

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

RECEIVED
JUN 02 2016
Department of Water Resources
Eastern Region

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?
11-930 <i>OK</i>	Yes ☐	Yes ☐		Yes ☐	Yes ☐
11-7597 <i>OK</i>	Yes ☐	Yes ☐		Yes ☐	Yes ☐
11-7801 <i>OK</i>	Yes ☐	Yes ☐		Yes ☐	Yes ☐
11-7599 <i>7</i>	Yes ☒	Yes ☐		Yes ☐	Yes ☐
<i>Split per Deed</i>	Yes ☐	Yes ☐		Yes ☐	Yes ☐

2. Previous Owner's Name: Deseret First Federal Credit Union
Name of current water right holder/claimant
3. New Owner(s)/Claimant(s): Private Capital Group, Inc.
New owner(s) as listed on the conveyance document Name connector ☐ and ☐ or ☐ and/or
- 160 West Canyon Crest Road Alpine UT 84004
Mailing address City State ZIP
- 775-220-0861 JAMES James@privatecapitalgroup.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: December 19, 2013
6. If the water right is leased to the Water Supply Bank changing ownership of a water right will reassign to the new owner any Water Supply Bank leases associated with the water right. Payment of revenue generated from any rental of a leased water right requires a completed IRS Form W-9 for payment to be issued to an owner. A new owner for a water right under lease shall supply a W-9. Water rights with multiple owners must specify a designated lessor, using a completed Lessor Designation form. Beginning in the calendar year following an acknowledged change in water right ownership, compensation for any rental will go to the new owner(s).
7. This form must be signed and submitted with the following **REQUIRED** items:
☒ A copy of the conveyance document – warranty deed, quitclaim deed, court decree, contract of sale, etc. The conveyance document must include a legal description of the property or description of the water right(s) if no land is conveyed.
☐ Plat map, survey map or aerial photograph which clearly shows the place of use and point of diversion for each water right and/or claim listed above (if necessary to clarify division of water rights or complex property descriptions).
☒ Filing fee (see instructions for further explanation):
 o \$25 per *undivided* water right.
 o \$100 per *split* water right.
 o No fee is required for pending adjudication claims.
☐ If water right(s) are leased to the Water Supply Bank AND there are multiple owners, a Lessor Designation form is required.
☐ If water right(s) are leased to the Water Supply Bank, the individual owner or designated lessor must complete, sign and submit an IRS Form W-9.

8. Signature: [Signature] V.P. - Project Management 5/27/16
Signature of new owner/claimant Title, if applicable Date

Signature: _____ _____ _____
Signature of new owner/claimant Title, if applicable Date

For IDWR Office Use Only:

Received by: [Signature] Date: 6/2/2016 Receipt No. E042134 Receipt Amt. \$175
 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: [Signature] Processed by: [Signature] Date: 4/24/2017

SUPPORT DATA
IN FILE # 11-930

WATER RIGHT AGREEMENT

This Water Right Agreement "Agreement" is entered into between Private Capital Group, Inc. ("PCG") and Deseret First Federal Credit Union ("DFFCU").

WHEREAS, PCG acquired from The Retreat at Bear Lake, LLC ("The Retreat") a 287 acre-foot portion of water right no. 11-7599 (the "Water Right") via Water Deed recorded August 31, 2010, in Bear Lake County, Idaho, as Instrument No. 208244.; and

WHEREAS, DFFCU subsequently acquired from The Retreat a 49.9 acre-foot portion of the Water Right via Water Deed recorded July 14, 2011, in Bear Lake County, Idaho, as Instrument No. 210300; and

WHEREAS, DFFCU filed a *Notice of Change in Water Right Ownership* with the Idaho Department of Water Resources ("IDWR") on December 12, 2011, purporting to own all of the Water Right; and

WHEREAS, IDWR has placed the entire Water Right in the name of DFFCU; and

WHEREAS, DFFCU acknowledges that PCG owns an 85.2 percent portion of the Water Right and DFFCU owns a 14.8 percent portion of the Water Right;

NOW, THEREFORE, the parties agree as follows:

1. That the Water Right should be split between them, with PCG receiving 85.2 percent (4.98 cfs / 191.4 acres) and DFFCU receiving 14.8 percent (0.86 cfs / 33.2 acres); and
2. Each party agrees to waive any claim that may have existed against the other party up to the date of this Agreement's execution inasmuch as it relates to the Water Right.

DESERET FIRST FEDERAL CREDIT UNION

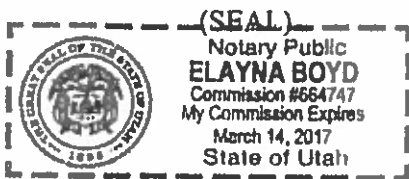
By:  Date: 5/26/16

PRIVATE CAPITAL GROUP, Inc

By:  Date: 5/28/16

STATE OF UTAH)
County of Salt Lake) : ss.

