

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

RECEIVED

NOV 13 2018

DEPARTMENT OF
WATER RESOURCES

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?
75-10125	Yes ☒	Yes ☐		Yes ☐	Yes ☐
75-14927	Yes ☐	Yes ☐		Yes ☐	Yes ☐
	Yes ☐	Yes ☐		Yes ☐	Yes ☐
	Yes ☐	Yes ☐		Yes ☐	Yes ☐
	Yes ☐	Yes ☐		Yes ☐	Yes ☐

2. Previous Owner's Name: VERL JONES AND HATTIE JONES
Name of current water right holder/claimant

3. New Owner(s)/Claimant(s): MONTGOMERY PROPERTIES LLC
New owner(s) as listed on the conveyance document Name connector ☐ and ☐ or ☒ and/or
- 4904 S. ST. ANDREWS LN. SPOKANE WA 99223
Mailing address City State ZIP
- 509-220-8522 babbonucelli@msn.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: JULY 13, 2017

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.

SUPPORT DATA

IN FILE # 75-10125

- ☐ 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] MANAGING MEMBER 11/6/2018
Signature of new owner/claimant Title, if applicable Date

Signature: _____ Title, if applicable: _____ Date: _____

For IDWR Office Use Only:

Received by [Signature] Date 11.13.18 Receipt No. C105868 Receipt Amt. 100

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 [Signature] Date 11-23-18

Close

IDAHO DEPARTMENT OF WATER RESOURCES
Water Right Report

3/12/2018

WATER RIGHT NO. 75-10125

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	VERL JONES 1335 MORGAN CREEK RD CHALLIS, ID 83226
Current Owner	HATTIE JONES HC 82 BOX 4020 CHALLIS, ID 83226

Priority Date: 05/01/1916

Basis: Decreed

Status: Active

<u>Source</u>	<u>Tributary</u>
FOURTH OF JULY CREEK	PANTHER CREEK
PANTHER CREEK	SALMON RIVER

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01	11/01	1.52 CFS	
STOCKWATER	01/01	12/31	0.07 CFS	
Total Diversion			1.59 CFS	

Location of Point(s) of Diversion:

FOURTH OF JULY CREEK	NWSWSE	Sec. 09	Township 19N	Range 18E	LEMHI County
PANTHER CREEK	SESWSE	Sec. 09	Township 19N	Range 18E	LEMHI County
PANTHER CREEK	NWSESE	Sec. 09	Township 19N	Range 18E	LEMHI County

Place(s) of use:

Place of Use Legal Description: IRRIGATION LEMHI County

<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>
19N	18E	9		NESE	18		SWSE	2		SESE	12			
		10		NENW	8		NWNW	8		SWNW	21		SENW	1
				NWSW	6									

Place of Use Legal Description: STOCKWATER same as IRRIGATION

Total Acres: 76

Conditions of Approval:

1. C18 This partial decree is subject to such general provisions necessary for the definition of the rights or for the efficient administration of the water rights as may be ultimately determined by the Court at a point in time no later than the entry of a final unified decree. Section 42-1412(6), Idaho Code.
2. C05 Right includes accomplished change in place of use pursuant to Section 42-1425, Idaho Code.
3. N11 The quantity of water decreed for this water right is not a determination of historical beneficial use.
4. N14 The quantity of water under this right for stockwater use shall not exceed 13,000 gallons per day.
5. J02 Property is within Homestead Entry Survey No. 173.

Dates:

Licensed Date:

Decreed Date: 11/17/2008

Enlargement Use Priority Date:

Enlargement Statute Priority Date:

Water Supply Bank Enrollment Date Accepted:

Water Supply Bank Enrollment Date Removed:

Application Received Date:

Protest Deadline Date:

Number of Protests: 0

Other Information:

State or Federal: S

Owner Name Connector: AND

Water District Number:

Generic Max Rate per Acre:

Generic Max Volume per Acre:

Civil Case Number:

Old Case Number:

Decree Plaintiff:

Decree Defendant:

Swan Falls Trust or Nontrust:

Swan Falls Dismissed:

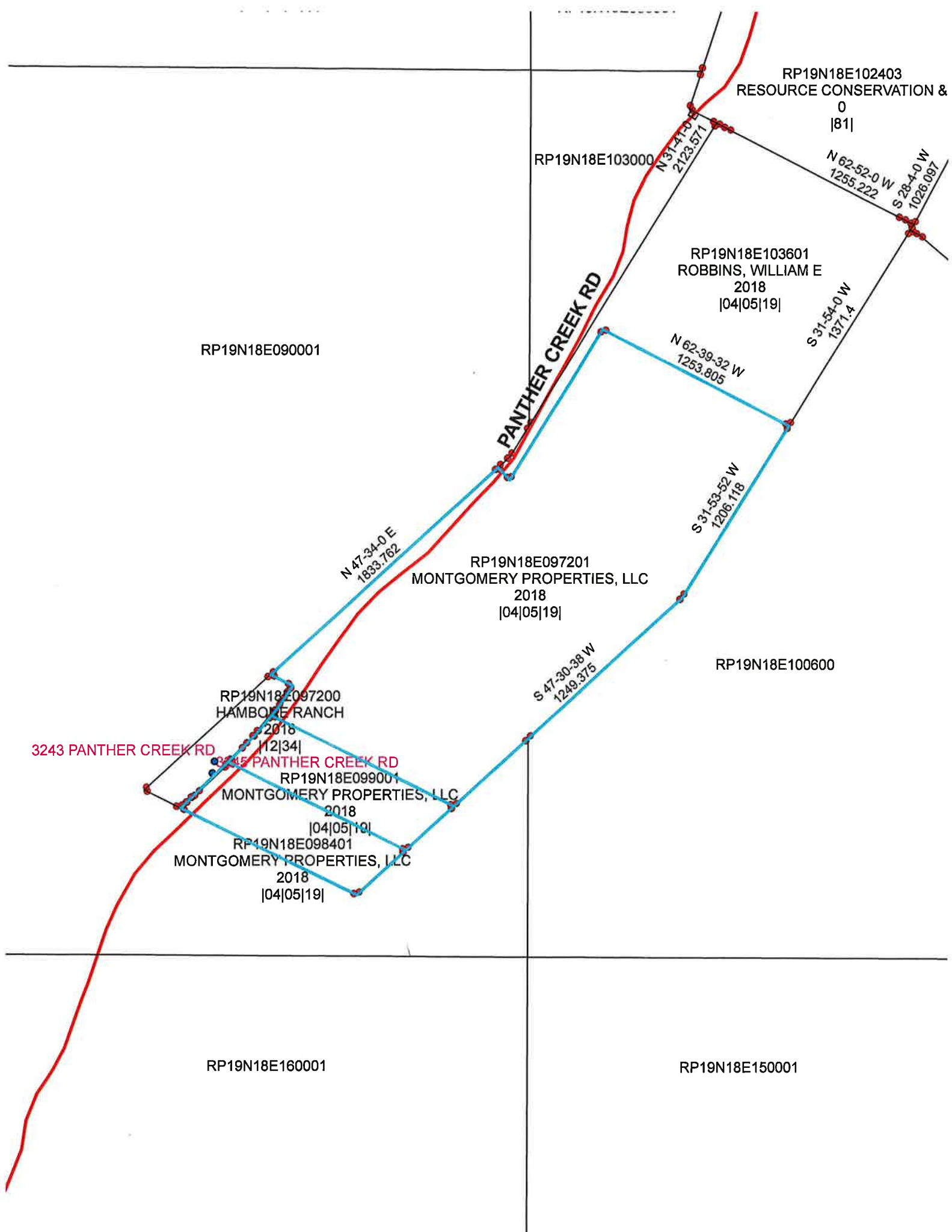
DLE Act Number:

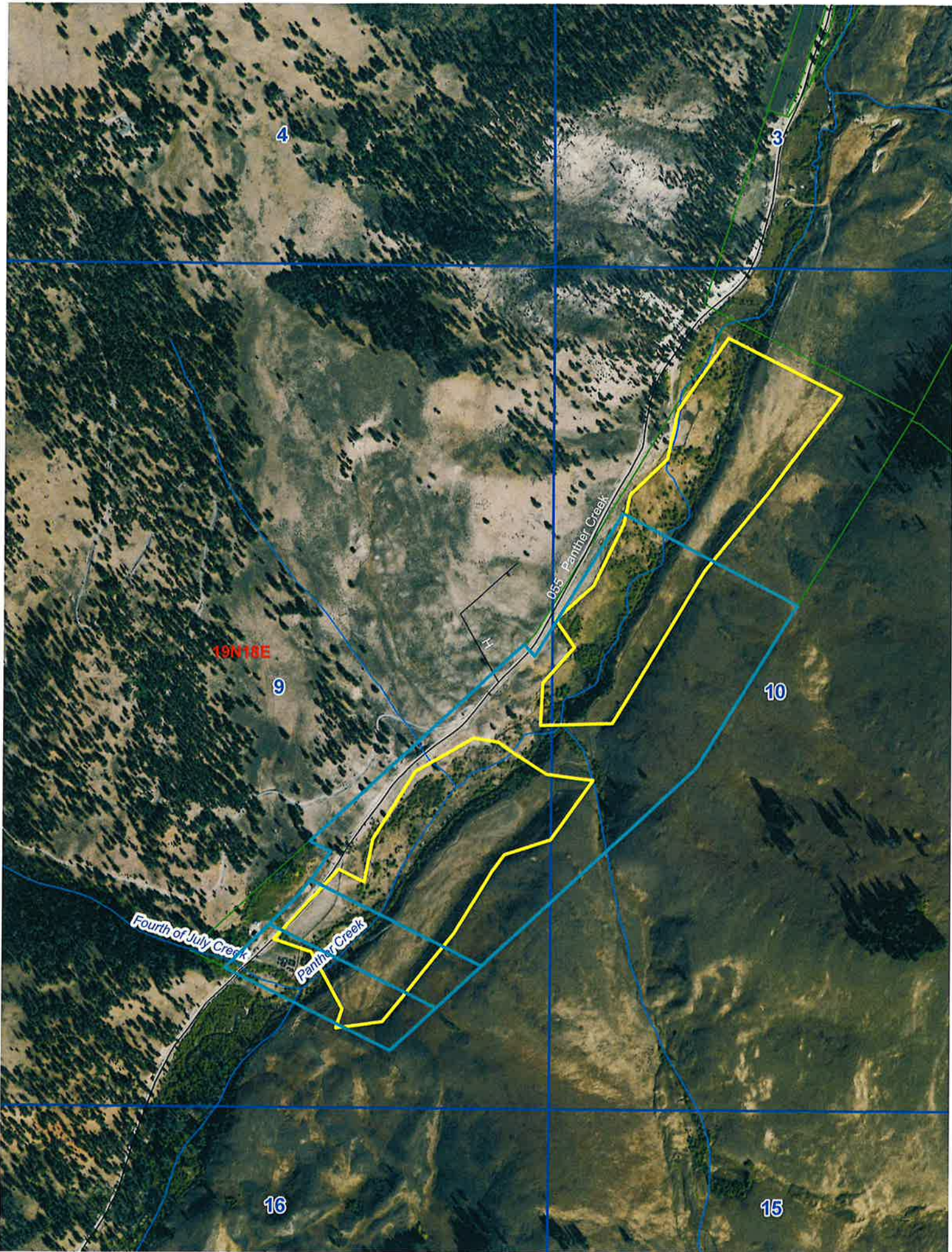
Cary Act Number:

Mitigation Plan: False

Close

*The red outline
on the aerial is
the acreage covered
by the water right.*





Warranty Deed

For Value Received

Donald S Huddleston, a single man

the grantors, do hereby grant, bargain, sell and convey unto

Montgomery Properties, LLC, a Washington Limited Liability Company

Whose current address is:

**4904 S. St. Andrews Lane
Spokane, WA 99223**

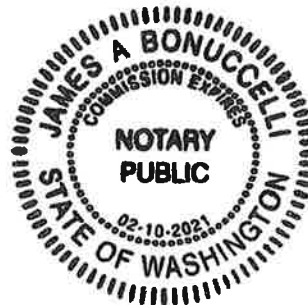
the grantee, the following described premises, to-wit:

See Attached Legal Description as Exhibit 'A'

TO HAVE AND TO HOLD, the said premises, with their appurtenances unto the said Grantees, their heirs and assigns forever. And the said Grantors do hereby covenant to and with the said Grantees that they are the owners in fee simple of said premises; that they are free from all encumbrances EXCEPT: Subject to all existing patent reservations, easements, right(s) of way, protective covenants, zoning ordinances, and applicable building codes, laws and regulations, general taxes, assessments, including irrigation and utility easements (if any) for the current year, which are not due and payable, and that Grantor(s) will warrant and defend the same from all lawful claims whatsoever.

Dated: July 13, 2017


Donald S Huddleston



STATE OF Washington
COUNTY OF Spokane) ss

On this 13th day of July, 2017, before me, a notary public in and for said State, personally appeared **Donald S Huddleston** known to me or proved to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.


Notary Public
Residing at: Spokane, Washington
Comm. Expires: 02-10-2021

Exhibit 'A'
Legal Description

TURNING POINT SURVEYING INC. ..
P.O. BOX 772
SALMON, IDAHO 83467
(208)756-1494

PARCEL "A"

A parcel of land located in H.E.S. 173, Unsurveyed Sections 9 and 10, T. 19 N., R. 18 E., Boise Meridian, Lemhi County, Idaho, more particularly described as follows:

BEGINNING at Corner Number 4 of said H.E.S. 173 from which Corner Number 3 of H.E.S. 173 bears N 47°30'50" E, 2633.50 ft., the Basis Of Bearing of this description, run thence N 63°34'52" W along the southerly boundary of said H.E.S. a distance of 1169.01 ft.;

Thence N 45°24'58" E leaving said southerly boundary a distance of 391.51 ft.;

Thence S 63°34'52" E a distance of 1184.37 ft. to a point on said easterly boundary of H.E.S. 137;

Thence S 47°30'50" W along said easterly boundary a distance of 396.78 ft. to the POINT OF BEGINNING.

