

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

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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?
95-17167	Yes ☐	Yes ☐		Yes ☐	Yes ☐
	Yes ☐	Yes ☐		Yes ☐	Yes ☐
	Yes ☐	Yes ☐		Yes ☐	Yes ☐
	Yes ☐	Yes ☐		Yes ☐	Yes ☐
	Yes ☐	Yes ☐		Yes ☐	Yes ☐

2. Previous Owner's Name: Christine Quartin
Name of current water right holder/claimant
3. New Owner(s)/Claimant(s): Brian DeFrancesco and Jessica DeFrancesco, Trustees of the Sunrise Mountain Estate Trust
New owner(s) as listed on the conveyance document Name connector ☐ and ☐ or ☐ and/or
- 15 Tessera Ave Foothill Ranch CA 92610
Mailing address City State ZIP
- 440-567-3566 brian.defrancesco@gmail.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: August 23, 2018
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):
 ☐ \$25 per *undivided* water right.
 ☐ \$100 per *split* water right.
 ☐ 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: [Signature] November 6, 2018
Signature of new owner/claimant Title, if applicable Date

Signature: [Signature] November 6, 2018
Signature of new owner/claimant Title, if applicable Date

For IDWR Office Use Only:

Received by NS Date 11-13-18 Receipt No. N0833898 Receipt Amt. \$25⁰⁰

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 1-4-19



Brian DeFrancesco and Jessica DeFrancesco, Trustees of the Sunrise Mountain Estate Trust
15 Tessera Avenue
Foothill Ranch, CA 92610

Date: August 23, 2018

To our valued customer,

Enclosed please find the title insurance policy for your property located at

31557 and 31613 South Hwy 97, Harrison, ID 83833
31557 South Highway 97, Harrison, ID 83833

Please review this policy in its entirety. In the event that you find any discrepancy, or if you have any questions regarding your title insurance policy, you may contact the Policy Department at:

Email: nitpolicies@northidahotitle.com
Telephone: (208) 765-3333
Fax: (208) 765-1761

Please refer to our **Order No. N-45348**.

We will retain a copy of this title insurance policy so we will be able to provide future products and services to you quickly and efficiently. Thank you for giving us the opportunity to serve you.

Sincerely,

North Idaho Title Insurance, Inc.
601 E. Front Avenue Suite 204
Coeur d'Alene, ID 83814



ALTA OWNER'S POLICY (6-17-06) OF TITLE INSURANCE
Issued By

WESTCOR LAND TITLE INSURANCE COMPANY

Any notice of claim and any other notice or statement in writing required to be given to the Company under this Policy must be given to the Company at the address shown in Section 18 of the Conditions.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, WESTCOR LAND TITLE INSURANCE COMPANY, a California corporation (the "Company") insures, as of Date of Policy and, to the extent stated in Covered Risks 9 and 10, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

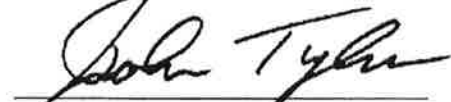
1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from
 - (a) A defect in the Title caused by
 - (i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
 - (ii) failure of any person or Entity to have authorized a transfer or conveyance;
 - (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
 - (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
 - (v) a document executed under a falsified, expired, or otherwise invalid power of attorney;
 - (vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
 - (vii) a defective judicial or administrative proceeding.
 - (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
 - (c) 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. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
3. Unmarketable Title.

COVERED RISKS Continued on next page

IN WITNESS WHEREOF, Westcor Land Title Insurance Company has caused this policy to be signed and sealed as of the Date of the Policy shown in Schedule A.

Issued By:

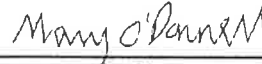
North Idaho Title Insurance, Inc.
 601 E. Front Avenue
 Coeur d'Alene, ID 83814
 Agent ID: ID1001



 Authorized Countersignature

WESTCOR LAND TITLE INSURANCE COMPANY



By: 

 President

Attest: 

 Secretary

COVERED RISKS Continued

4. No right of access to and from the Land.
5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (a) the occupancy, use, or enjoyment of the Land;
 - (b) the character, dimensions, or location of any improvement erected on the Land;
 - (c) the subdivision of land; or
 - (d) environmental protection,if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.
6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.
7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.
9. Title being vested other than as stated in Schedule A or being defective
 - (a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or
 - (b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records
 - (i) to be timely, or
 - (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A. The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this Policy, but only to the extent provided in the Conditions.

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection; orthe effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or

EXCLUSIONS FROM COVERAGE continued

(e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.

