costs and attorneys' fees shall be deemed to have accrued on commencement of any legal action or proceeding and shall be enforceable whether or not such legal action or proceeding is prosecuted to judgment.

13. Default.

(a) Neither party shall be deemed to be in default of this Agreement except upon the expiration of thirty (30) days from receipt of written notice from the other party specifying the particulars in which such party has failed to perform its obligations (or breached any of its representations or warranties) under this Agreement unless such party, prior to expiration of said thirty (30) day period, has rectified the particulars specified in said notice of default.

(b) In the event of a default, the nondefaulting party may:

(i) Terminate this Agreement upon written notice to the defaulting party, and recover from the defaulting party all damages incurred by the nondefaulting party;

(ii) Seek specific performance of this Agreement, and, in addition, recover all damages incurred by the nondefaulting party. The parties declare it to be their intent that this Agreement may be specifically enforced;

(iii) Perform or pay any obligation or encumbrance necessary to cure the default and offset the cost thereof from monies otherwise due the defaulting party or recover said monies from the defaulting party; and

(iv) Pursue all other remedies available at law, it being the intent of the parties that remedies be cumulative and liberally enforced so as to adequately and completely compensate the nondefaulting party.

14. Notices.

(a) All notices given pursuant to this Agreement shall be in writing and shall be given by personal service, by United States mail or by United States express mail or other established express delivery service (such as Federal Express), postage or delivery charge prepaid, return receipt requested, addressed to the appropriate party at the address set forth below:

Seller: University of Idaho
Brian Foisy, Vice President Finance & Admin
875 Perimeter Dr MS 3168
Moscow ID 83844-3168

Buyer: Tim McDonnell
115 Lula Court

Sandpoint ID 83864

The person and address to which notices are to be given may be changed at any time by any party upon written notice to the other party. All notices given pursuant to this Agreement shall be deemed given upon receipt.

(b) For the purpose of this Agreement, the term "receipt" shall mean the earlier of any of the following: (i) the date of delivery of the notice or other document to the address specified pursuant to subparagraph (a) above as shown on the return receipt, (ii) the date of actual receipt of the notice or other document by the person or entity specified pursuant to subparagraph (a) above, or (iii) in the case of refusal to accept delivery or inability to deliver the notice or other document, the earlier of (A) the date of the attempted delivery or refusal to accept delivery, (B) the date of the postmark on the return receipt, or (C) the date of receipt of notice of refusal or notice of nondelivery by the sending party.

15. Captions and Headings.

The captions and headings in this Agreement are for reference only and shall not be deemed to define or limit the scope or intent of any of the terms, covenants, conditions or agreements contained herein.

16. Entire Agreement.

This Agreement contains the entire agreement between the parties hereto and supersedes all prior agreements, oral or written, with respect to the subject matter hereof. The provisions of this Agreement shall be construed as a whole and not strictly for or against any party.

17. Venue and Governing Law.

Any legal proceeding instituted between the parties shall be in the courts of the County of Bonner, State of Idaho, and each of the parties agrees to submit to the jurisdiction of such

courts. It is further agreed that this Agreement shall be governed by the laws of the State of Idaho.

18. Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute a single instrument, and shall be effective upon execution of one or more of such counterparts by each of the parties hereto.

19. Survival.

All of the representations and warranties set forth in this Agreement shall constitute continuing representations and warranties, shall be deemed to be true and correct as of the date of Closing, and shall survive Closing.

20. No Third Party Beneficiary Rights.

This Agreement is not intended to create, nor shall it in any way be interpreted or construed to create, any third party beneficiary rights in any person not a party hereto unless otherwise expressly provided herein.

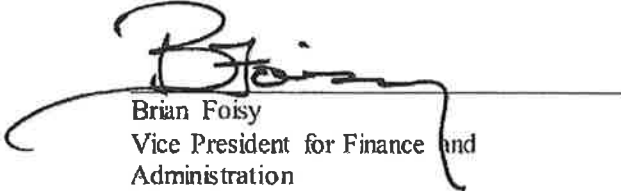
EXECUTED as of the date first above written.

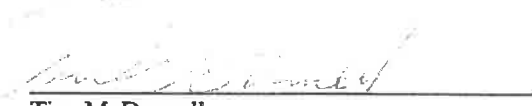
SELLER:

Board of Regents of the University of Idaho

BUYER:

Tim McDonnell


Brian Foisy
Vice President for Finance and
Administration


Tim McDonnell

List of Exhibits and Schedule

Exhibit "A" -- Legal Description

Exhibit "B" -- Special Warranty Deed

EXHIBIT A

To be determined by Title Company but generally and alternatively described by Bonner County Assessors Parcel #RPS00000150750A.