PARCEL CONTAINS 10.0 ACRES
ZERO SPLITS REMAIN

SUBJECT TO: The part of the following described easement appurtenant to the above described parcel:

A 50.00 ft. wide easement for ingress and egress 25.00 ft. on each side of the following described centerline:

Commencing at Corner Number 4 of said H.E.S. 173 from which Corner Number 3 of H.E.S. 173 bears N 47°30'50" E, the Basis Of Bearing of this description, run thence N 63°34'52" W along the southerly boundary of said H.E.S. a distance of 1101.26 ft. to a point on the easterly right-of-way of Panther Creek Road;

Thence N 45°31'44" E along said right-of-way a distance of 205.86 ft. to the POINT OF BEGINNING OF said easement;

Thence along the centerline of said ingress/egress easement the following courses:

S 74°20'47" E, 14.14 ft.; N 84°15'20" E, 71.46 ft.;

N 61°45'13" E, 73.24 ft.; N 74°06'08" E, 123.46 ft.;

N 51°17'33" E, 137.54 ft.; S 66°10'21" E, 164.49 ft.;

S 78°45'17" E, 68.76 ft.; N 70°23'26" E, 115.32 ft.;

N 50°16'10" E, 91.09 ft.; N 54°37'19" E, 45.61 ft.;

N 75°50'29" E, 70.59 ft. to the center of a cul-de-sac with a radius of 50.00 ft. said point being the POINT OF TERMINUS.

SUBJECT TO: A 66.00 ft. wide easement for Panther Creek Road as described in a Right-of-Way Deed filed as Instrument Number 54529 in Lemhi County, Idaho.

AND

TURNING POINT SURVEYING INC.

P.O. BOX 772
SALMON, IDAHO 83467
(208)756-1494

PARCEL "B"

A parcel of land located in H.E.S. 173, Unsurveyed Sections 9 and 10, T. 19 N., R. 18 E., Boise Meridian, Lemhi County, Idaho, more particularly described as follows:

Commencing at Corner Number 4 of said H.E.S. 173 from which Corner Number 3 of H.E.S. 173 bears N 47°30'50" E, 2633.50 ft., the Basis Of Bearing of this description, run thence N 47°30'50" E along the easterly boundary of said H.E.S. 173 a distance of 787.56 ft. to the POINT OF BEGINNING;

Thence N 63°34'52" W leaving said easterly boundary a distance of 1214.66 ft.;

Thence N 39°37'00" E a distance of 56.86 ft.;

Thence N 33°49'00" E a distance of 163.00 ft.;

Thence N 63°35'00" W a distance of 141.35 ft. to a point on the westerly boundary of said H.E.S. 173;

Thence N 47°30'01" E along said westerly boundary a distance of 1831.26 ft.;

Thence S 42°32'57" E leaving said westerly H.E.S boundary a distance of 99.94 ft.;

Thence N 31°37'30" E a distance of 1057.57 ft.;

Thence S 62°39'33" E a distance of 1244.06 ft. to a point on said easterly boundary of H.E.S. 173;

Thence S 31°26'10" W along said easterly boundary a distance of 1205.39 ft. to said Corner Number 3 of H.E.S. 173;

Thence S 47°30'50" W along said easterly boundary a distance of 1845.94 ft. to the POINT OF BEGINNING.

**PARCEL CONTAINS 90.0 ACRES
ZERO SPLITS REMAIN**

SUBJECT TO AND TOGETHER WITH: The part of the following described easement appurtenant to the above described parcel:

A 50.00 ft. wide easement for ingress and egress 25.00 ft. on each side of the following described centerline:

Commencing at Corner Number 4 of said H.E.S. 173 from which Corner Number 3 of H.E.S. 173 bears N 47°30'50" E, the Basis Of Bearing of this description, run thence N 63°34'52" W along the southerly boundary of said H.E.S. a distance of 1101.26 ft. to a point on the easterly right-of-way of Panther Creek Road;

Thence N 45°31'44" E along said right-of-way a distance of 205.86 ft. to the

Parcel "B" Page 1 of 2

POINT OF BEGINNING OF said easement;

Thence along the centerline of said ingress/egress easement the following courses:

S 74°20'47" E, 14.14 ft.; N 84°15'20" E, 71.46 ft.;

N 61°45'13" E, 73.24 ft.; N 74°06'08" E, 123.46 ft.;

N 51°17'33" E, 137.54 ft.; S 66°10'21" E, 164.49 ft.;

S 78°45'17" E, 68.76 ft.; N 70°23'26" E, 115.32 ft.;

N 50°16'10" E, 91.09 ft.; N 54°37'19" E, 45.61 ft.;

N 75°50'29" E, 70.59 ft. to the center of a cul-de-sac with a radius of 50.00 ft.

said point being the POINT OF TERMINUS.