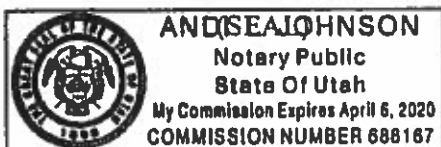
On this 15th day of May, 2016, before me a Notary Public for the State of Utah, personally appeared Derrick Peterson known or identified to me, to be the CFO of Deseret First Federal Credit Union, and the person that executed the above instrument on behalf of said credit union, and acknowledged to me that said credit union executed the same.



Elayna Boyd
NOTARY PUBLIC FOR UTAH
Residing at: Salt Lake, Utah
My Commission Expires: March 14, 2017

STATE OF UTAH)
County of UTAH) : ss.

On this 5th day of MAY, 2016, before me a Notary Public for the State of Utah, personally appeared Benjamin Schuman, known or identified to me, to be the Vice President of Private Capital Group Inc., and the person that executed the above instrument on behalf of said Corporation, and acknowledged to me that said Corporation executed the same.



Andsea Johnson
NOTARY PUBLIC FOR UTAH
Residing at: Saratoga Springs, UT
My Commission Expires: 4/6/2020

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This Settlement Agreement and Mutual Release ("Agreement") is effective December 19, 2013, between Private Capital Group ("PCG"), Deseret First Federal Credit Union ("Credit Union") and Stewart Title Guaranty Company ("Stewart"). PCG, the Credit Union and Stewart are sometimes referred to individually as a "Party" and collectively as the "Parties."

Recitals

- A. PCG made certain loans (the "Loans") to The Retreat at Bear Lake (the "Retreat"), summarized as follows:
1. Mortgage, recorded in Bear Lake County, Idaho on August 1, 2008, Instrument no. 202136, in the amount of \$3,465,000 (the "Mortgage"), encumbering 428 acre feet of water from the following water rights, which water rights acted as collateral for the Loans:
 - i. Water Right No. 11-930 (45 acre feet, 0.6 cubic feet per second ("cfs") or 100%)
 - ii. Water Right No. 11-7597 (336.3 acre feet, 4.51787 cfs, or 39.2859%)
 - iii. Water Right No. 11-7601 (46.7 acre feet, 0.35 cfs, or 100%)
 - iv. And as memorialized in that certain "Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing," dated July 29, 2008, and recorded as Instrument No. 202136 with the Bear Lake County, Idaho recorder. The foregoing Water Rights are referred to together as the "Mortgage Water Rights."
 2. Deed of Trust, recorded in Bear Lake County, Idaho on December 24, 2008, Instrument no. 203338, in the amount of \$1,200,000 (the "Deed of Trust"), with the following water rights collateral:
 - i. Water Right No. 11-7597 (519.27 acre feet, 6.98213 cfs, or 60.7141%)
 - ii. And as memorialized in that certain Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing," dated December 22, 2008, and recorded as Instrument No. 203338 with the Bear Lake County, Idaho recorder. The foregoing Water Right is referred to as the "Deed of Trust Water Right."
- B. On or about August 9, 2010, the Retreat conveyed to PCG by Water Deed, recorded in Bear Lake County, Idaho on August 31, 2010, Instrument no. 208244, as follows:
1. 287 acre feet of Water Right 11-7599.
- C. On or about February 18, 2011, the Retreat conveyed to the Credit Union by Water Deed ("Credit Union Deed"), recorded in Bear Lake County, Idaho on July 14, 2011, Instrument no. 210300, as follows:
1. 49.9 acre feet of Water Right 11-7599
 2. All other water rights, including
 - i. 11-7599
 - ii. 11-930

Settlement Agreement and
Mutual Release
*Private Capital Group v.
Retreat at Bear Lake, et al.*
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- iii. 11-7601
- iv. 11-7597
- v. "subject to mortgages, liens and prior transfers of record."

D. The Retreat defaulted on the Loans.

E. PCG filed a judicial foreclosure action (the "Action") in the Idaho Sixth District Court, Case No. CV-2012-262, seeking to foreclose, among other things, the Mortgage Water Rights.

F. The Credit Union answered and counterclaimed in the Action, and specifically claimed an interest in Water Rights 11-930, 11-7597, and 11-7601 and sought to enjoin a Trustee's Sale of the Deed of Trust Water Right. The Credit Union made and makes no other claims to any other property in connection with the Mortgage and Deed of Trust.

G. Title to Water Right 11-7599 is not at issue in the Action.

H. Stewart issued to PCG two policies of title insurance, Policy No. M-9994-4701676 (the "9994 Policy"), concerning water rights 11-930, 11-7599 and 11-7601, and Policy No. M-9302-1317647 (the "9302 Policy"), concerning water right 11-7597.