EXHIBIT B

SPECIAL WARRANTY DEED

GRANTOR, the BOARD OF REGENTS OF THE UNIVERSITY OF IDAHO, a body politic and corporate organized and existing under the laws and constitution of the state of Idaho, for good and valuable consideration, the receipt of which is hereby acknowledged, does hereby grant, bargain, sell, convey, and specially warrants unto Tim McDonnell, whose current address is 115 Lula Court, Sandpoint ID 83864, as GRANTEE, and to grantee's heirs and assigns forever, all of the real property, improvements, and appurtenances on the premises as described in the attached Exhibit A.

TOGETHER with all and singular, the rights and appurtenances pertaining to such real property, as they exist, including any and all timber, easements, rights-of-way and any and all improvements constructed thereon.

SUBJECT to all rights of reversion, reservations, easements, rights-of-way and defects in title arising prior to Grantor's ownership of the premises, Grantor warrants to Grantee, its successors and assigns, that Grantor has not created or permitted to be created any unrecorded encumbrance, lien, charge, reservation or impediment of any kind against the premises and Grantor covenants that it will defend said premises to the extent of the warranties made herein against the lawful claim of all persons.

GRANTEE, by accepting delivery of this Special Warranty Deed, acknowledges and agrees that Grantee has had an opportunity to investigate title to and inspect and test the premises to the extent that Grantee deemed appropriate and that Grantee is satisfied with the title and the premises. Grantee accepts the premises AS IS, WITH ALL FAULTS, KNOWN OR UNKNOWN, without any representations or warranties by Grantor, or any agent or representative of Grantor except as expressly set forth in this Special Warranty Deed.

Instrument # 950249
Bonner County, Sandpoint, Idaho
12/11/2019 03:04:43 PM No. of Pages: 4
Recorded for: FIRST AMERICAN TITLE - SANDPOINT
Michael W. Rosedale Fee: \$15.00
Ex-Officio Recorder Deputy rflaherty
Index to: WARRANTY DEED

File No: 867 698

Document type: Warranty Deed

E-RECORDED Amplified

ID: 950249
County: Bonner
Date: 12-11-19 Time: 3:04pm

SPECIAL WARRANTY DEED

GRANTOR, the BOARD OF REGENTS OF THE UNIVERSITY OF IDAHO, a body politic and corporate organized and existing under the laws and constitution of the state of Idaho, for good and valuable consideration, the receipt of which is hereby acknowledged, does hereby grant, bargain, sells, conveys, and specially warrants unto K-M Enterprises of Idaho LLC, an Idaho limited liability company, whose current address is PO Box 373 Sandpoint, ID 83864, as GRANTEE, and to grantee's heirs and assigns forever, all of the real property, improvements, and appurtenances on the premises as described in the attached Exhibit A.

TOGETHER with all and singular, the rights and appurtenances pertaining to such real property, as they exist, including any and all timber, easements, rights-of-way and any and all improvements constructed thereon.

SUBJECT to all rights of revision, reservations, easements, rights-of-way and defects in title arising prior to Grantor's ownership of the premises. Grantor warrants to Grantee, it's successors and assigns, that Grantor has not created or permitted to be created any unrecorded encumbrances, lien, charge, reservation or impediment of any kind against the premises and Grantor covenants that it will defend said premises to the extent of the warranties made herein against the lawful claim of all persons.

GRANTEE, by accepting delivery of this Special Warranty Deed, acknowledges and agrees that Grantee has had an opportunity to investigate title to and inspect test premises to the extent that Grantee deemed appropriate and that Grantee is satisfied with the title and the premises. Grantee accepts the premises AS IS, WITH ALL FAULTS, KNOWN OR UNKNOWN, without any representations or warranties by Grantor, or any agent or representative of Grantor except as expressly set forth in this Special Warranty Deed.

IN WITNESS WHEREOF, GRANTOR has hereunto caused this instrument to be executed
this 11th day of ~~October~~ December 2019.

GRANTOR: Board of Regents of the University of Idaho

By: X

Brian Foisy
Brian Foisy, Vice President,
Finance and Administration

Date:

12/11/19

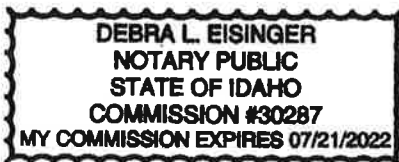
STATE of IDAHO)

) ss.