SUBJECT TO: A 66.00 ft. wide easement for Panther Creek Road as described in a Right-of-Way Deed filed as Instrument Number 54529 in Lemhi County, Idaho.

AND

TURNING POINT SURVEYING INC.

**P.O. BOX 772
SALMON, IDAHO 83467
(208)756-1494**

PARCEL "D"

A parcel of land located in H.E.S. 173, Unsurveyed Sections 9 and 10, T. 19 N., R. 18 E., Boise Meridian, Lemhi County, Idaho, more particularly described as follows:

Commencing at Corner Number 4 of said H.E.S. 173 from which Corner Number 3 of H.E.S. 173 bears N 47°30'50" E, 2633.50 ft., the Basis Of Bearing of this description, run thence N 47°30'50" E along the easterly boundary of said H.E.S. 173 a distance of 396.78 ft. to the POINT OF BEGINNING;

Thence N 63°34'52" W leaving said easterly boundary a distance of 1184.37 ft.;

Thence N 45°25'00" E a distance of 239.49 ft.;

Thence N 39°37'00" E a distance of 141.89 ft.;

Thence S 63°34'52" E a distance of 1214.66 ft. to a point on said easterly boundary of H.E.S. 173;

Thence S 47°30'50" W along said easterly boundary a distance of 390.78 ft. to the POINT OF BEGINNING.

**PARCEL CONTAINS 10.00 ACRES
ZERO SPLITS REMAIN**

SUBJECT TO: The part of the following described easement appurtenant to the above described parcel:

A 50.00 ft. wide easement for ingress and egress 25.00 ft. on each side of the following described centerline:

Commencing at Corner Number 4 of said H.E.S. 173 from which Corner Number 3 of H.E.S. 173 bears N 47°30'50" E, the Basis Of Bearing of this description, run thence N 63°34'52" W along the southerly boundary of said H.E.S. a distance of 1101.26 ft. to a point on the easterly right-of-way of Panther Creek Road;

Thence N 45°31'44" E along said right-of-way a distance of 205.86 ft. to the POINT OF BEGINNING OF said easement;

Thence along the centerline of said ingress/egress easement the following courses:

S 74°20'47" E, 14.14 ft.; N 84°15'20" E, 71.46 ft.;

N 61°45'13" E, 73.24 ft.; N 74°06'08" E, 123.46 ft.;

N 51°17'33" E, 137.54 ft.; S 66°10'21" E, 164.49 ft.;

S 78°45'17" E, 68.76 ft.; N 70°23'26" E, 115.32 ft.;

N 50°16'10" E, 91.09 ft.; N 54°37'19" E, 45.61 ft.;

N 75°50'29" E, 70.59 ft. to the center of a cul-de-sac with a radius of 50.00 ft. said point being the POINT OF TERMINUS.

SUBJECT TO: A 66.00 ft. wide easement for Panther Creek Road as described in a Right-of-Way Deed filed as Instrument Number 54529 in Lemhi County, Idaho.

State of Idaho

Office of the Secretary of State

CERTIFICATE OF REGISTRATION

OF

MONTGOMERY PROPERTIES LLC

dba MONTGOMERY PROPERTIES IDAHO LLC

File Number W 205825

I, LAWRENCE DENNEY, Secretary of State of the State of Idaho, hereby certify that an application for Foreign Registration Statement, duly executed pursuant to the provisions of the Idaho Uniform Business Organization Code, has been received in this office and is found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I issue this Certificate of Registration to transact business in this State and attach hereto a duplicate of the application for such certificate.

Dated: July 16, 2018



Lawrence Denney
SECRETARY OF STATE

By *Spaul*

UNITED STATES OF AMERICA

The State of Washington

Secretary of State

I, **KIM WYMAN**, Secretary of State of the State of Washington and custodian of its seal, hereby issue this

CERTIFICATE OF EXISTENCE

OF

MONTGOMERY PROPERTIES, LLC

I CERTIFY that the records on file in this office show that the above named entity was formed under the laws of the State of Washington and that its public organic record was filed in Washington and became effective on 03/19/1999.

I FURTHER CERTIFY that the entity's duration is Perpetual, and that as of the date of this certificate, the records of the Secretary of State do not reflect that this entity has been dissolved.

I FURTHER CERTIFY that all fees, interest, and penalties owed and collected through the Secretary of State have been paid.

I FURTHER CERTIFY that the most recent annual report has been delivered to the Secretary of State for filing and that proceedings for administrative dissolution are not pending.

Issued Date: 05/10/2018
UBI Number: 601 940 824



Given under my hand and the Seal of the State
of Washington at Olympia, the State Capital



Kim Wyman, Secretary of State

Date Issued: 05/10/2018

 First American Title™	Owner's Policy of Title Insurance
Owner's Policy	ISSUED BY First American Title Insurance Company
	POLICY NUMBER 5011400-1777397e

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, **FIRST AMERICAN TITLE INSURANCE COMPANY**, a Nebraska 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.
4. No right of access to and from the Land.