4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is

(a) a fraudulent conveyance or fraudulent transfer; or

(b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.

5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

CONDITIONS

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

(a) "Amount of Insurance": The amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b), or decreased by Sections 10 and 11 of these Conditions.

(b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.

(c) "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity.

(d) "Insured": The Insured named in Schedule A.

(i) The term "Insured" also includes

(A) successors to the Title of the Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;

(B) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization;

(C) successors to an Insured by its conversion to another kind of Entity;

(D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title

(1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,

(2) if the grantee wholly owns the named Insured,

(3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity, or

(4) if the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate planning purposes.

(ii) With regard to (A), (B), (C), and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured.

(e) "Insured Claimant": An Insured claiming loss or damage.

(f) "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.

(g) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.

(h) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.

(i) "Public Records": Records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.

(j) "Title": The estate or interest described in Schedule A.

(k) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

CONDITIONS continued

2. CONTINUATION OF INSURANCE

The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 5(a) of these Conditions, (ii) in case Knowledge shall come to an Insured hereunder of any claim of title or interest that is adverse to the Title, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if the Title, as insured, is rejected as Unmarketable Title. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.

4. PROOF OF LOSS

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. DEFENSE AND PROSECUTION OF ACTIONS

(a) Upon written request by the Insured, and subject to the options contained in Section 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of those causes of action that allege matters not insured against by this policy.

(b) The Company shall have the right, in addition to the options contained in Section 7 of these Conditions, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.

(c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal any adverse judgment or order.

6. DUTY OF INSURED CLAIMANT TO COOPERATE

(a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter as insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

(b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records in the

CONDITIONS continued

custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance. To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

(b) To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant.

(i) To pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or

(ii) To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company's obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

8. DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.

(a) The extent of liability of the Company for loss or damage under this policy shall not exceed the lesser of

(i) the Amount of Insurance; or

(ii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy.

(b) If the Company pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title, as insured,

(i) the Amount of Insurance shall be increased by 10%, and

(ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.

(c) In addition to the extent of liability under (a) and (b), the Company will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

9. LIMITATION OF LIABILITY

(a) If the Company establishes the Title, or removes the alleged defect, lien, or encumbrance, or cures the lack of a right of access to or from the Land, or cures the claim of Unmarketable Title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title, as insured.

(c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment.

CONDITIONS continued

11. LIABILITY NONCUMULATIVE

The Amount of Insurance shall be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is executed by an Insured after Date of Policy and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the Insured under this policy.

12. PAYMENT OF LOSS

When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days.

13. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT

(a) Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall permit the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.

If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.

(b) The Company's right of subrogation includes the rights of the Insured to indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.

14. ARBITRATION

Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured. All arbitrable matters when the Amount of Insurance is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT

(a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage that arises out of the status of the Title or by any action asserting such claim shall be restricted to this policy.

(c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.

(d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance.

16. SEVERABILITY

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision or such part held to be invalid, but all other provisions shall remain in full force and effect.

CONDITIONS continued

17. CHOICE OF LAW; FORUM

- (a) Choice of Law: The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located.

Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the Insured and to interpret and enforce the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.

- (b) Choice of Forum: Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

18. NOTICES, WHERE SENT

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to Westcor Land Title Insurance Company, Attn: Claims, 875 Concourse Parkway South, Ste. 200, Maitland, Florida 32751 (866) 629-5842.

ALTA 6-17-06 OWNER'S POLICY

SCHEDULE A

Order No.:	N-45348	Name and Address of Insurer:
Policy No.:	OP-6-ID1001-6518091	Westcor Land Title Insurance Company
Date of Policy:	August 23, 2018 at 9:13AM	875 Concourse Parkway South, Suite 200
		Maitland, FL 32751
Amount of Insurance:	\$2,925,000.00	
Premium:	\$6,630.00	
Address Reference:	31557 and 31613 South Hwy 97, Harrison, ID 83833	
	31557 South Highway 97, Harrison, ID 83833	

1. Name of Insured:
Brian DeFrancesco and Jessica DeFrancesco, Trustees of the Sunrise Mountain Estate Trust
2. The estate or interest in the Land that is insured by this policy is:
Fee Simple
3. Title is vested in:
Brian DeFrancesco and Jessica DeFrancesco, Trustees of the Sunrise Mountain Estate Trust
4. The Land referred to in this policy is described as follows:
See Exhibit "A" for Legal Description

EXHIBIT "A" LEGAL DESCRIPTION

Parcel 1:

That portion of Government Lot 2, Section 31 Township 49 North, Range 3 West, Boise Meridian, Kootenai County, Idaho, which lies southerly of State Highway and between two lines drawn parallel to line "A" and line "A" extended, said lines being located South 46°50' East 375 and 475 feet respectively from Line "A" as contained within the following description:

Beginning at the North Quarter corner of said Section 31; thence North 87° West along the north line of said section, 251.0 feet;

thence South 18°58' West, 128.0 feet;

thence South 50°57' West, 69.0 feet;

thence South 27°37' West, 193.0 feet;

thence South 34°37' West, 115.0 feet;

thence South 25°41' West, 311.0 feet;

thence South 44°05' West, 218.0 feet;

thence South 21°39' West, 111.6 feet;

thence South 38°30' West, 22.0 feet;

thence South 10°19' West 130.0 feet;

thence South 8°51' West, 92.0 feet;

thence, along Line "A" South 43°10' West, 100.0 feet more or less to the high line of Lake Coeur d'Alene.

Parcel 2:

That portion of Government Lot 2, Section 31 Township 49 North, Range 3 West, Boise Meridian, Kootenai County, Idaho, which lies southerly of State Highway and between two lines drawn parallel to line "A" and line "A" extended, said lines being located South 46°50' East 475 and 600 feet respectively from Line "A" as contained within the following description:

Beginning at the North Quarter corner of said Section 31; thence North 87° West along the north line of said section, 251.0 feet;

thence South 18°58' West, 128.0 feet;

thence South 50°57' West, 69.0 feet;

thence South 27°37' West, 193.0 feet;

thence South 34°37' West, 115.0 feet;

thence South 25°41' West, 311.0 feet;

thence South 44°05' West, 218.0 feet;

thence South 21°39' West, 111.6 feet;

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ALTA 6-17-06 OWNER'S POLICY

SCHEDULE B

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses that arise by reason of:

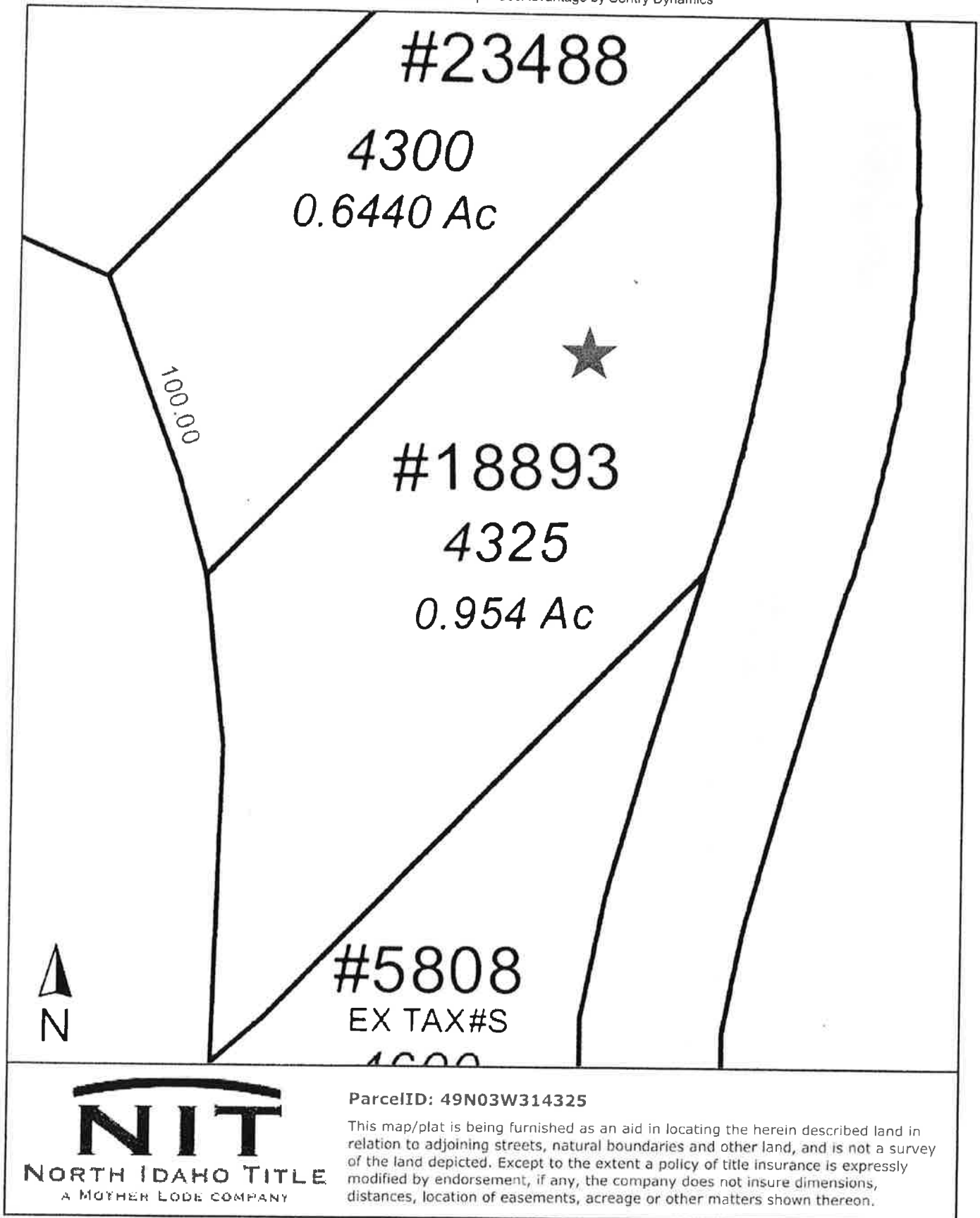
Standard Exceptions

1. Rights or Claims of parties in possession not shown by the public records.
2. Easements or claims of easements not shown by the public records.
3. Discrepancies, conflicts in boundary lines, encroachments, overlaps, variations or shortage in area or content, party walls and any other matters that would be disclosed by a correct survey and/or physical inspection of the land.
4. Any lien, or right to lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public record.
5. Any water or well rights, or rights or title to water or claims thereof, in, on or under the land
6. Unpatented mining claims; reservations or exceptions in patents or in the Acts authorizing the issuance of said patents
7. All taxes, assessments, levies and charges which constitute liens or are due or payable including unredeemed tax sales.

Special Exceptions

8. General taxes for the year 2018, a lien in the process of assessment, not yet due or payable.
9. Any adverse claim based upon the assertion that:
(a) Some portion of said land has been created by artificial means, or has accreted to such portion so created.
(b) Some portion of said land has been brought within the boundaries thereof by an avulsive movement of Lake Coeur d'Alene, or has been formed by accretion to any such portion.
10. Right of the United States of America, the State of Idaho, The Coeur d'Alene Tribe and the general public in and to that portion, if any, of the property herein described which lies below the line of ordinary high water of Lake Coeur d'Alene.
11. Any claims arising out of the difference between the mean high water line and the meander line of Lake Coeur d'Alene.
12. Terms and provisions set forth in the Affidavit executed by the Idaho Panhandle Public Health District No. 1, recorded January 27, 1975, Instrument No. 665820, which recites "any use of said property requiring sewage disposal requires the issuance of a permit under the appropriate regulations and laws of the Public Health District and the State of Idaho."

13. An easement over said land for an electric distribution line with appurtenances including right of inspection and incidental purposes, as granted to The Washington Water Power Company, in deed recorded July 30, 1947, as (book) 135 (page) 367, Official Records.
14. An easement over said land for an electric distribution line with appurtenances including right of inspection and incidental purposes, as granted to The Washington Water Power Company, in deed recorded September 2, 1947, as (book) 135 (page) 440, Official Records.
15. Covenants, conditions and restrictions, but omitting covenants or restrictions, if any, based upon 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, as contained in the deed from James K Barnard and Sherry Barnard, recorded January 30, 1974, as (book) 265 (page) 330, Official Records.
Document Link
16. An easement upon the terms, conditions and provisions contained therein for the purpose shown below and rights incidental thereto as granted in a document recorded September 16, 1977, as (book) 285 (page) 699, Official Records:
Purpose: right of way for road and utility
17. Covenants, conditions and restrictions, but omitting covenants or restrictions, if any, based upon 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, as contained in the deed from Mary Ellen Carver, recorded September 11, 1979, as (book) 301 (page) 738, Official Records.
Document Link
18. An easement upon the terms, conditions and provisions contained therein for the purpose shown below and rights incidental thereto as granted in a document recorded August 17, 1981, as (book) 314 (page) 233, Official Records:
Purpose: right of way for road and utility
19. Provisions in a document entitled Encroachment Permit Number L-95-S-2407D recorded June 01, 2010 as Instrument No. 2267347000, Official Records.
20. Provisions in a document entitled Encroachment Permit Number L-95-S-5234 recorded February 22, 2008 as Instrument No. 2145837000, Official Records.
21. Provisions in a document entitled Order; The Matter of the Petition to Annex Certain Properties Into the East Side Fire District recorded July 28, 2008 as Instrument No. 2170354000, Official Records.