County of Latah)

On this 11 day of December 2019, before me, the undersigned, a Notary Public in and for said State of Idaho, personally appeared Brian Foisy, known or identified to me to be the Vice President for Finance and Administration, University of Idaho, who executed the within instrument, and acknowledged to me that the instrument was executed on behalf of the Board of Regents of the University of Idaho.

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



Debra L. EISINGER
NOTARY PUBLIC for Idaho
Residing at MOSIER, Idaho
My commission expires: 7/21/2022

EXHIBIT A

THE EAST HALF OF SECTION 15, TOWNSHIP 57 NORTH, RANGE 2 WEST BOISE MERIDIAN, LYING WEST OF SAND CREEK AND NORTH OF THE PRESENT WYE OR RAILROAD TRACT CONNECTING THE NORTHERN PACIFIC, THE SPOKANE INTERNATIONAL AND THE GREAT NORTHERN RAILWAYS, LESS COUNTY ROADS.

ALSO LESS THAT PARCEL CONVEYED TO THE STATE OF IDAHO BY QUITCLAIM DEED RECORDED DECEMBER 15, 1958 UNDER INSTRUMENT NO. 68533 IN BOOK 100 OF DEEDS, PAGE 151, RECORDS OF BONNER COUNTY, IDAHO.

ALSO LESS THAT PARCEL CONVEYED TO THE GREAT NORTHERN RAILWAY COMPANY BY CORRECTION DEED RECORDED AUGUST 7, 1967 UNDER INSTRUMENT NO. 112131, IN BOOK 122 OF DEEDS, PAGE 213, RECORDS OF BONNER COUNTY, IDAHO.

Tim Mcdonnell Former U of I Property





State of Idaho

DEPARTMENT OF WATER RESOURCES

Northern Region • 7600 N MINERAL DR STE 100 • COEUR D ALENE, ID 83815-7763
Phone: (208)762-2800 • Fax: (208)769-2819 • Website: www.idwr.idaho.gov

Brad Little
Governor

Gary Spackman
Director

August 19, 2020

KM ENTERPRISES OF IDAHO
115 LULA CT
SANDPOINT ID 83864-2314

Re: Change in Ownership for Water Right No(s): 96-2177 & 96-8516

Dear Water Right Holder(s):

The Department of Water Resources (Department) acknowledges the receipt of correspondence changing ownership of the above referenced water right(s) to you. The Department has modified its records and has enclosed a computer-generated report for you.

Updating the ownership record for a water right does not reconfirm the validity of the right. When processing a Notice of Change in Water Right Ownership, the Department does not review the history of water use to determine if the right has been forfeited or deliberately abandoned through five years or more of non-use. To read more about water right forfeiture, including how to protect a water right from forfeiture, please see Idaho Code §§ 42-222 and 42-223.

Please note, water right owners are required to report any change of water right ownership and any change of mailing address to the Department within 120 days of the change. Reporting forms are available from any office of the Department, or from the Department's website.

If you have any questions concerning the enclosed information, please contact me at (208) 762-2813.

Sincerely,

Natalie Steading

Natalie Steading
Tech Records Specialist 1

Enclosure(s)



Whiskey Rock Planning + Consulting

Rural West Specialist

614 Creekside Lane

Sandpoint, ID 83864

208.946.99444 | www.whiskeyrockplanning.com

RECEIVED

JUL 20 2020

IDWR / NORTH

July 16, 2020

Idaho Department of Water Resources
Northern Regional Office
7600 N Mineral DR STE 100
Coeur D Alane, ID 83815

To Whom It May Concern:

On behalf of my client, Mr. Tim McDonnell, please find attached, the Notice of Change in Water Rights Ownership for Claim 96-8516 and 96-2177 in Sandpoint Idaho. The claim is associated with 70 +/- acres of land formerly owned by the University of Idaho, east of Boyer Avenue, formerly described by Bonner County Assessors as Parcel #RPS00000150750A. Include with the application is a copy of the conveyance in the form of an executed Purchase and Sales Agreement signed by Mr. McDonnell (Buyer) and Mr. Foisy representing the University of Idaho (Seller). I have included what I understand to be the fee for processing the Change in Water Rights Ownership, \$25 for each claim.

Thank you in advance for your time. If there are any questions regarding this application, please contact me directly via CELL at 208-946-9944, EMAIL jeremy@whiskeyrockplanning.com or by MAIL at 614 Creekside Lane, Sandpoint, ID 83864.

Sincerely,

Jeremy Grimm on Behalf of Mr. Tim McDonnell.

Whiskey Rock Planning + Consulting