I. As a result of the Credit Union's claims concerning the Mortgage Water Rights and the Deed of Trust Water Right, PCG made a claim on the Title Policy, and Stewart accepted the claim.

J. The Parties desire to enter into this Agreement for the purposes stated, without any admission of liability, in order to settle the Action and all claims under the Title Policy.

Agreement

Therefore, in consideration of the foregoing Recitals, and the promises, covenants, and warranties set forth and for other good and valuable consideration, the receipt, adequacy, and legal sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **No Admission of Liability.** The Parties' willingness to enter into this Agreement and to take the actions required hereby is not an admission of wrongdoing, fault or liability by any Party. Rather, the Agreement is a compromise by the Parties to resolve disputed claims.
2. **Payment to the Credit Union.** Within twenty days of the signing of this Agreement, Stewart will pay to the Credit Union \$30,000 in full and complete satisfaction of any

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claim by the Credit Union to any of the Mortgage Water Rights and the Deed of Trust Water Right.

3. **Dismissal of the Counterclaim.** In exchange for and within ten days of the foregoing payment, the Credit Union agrees:
 - a. To dismiss the Counterclaim with prejudice;
 - b. That it has no further claim to or interest in the Mortgage Water Rights and the Deed of Trust Water Right; and
 - c. That it will deliver to PCG any such recordable documents reasonably necessary to transfer title to and release any claim, lien, or interest in or to the Mortgage Water Rights and the Deed of Trust Water Right.
4. **Satisfaction of Title Policy.** In exchange for the Payment to the Credit Union, PCG acknowledges and agrees to Stewart's full performance of the terms of the 9994 Policy and the 9302 Policy and makes no further claims under either of those policies concerning the Credit Union's claims.
5. **Foreclosure Proceeding.** In connection with the Credit Union's dismissal of the Counterclaim set forth in paragraph 3, PCG agrees to dismiss the Credit Union from the Action with prejudice and to dismiss and release all of PCG's claims against the Credit Union asserted in the Action. The Parties agree that, following the mutual dismissal of claims between PCG and the Credit Union, PCG may continue its foreclosure proceedings, judicial or otherwise, and may exercise whatever rights it has or may have pursuant to the Mortgage and the Deed of Trust. Further efforts by PCG concerning the Retreat at Bear Lake, the Mortgage, the Deed of Trust, the Mortgage Water Rights, the Deed of Trust Water Right, or the Action shall be at PCG's sole expense.
6. **Mutual Release By the Parties.** Each of the Parties, for itself, and for everyone claiming by, through or under it, hereby irrevocably, unconditionally, and completely releases, acquits, and forever discharges each of the other Parties and their affiliated entities, and any of their parent, subsidiary, predecessor and successor entities (collectively, the "Party Entities"), of and from any and all liabilities, obligations, claims, charges, grievances, debts, demands, costs, covenants, attorneys' fees, actions or causes of action, of any kind or nature whatsoever, in law or in equity (including without limitation, claims for contribution or indemnification) whether known or unknown, past or present, patent or latent, anticipated or unanticipated, which any Party had, has or may claim to have directly or indirectly against the Party Entities which in any way are connected with, relate to, or arise out of the Mortgage, the Deed of Trust, the Mortgage Water Rights, the Deed of Trust Water Right, the Action, the Payment to the Credit

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Union, the 9994 Policy, and the 9302 Policy. Notwithstanding the foregoing, the Parties do not release one another from their respective obligations to take the actions required of them by this Agreement.

7. Miscellaneous.

- a. **Entire Agreement.** This Agreement constitutes the entire understanding among the Parties hereto with respect to the subject matter hereof and supersedes all negotiations, representations, prior discussions, and preliminary agreements between the Parties hereto relating to the subject matter hereof.
- b. **Cooperation.** Each Party agrees to execute and deliver such additional documents and instruments and to perform such additional acts as any Party may reasonably request or as may be reasonably necessary or appropriate to effectuate, consummate, or perform any of the terms, provisions, or conditions of this Agreement.
- c. **Successors.** This Agreement shall inure to and bind the successors, assigns, heirs, devisees, executors, administrators, and personal representatives of the respective Parties.
- d. **Survival.** All warranties, representations, covenants, and other agreements of the Parties hereto which are reflected herein shall survive the execution and delivery of this Agreement and recordation of the instruments to be recorded pursuant to the terms hereof and shall, notwithstanding the execution and delivery of this Agreement, continue in full force and effect.
- e. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement, even though all Parties do not sign the same counterpart. A signature sent by facsimile shall be the same as if it were an original.
- f. **Modification.** This Agreement may not be modified, waived, amended, or changed unless the same is in writing and signed by all Parties.
- g. **Severability.** The provisions of this Agreement are severable; and should any provision hereof be found to be void, voidable, or unenforceable under any applicable law, such void, voidable, or unenforceable provision shall not affect or invalidate any other provision of this Agreement which shall continue to govern the relative rights and duties of the Parties as though the void, voidable, or

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unenforceable provision were not a part hereof. In addition, it is the intention and agreement of the Parties that all of the terms and conditions hereof be enforced to the fullest extent permitted by law.