(Covered Risks Continued on Page 2)

In Witness Whereof, First American Title Insurance Company has caused its corporate name to be hereunto affixed by its authorized officers as of Date of Policy shown in Schedule A.

First American Title Insurance Company

For Reference:

File #: 4257-17



Dennis J. Gilmore
President



Jeffrey S. Robinson
Secretary

(This Policy is valid only when Schedules A and B are attached)

This jacket was created electronically and constitutes an original document

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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;
 or the 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
 - (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.

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 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
- the Amount of Insurance; or
 - 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,
- the Amount of Insurance shall be increased by 10%, and
 - 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.

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.

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

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 **First American Title Insurance Company, Attn: Claims National Intake Center, 1 First American Way, Santa Ana, California 92707. Phone: 888-632-1642.**

SCHEDULE A

First American Title Insurance Company

*Lemhi Title & Abstract Company, Inc.
401 Main Street
Suite 2
Salmon, Idaho 83467*

File No.: **4257 (Title Only)**

Policy No.: **5011400-1777397e**

Address Reference: **Parcel of Land in HES 173**

Type: **Non- Residential**

Amount of Insurance: **\$35,000.00**

Premium: **\$383.00**

Date of Policy: **July 14, 2017**

Time of Policy: **4:07:46 PM**

1. Name of Insured:

Montgomery Properties LLC, a Washington Limited Liability Company

2. The estate or interest in the Land that is insured by this policy is:

Fee Simple

3. Title is vested in:

Montgomery Properties LLC, a Washington Limited Liability Company

4. The Land referred to in this policy is described as follows:

See Attached Legal Description as Exhibit 'A'

Exhibit 'A'
Legal Description

TURNING POINT SURVEYING INC. ..
P.O. BOX 772
SALMON, IDAHO 83467
(208)756-1494

PARCEL "A"

A parcel of land located in H.E.S. 173, Unsurveyed Sections 9 and 10, T. 19 N., R. 18 E., Boise Meridian, Lemhi County, Idaho, more particularly described as follows:
BEGINNING at Corner Number 4 of said H.E.S. 173 from which Corner Number 3 of H.E.S. 173 bears N 47°30'50" E, 2633.50 ft., the Basis Of Bearing of this description, run thence N 63°34'52" W along the southerly boundary of said H.E.S. a distance of 1169.01 ft.;

Thence N 45°24'58" E leaving said southerly boundary a distance of 391.51 ft.;

Thence S 63°34'52" E a distance of 1184.37 ft. to a point on said easterly boundary of H.E.S. 137;

Thence S 47°30'50" W along said easterly boundary a distance of 396.78 ft. to the POINT OF BEGINNING.

PARCEL CONTAINS 10.0 ACRES
ZERO SPLITS REMAIN

SUBJECT TO: The part of the following described easement appurtenant to the above described parcel:

A 50.00 ft. wide easement for ingress and egress 25.00 ft. on each side of the following described centerline:

Commencing at Corner Number 4 of said H.E.S. 173 from which Corner Number 3 of H.E.S. 173 bears N 47°30'50" E, the Basis Of Bearing of this description, run thence N 63°34'52" W along the southerly boundary of said H.E.S. a distance of 1101.26 ft. to a point on the easterly right-of-way of Panther Creek Road;

Thence N 45°31'44" E along said right-of-way a distance of 205.86 ft. to the POINT OF BEGINNING OF said easement;

Thence along the centerline of said ingress/egress easement the following courses:

S 74°20'47" E, 14.14 ft.; N 84°15'20" E, 71.46 ft.;

N 61°45'13" E, 73.24 ft.; N 74°06'08" E, 123.46 ft.;

N 51°17'33" E, 137.54 ft.; S 66°10'21" E, 164.49 ft.;

S 78°45'17" E, 68.76 ft.; N 70°23'26" E, 115.32 ft.;

N 50°16'10" E, 91.09 ft.; N 54°37'19" E, 45.61 ft.;

N 75°50'29" E, 70.59 ft. to the center of a cul-de-sac with a radius of 50.00 ft. said point being the POINT OF TERMINUS.

SUBJECT TO: A 66.00 ft. wide easement for Panther Creek Road as described in a Right-of-Way Deed filed as Instrument Number 54529 in Lemhi County, Idaho.

AND

TURNING POINT SURVEYING INC.