Escrow No.: N-45348-KRL

WARRANTY DEED

FOR VALUE RECEIVED, **Christine Quartin, a single person**, Hereinafter called Grantor, does hereby grant, bargain, sell and convey unto **Brian DeFrancesco and Jessica DeFrancesco, as Trustees of the Sunrise Mountain Estate Trust**, Grantee, whose address is: 15 Tessera Ave. Foothills Ranch, CA 92610, the following described premises, County of Kootenai, State of Idaho to-wit:

Parcel 1:

That portion of Government Lot 2, Section 31 Township 49 North, Range 3 West, Boise Meridian, Kootenai County, Idaho, which lies southerly of State Highway and between two lines drawn parallel to line "A" and line "A" extended, said lines being located South 46°50' East 375 and 475 feet respectively from Line "A" as contained within the following description:

**Beginning at the North Quarter corner of said Section 31; thence North 87° West along the north line of said section, 251.0 feet;
thence South 18°58' West, 128.0 feet;
thence South 50°57' West, 69.0 feet;
thence South 27°37' West, 193.0 feet;
thence South 34°37' West, 115.0 feet;
thence South 25°41' West, 311.0 feet;
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thence South 10°19' West 130.0 feet;
thence South 8°51' West, 92.0 feet;
thence, along Line "A" South 43°10' West, 100.0 feet more or less to the high line of Lake Coeur d'Alene.**

Parcel 2:

That portion of Government Lot 2, Section 31 Township 49 North, Range 3 West, Boise Meridian, Kootenai County, Idaho, which lies southerly of State Highway and between two lines drawn parallel to line "A" and line "A" extended, said lines being

This document is now recorded electronically with the County Recorder. Attached to this original document is a copy of the recorder stamp as it appears of record.

Escrow No.: N-45348-KRL

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FOR VALUE RECEIVED, **Christine Quartin, a single person**, Hereinafter called Grantor, does hereby grant, bargain, sell and convey unto **Brian DeFrancesco and Jessica DeFrancesco, as Trustees of the Sunrise Mountain Estate Trust**, Grantee, whose address is: 15 Tessera Ave. Foothills Ranch, CA 92610, the following described premises, County of Kootenai, State of Idaho to-wit:

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thence, along Line "A" South 43°10' West, 100.0 feet more or less to the high line of Lake Coeur d'Alene.**

TO HAVE AND TO HOLD the said premises, with their appurtenances unto the said Grantee(s), his/her/their heirs and assigns forever. And the said Grantor(s) does (do) hereby covenant to and with the said Grantee(s), that he/she/they is/are the owner(s) in fee simple of said premises; that they are free from all encumbrances EXCEPT those to which this conveyance is expressly made subject to those made, suffered or done by the Grantee(s); current taxes, levies, assessments, easements, reservations and rights of way of view and covenants, conditions, restrictions, easements, reservations, dedications, rights of way and agreements of record and that he/she/they will warrant and defend the same from all lawful claims whatsoever.

DATED. August 14, 2018


Christine Quartin

STATE OF IDAHO

)

)ss.

COUNTY OF KOOTENAI

)

On this 20th day of August, 2018, before me, a Notary Public in and for said State, personally appeared Christine Quartin known or identified to me to be the person(s) whose name is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same.



Notary in and for said County and State

Residing at: Post Falls

Commission Exp.: 5/7/2024

**CHANTELLE FUHRIMAN
NOTARY PUBLIC
STATE OF IDAHO**



State of Idaho

DEPARTMENT OF WATER RESOURCES

Northern Region • 7600 N. Mineral Drive, Suite 100 • Coeur d'Alene, Idaho 83815-7763
Phone: (208) 762-2800 • Fax: (208) 762-2819 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

January 4, 2019

BRIAN DE FRANCESCO
JESSICA DE FRANCESCO
15 TESSERA AVE
FOOTHILL RANCH, CA 92610-1921

Re: Change of Ownership for Water Right/Permit No(s): 95-17167

Dear Water Right Holder(s):

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

Updating the ownership record for a water right does not reconfirm the validity of the right. When processing an ownership change notice, the department does not review the history of water use to determine if the right has been forfeited 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 § 42-222 and §42-223, Idaho Code.

Also note that as of July 1, 1996, water right owners are required to report any change of water right ownership and any change of mailing address of the owner of a water right, to the Department. Notice of the change must be provided to the Department within 120 days of the change. Water right forms are available from any office of the Department, or at www.idwr.idaho.gov.

If you have any questions concerning the enclosed information, please feel free to contact me at (208) 762-2800.

Sincerely,

Natalie Steading
Natalie Steading

Technical Records Specialist I

Enclosure(s)