- h. **No Recording.** Neither this Agreement nor any memorandum or notice of this Agreement shall be recorded.
- i. **Governing Law.** This Agreement shall be interpreted and applied according to Idaho law without regard to Idaho's choice of law principles.
- j. **Attorneys' Fees and Costs.** In the event of any judicial or administrative action among the Parties or between any two of them with respect to this Agreement, the prevailing Party shall be entitled to recover all of its costs and expenses incurred in connection with any such action, including reasonable attorneys' fees.

The Parties have executed this Agreement as of the day and year first set forth above.

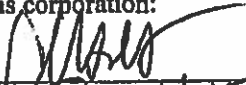
"Private Capital Group, Inc."

Private Capital Group, Inc.,
a Utah corporation:

By: _____
Name: _____
Title: _____

"Stewart Title Guaranty Company"

Stewart Title Guaranty Company,
a Texas corporation:

By: 
Name: John H. H. H.
Title: Vice President

"Deseret First Federal Credit Union"

Deseret First Federal Credit Union,
a federally chartered credit union:

By: _____
Name: _____
Title: _____

Settlement Agreement and
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Retreat at Bear Lake, et al.*
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The Parties have executed this Agreement as of the day and year first set forth above.

"Private Capital Group, Inc."

Private Capital Group, Inc.,
a Utah corporation:

By: 
Name: JARED LUCERO
Title: PRESIDENT

"Stewart Title Guaranty Company"

Stewart Title Guaranty Company,
a Texas corporation:

By: _____
Name: _____
Title: _____

"Deseret First Federal Credit Union"

Deseret First Federal Credit Union,
a federally chartered credit union:

By: _____
Name: _____
Title: _____

unenforceable provision were not a part hereof. In addition, it is the intention and agreement of the Parties that all of the terms and conditions hereof be enforced to the fullest extent permitted by law.

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The Parties have executed this Agreement as of the day and year first set forth above.

"Private Capital Group, Inc."

Private Capital Group, Inc.,
a Utah corporation:

By: _____
Name: _____
Title: _____

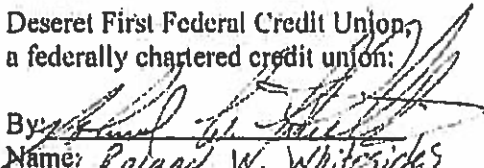
"Stewart Title Guaranty Company"

Stewart Title Guaranty Company,
a Texas corporation:

By: _____
Name: _____
Title: _____

"Deseret First Federal Credit Union"

Deseret First Federal Credit Union,
a federally chartered credit union:

By: 
Name: Roland W. Whitesides
Title: Vice President

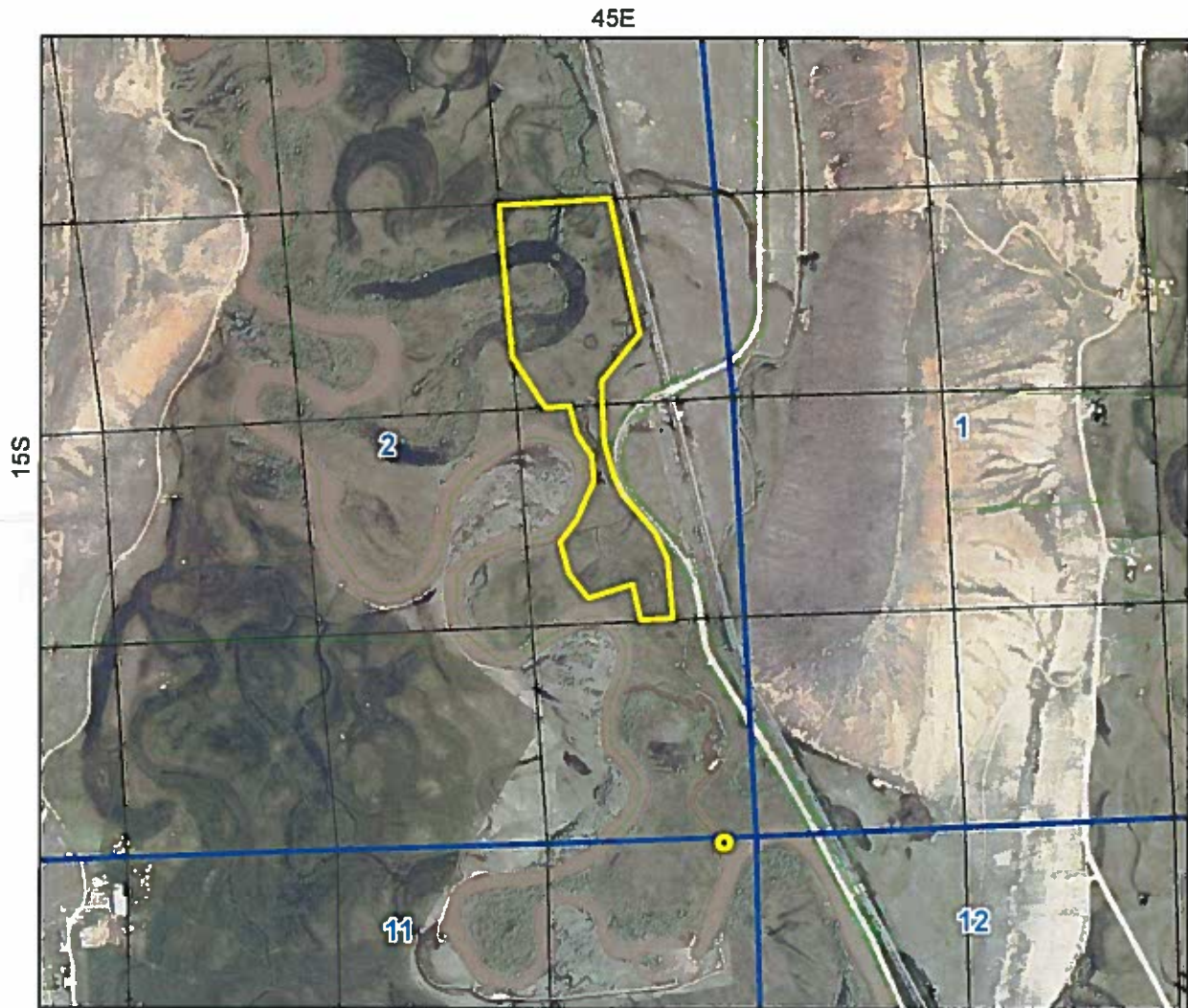
State of Idaho
Department of Water Resources

Water Right

11-930

IRRIGATION

The map depicts the place of use for the water use listed above and point(s) of diversion of this right as currently derived from interpretations of the paper records and is used solely for illustrative purposes. Discrepancies between the computer representation and the permanent document file will be resolved in favor of the actual water right documents in the water right file.



- Point of Diversion
- Place Of Use Boundary
- Townships
- PLS Sections
- Quarter Quarters
- Taxlots

0 0.125 0.25 0.5 Miles



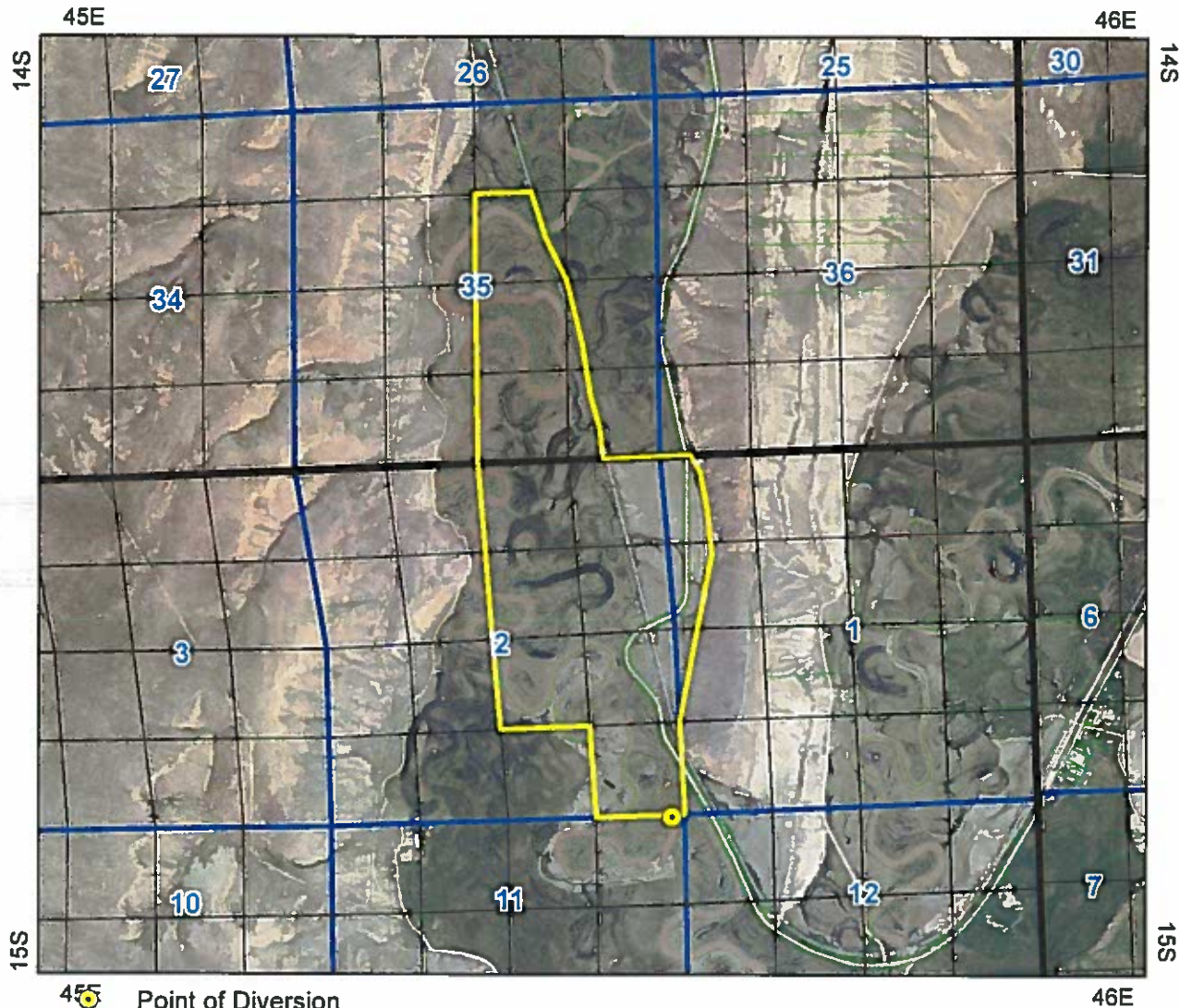
State of Idaho
Department of Water Resources