P.O. BOX 772

SALMON, IDAHO 83467

(208)756-1494

PARCEL "B"

A parcel of land located in H.E.S. 173, Unsurveyed Sections 9 and 10, T. 19 N., R. 18 E., Boise Meridian, Lemhi County, Idaho, more particularly described as follows:

Commencing at Corner Number 4 of said H.E.S. 173 from which Corner Number 3 of H.E.S. 173 bears N 47°30'50" E, 2633.50 ft., the Basis Of Bearing of this description, run thence N 47°30'50" E along the easterly boundary of said H.E.S. 173 a distance of 787.56 ft. to the POINT OF BEGINNING;

Thence N 63°34'52" W leaving said easterly boundary a distance of 1214.66 ft.;

Thence N 39°37'00" E a distance of 56.86 ft.;

Thence N 33°49'00" E a distance of 163.00 ft.;

Thence N 63°35'00" W a distance of 141.35 ft. to a point on the westerly boundary of said H.E.S. 173;

Thence N 47°30'01" E along said westerly boundary a distance of 1831.26 ft.;

Thence S 42°32'57" E leaving said westerly H.E.S. boundary a distance of 99.94 ft.;

Thence N 31°37'30" E a distance of 1057.57 ft.;

Thence S 62°39'33" E a distance of 1244.06 ft. to a point on said easterly boundary of H.E.S. 173;

Thence S 31°26'10" W along said easterly boundary a distance of 1205.39 ft. to said Corner Number 3 of H.E.S. 173;

Thence S 47°30'50" W along said easterly boundary a distance of 1845.94 ft. to the POINT OF BEGINNING.

**PARCEL CONTAINS 90.0 ACRES
ZERO SPLITS REMAIN**

SUBJECT TO AND TOGETHER WITH: The part of the following described easement appurtenant to the above described parcel:

A 50.00 ft. wide easement for ingress and egress 25.00 ft. on each side of the following described centerline:

Commencing at Corner Number 4 of said H.E.S. 173 from which Corner Number 3 of H.E.S. 173 bears N 47°30'50" E, the Basis Of Bearing of this description, run thence N 63°34'52" W along the southerly boundary of said H.E.S. a distance of 1101.26 ft. to a point on the easterly right-of-way of Panther Creek Road;

Thence N 45°31'44" E along said right-of-way a distance of 205.86 ft. to the

Parcel "B" Page 1 of 2

Parcel "B" Page 2 of 2

POINT OF BEGINNING OF said easement;

Thence along the centerline of said ingress/egress easement the following courses:

S 74°20'47" E, 14.14 ft.; N 84°15'20" E, 71.46 ft.;

N 61°45'13" E, 73.24 ft.; N 74°06'08" E, 123.46 ft.;

N 51°17'33" E, 137.54 ft.; S 66°10'21" E, 164.49 ft.;

S 78°45'17" E, 68.76 ft.; N 70°23'26" E, 115.32 ft.;

N 50°16'10" E, 91.09 ft.; N 54°37'19" E, 45.61 ft.;

N 75°50'29" E, 70.59 ft. to the center of a cul-de-sac with a radius of 50.00 ft.

said point being the POINT OF TERMINUS.

SUBJECT TO: A 66.00 ft. wide easement for Panther Creek Road as described in a Right-of-Way Deed filed as Instrument Number 54529 in Lemhi County, Idaho.

AND

TURNING POINT SURVEYING INC.

P.O. BOX 772
SALMON, IDAHO 83467
(208)756-1494

PARCEL "D"

A parcel of land located in H.E.S. 173, Unsurveyed Sections 9 and 10, T. 19 N., R. 18 E., Boise Meridian, Lemhi County, Idaho, more particularly described as follows:

Commencing at Corner Number 4 of said H.E.S. 173 from which Corner Number 3 of H.E.S. 173 bears N 47°30'50" E, 2633.50 ft., the Basis Of Bearing of this description, run thence N 47°30'50" E along the easterly boundary of said H.E.S. 173 a distance of 396.78 ft. to the POINT OF BEGINNING;

Thence N 63°34'52" W leaving said easterly boundary a distance of 1184.37 ft.;

Thence N 45°25'00" E a distance of 239.49 ft.;

Thence N 39°37'00" E a distance of 141.89 ft.;

Thence S 63°34'52" E a distance of 1214.66 ft. to a point on said easterly boundary of H.E.S. 173;

Thence S 47°30'50" W along said easterly boundary a distance of 390.78 ft. to the POINT OF BEGINNING.