Water Right

11-7599

IRRIGATION

The map depicts the place of use for the water use listed above and point(s) of diversion of this right as currently derived from interpretations of the paper records and is used solely for illustrative purposes. Discrepancies between the computer representation and the permanent document file will be resolved in favor of the actual water right documents in the water right file.



-  Point of Diversion
-  Place Of Use Boundary
-  Townships
-  PLS Sections
-  Quarter Quarters
-  Taxlots

0 0.3 0.6 1.2 Miles



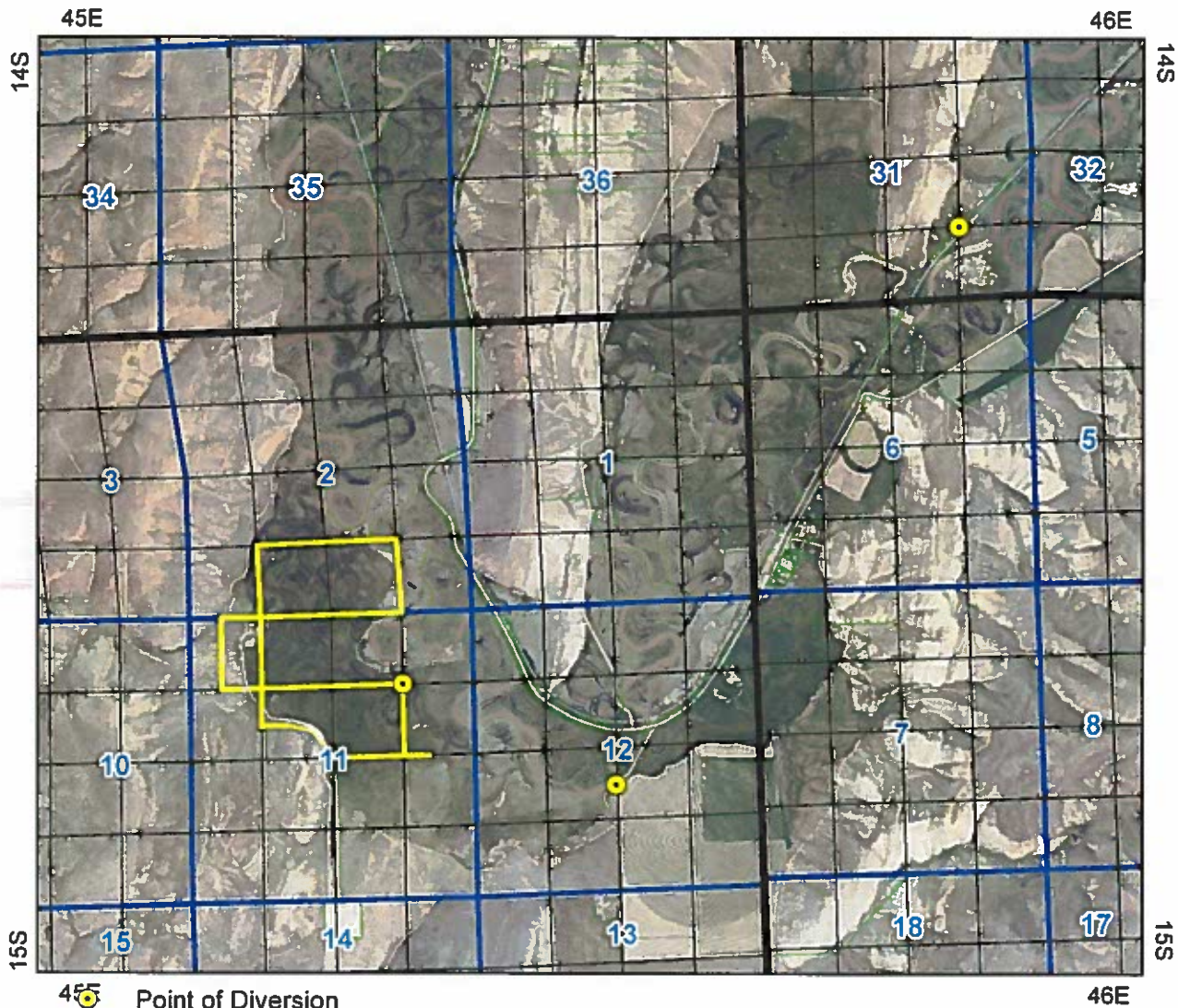
State of Idaho
Department of Water Resources

Water Right

11-7597

IRRIGATION

The map depicts the place of use for the water use listed above and point(s) of diversion of this right as currently derived from interpretations of the paper records and is used solely for illustrative purposes. Discrepancies between the computer representation and the permanent document file will be resolved in favor of the actual water right documents in the water right file.



-  Point of Diversion
-  Place Of Use Boundary
-  Townships
-  PLS Sections
-  Quarter Quarters
-  Taxlots

0 0.4 0.8 1.6 Miles



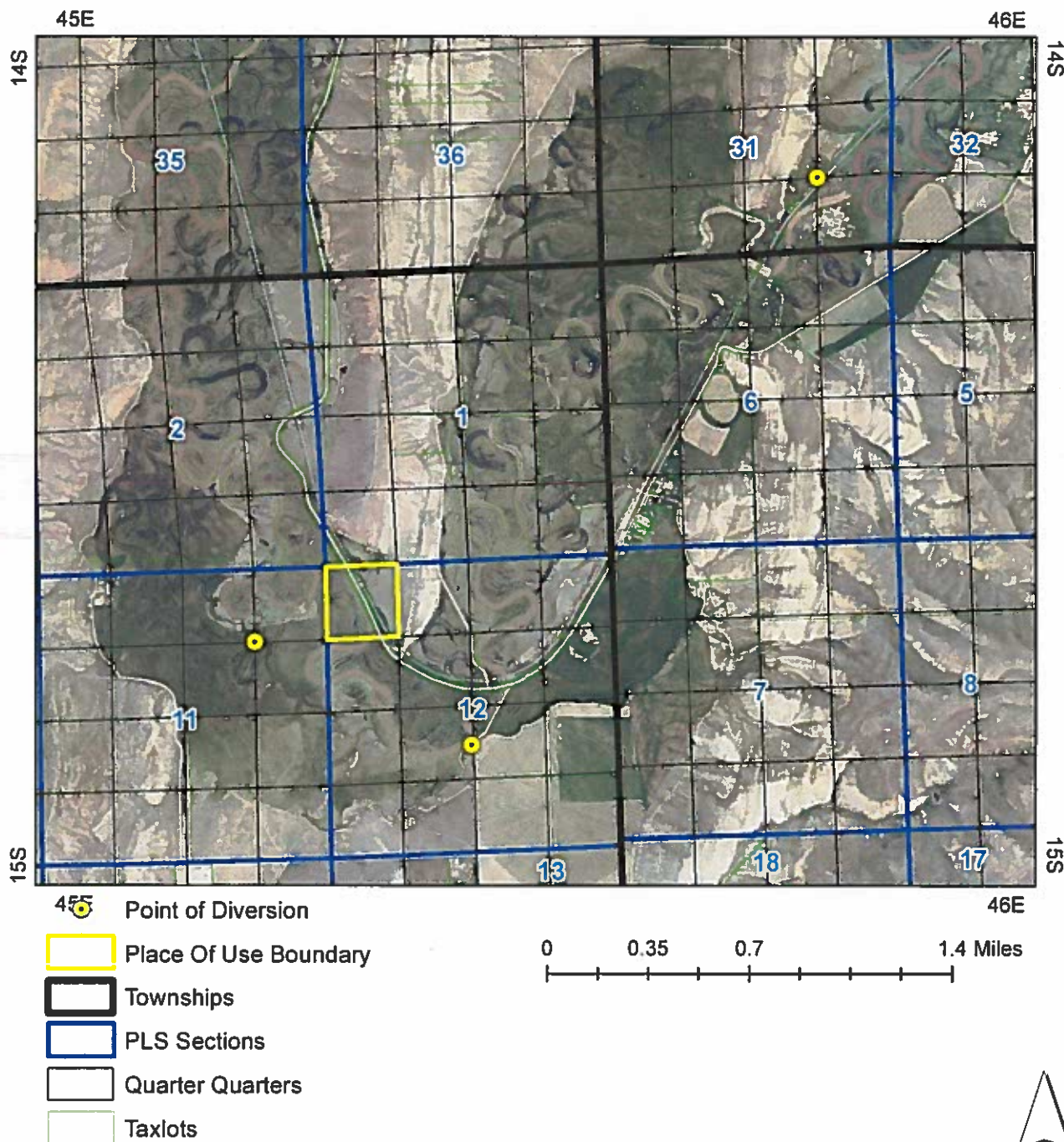
State of Idaho
Department of Water Resources