**PARCEL CONTAINS 10.00 ACRES
ZERO SPLITS REMAIN**

SUBJECT TO: The part of the following described easement appurtenant to the above described parcel:

A 50.00 ft. wide easement for ingress and egress 25.00 ft. on each side of the following described centerline:

Commencing at Corner Number 4 of said H.E.S. 173 from which Corner Number 3 of H.E.S. 173 bears N 47°30'50" E, the Basis Of Bearing of this description, run thence N 63°34'52" W along the southerly boundary of said H.E.S. a distance of 1101.26 ft. to a point on the easterly right-of-way of Panther Creek Road;

Thence N 45°31'44" E along said right-of-way a distance of 205.86 ft. to the POINT OF BEGINNING OF said easement;

Thence along the centerline of said ingress/egress easement the following courses:

S 74°20'47" E, 14.14 ft.; N 84°15'20" E, 71.46 ft.;

N 61°45'13" E, 73.24 ft.; N 74°06'08" E, 123.46 ft.;

N 51°17'33" E, 137.54 ft.; S 66°10'21" E, 164.49 ft.;

S 78°45'17" E, 68.76 ft.; N 70°23'26" E, 115.32 ft.;

N 50°16'10" E, 91.09 ft.; N 54°37'19" E, 45.61 ft.;

N 75°50'29" E, 70.59 ft. to the center of a cul-de-sac with a radius of 50.00 ft. said point being the POINT OF TERMINUS.

SUBJECT TO: A 66.00 ft. wide easement for Panther Creek Road as described in a Right-of-Way Deed filed as Instrument Number 54529 in Lemhi County, Idaho.

SCHEDULE B

File No.: **4257**

Policy No.: **5011400-1777397e**

EXCEPTIONS FROM COVERAGE

(Except as provided in Schedule B-Part II) 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:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interest, or claims which are not known by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the title including discrepancies, conflicts in boundary lines, shortage in area, or any other facts that would be disclosed by an accurate and complete land survey of the land, and that are not shown in the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patent 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 the public records.
6. Any liens, or rights to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.
7. General taxes and assessments for the year 2016 are paid in full. General taxes and assessments for the year 2017 are an accruing lien.
8. Exceptions and/or reservations contained in the United States patent(s) to said land.
9. Right-of-way(s) or easement(s) of irrigation ditch(es).
10. The right, title and interest of the public in and to those portions of the above described premises falling within the bounds of roads, and/or highways, dedicated and or otherwise used by the public, and subject to all easements and restrictions attendant and pertinent to said roads and/or highways.
11. Any adverse claim based upon the assertion that some portion of said land is un-surveyed lands of the United States.
12. Right-of-way Deed granted upon the terms, covenants and conditions contained therein to the United States of America, recorded September 19, 1940 as Instrument No. 54529.
13. All matters, covenants, conditions, restrictions, easements and any rights, interests or claims which may exist by reason thereof, disclosed by the Record of Survey, corrections and amendments of said survey, recorded January 5, 1998 as Instrument No. 235469 in Book 10 of Surveys at Page 71, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).

14. All matters, covenants, conditions, restrictions, easements and any rights, interests or claims which may exist by reason thereof, disclosed by the Record of Survey, corrections and amendments of said survey, recorded May 21, 1999 as Instrument No. 240639 in Book 11 of Surveys at Page 68, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).
15. All matters, covenants, conditions, restrictions, easements and any rights, interests or claims which may exist by reason thereof, disclosed by the Lot Split Plat, corrections and amendments of said plat, recorded February 10, 2009 as Instrument No. 278744 in Book 10 of Plats at Page 01, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).
16. Easement granted for ingress and egress, recorded January 17, 2008 as Instrument No. 274950.
17. Sanitary Regulations and Recommendations, recorded February 10, 2009 as Instrument No. 278743.
18. Access is by way of United States Forest Service Road No. 055 and is subject to the terms and conditions of said road.

Form No. 1056.06.B

ALTA Loan Policy (6-17-06)

1100301P050600

File No.: **4257-17**

Policy No.: **5011400-1777397e**

SCHEDULE B

PART II

In addition to the matters set forth in Part I of this Schedule, the title to the estate or interest in the land described or referred to in Schedule (A) is subject to the following matters, if any be shown, but the Company insures that these matters are subordinate to the lien or charge of the insured mortgage upon

NONE



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 E FRONT ST STE 648 PO BOX 83720 • BOISE, ID 83720-0098

Phone: (208)287-4800 • Fax: (208)287-6700 • Website: www.idwr.idaho.gov

C.L. "Butch" Otter
Governor

Gary Spackman
Director

November 23, 2018

MONTGOMERY PROPERTIES LLC
4904 S SAINT ANDREWS LN
SPOKANE WA 99223-6392

Re: Change in Water Right Ownership: 75-10125 (Split into 75-10125 and **75-14927**)

Dear Water Right Holder:

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

Your portion of each water right has a specified point of diversion, nature of use and place of use. If you plan to change the authorized point of diversion, nature of use, or place of use, including adding a new point of diversion, you must file an Application for Transfer of Water Right. If you do not plan to change any elements of your water right, then no further action is required at this time.

The portion of the water right retained by the original right holder retains the original water right number. The Department is sending the original right holder a copy of this letter and a computer-generated report showing the changes to the original water right.

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) 287-4920.

Sincerely,

Debbi Judd
Technical Records Specialist

Enclosures

c: HATTIE JONES
VERL JONES