Water Right

11-7601

IRRIGATION

The map depicts the place of use for the water use listed above and point(s) of diversion of this right as currently derived from interpretations of the paper records and is used solely for illustrative purposes. Discrepancies between the computer representation and the permanent document file will be resolved in favor of the actual water right documents in the water right file.



Water Right No.: 11-7599

Please return this to/send tax notices to:
PRIVATE CAPITAL GROUP, INC.
160 West Canyon Crest Rd.
Alpine, Utah 84004
Fx: (801) 216-8885

Instrument # 208244

BEAR LAKE COUNTY

8-31-2010 08:51:04 No. of Pages: 3

Recorded for : FIRST IDAHO TITLE COMPANY

KERRY HADDOCK

Ex-Officio Recorder Deputy

Index to: WARRANTY DEED

Fee: 16.00

Cindy Garner

Space above for County Recorder's Use

WATER DEED

THE RETREAT AT BEAR LAKE, LLC, an Idaho Limited Liability company ("Grantor"), whose address is 346 East 3300 South, Salt Lake City, Utah 84115, hereby CONVEYS and WARRANTS to Lanark Lenders, LLC, a Utah limited liability company ("Grantee"), whose address is c/o Private Capital Group, Inc., 160 West Canyon Crest Rd., Alpine, Utah 84004, for TEN & NO/100 DOLLARS (\$10.00), and other good and valuable consideration, interest and claim to certain water rights or interests located in the County of Bear lake, State of Idaho, described in the attached Exhibit "A".

TO HAVE AND TO HOLD all of Grantor's right, title and interest in and to the above described water unto the said Grantee, Grantee's heirs, administrators, executors, successors and/or assigns forever IN FEE SIMPLE; so that neither Grantor nor Grantor's heirs, administrators, executors, successors and/or assigns shall have, claim or demand any right or title to the aforesaid property, premises or appurtenances or any part thereof.

Grantor further WARRANTS and agrees to FOREVER DEFEND all and singular the said water unto the said Grantee, Grantee's heirs, executors, administrators, successors and/or assigns, against every person whomsoever claiming or to claim the same or any part thereof.

The water rights conveyed herewith are transferred subject to the terms and conditions of that certain Amended and Restated Exchange Agreement dated March 29, 2007, as amended by that certain First Addendum to the Amended and Restated Exchange Agreement dated July 30, 2008 (as so amended, the "Exchange Agreement") executed between Borrower and Glenn J. Transtrum and Linda R. Transtrum, husband and wife, and to deeds and instruments of record. The Exchange Agreement is incorporated herein by this reference.

EXECUTED this 9th day of August, 2010

GRANTOR:
THE RETREAT AT BEAR LAKE, LLC

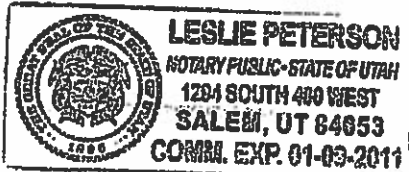
Signature: *Bruce Barrett*
BRUCE BARRETT, PRESIDENT

(Acknowledgements on following page)

208244

STATE OF Utah)
COUNTY OF Utah) :ss.

On the 8th day of August, 2010, personally appeared before me Bruce Barrett who being by me duly sworn did say that he/she is the President of the Retreat at Bear Lake, LLC and that the within and foregoing instrument was signed in behalf of said Limited Liability Company.



Leslie Peterson
NOTARY PUBLIC
My Commission Expires: 1-9-11
Residing at: Salem, Utah

EXHIBIT "A"

to

Water Deed**DESCRIPTION OF WATER RIGHTS**

A 287 ACRE FEET PORTION OF DECREED WATER RIGHT NO. 11-7599 of that certain Decree styled Preston-Montpelier Irrigation Company, a corporation, Plaintiff, vs. Dingle Irrigation Company, et. al., In the District Court of the Fifth Judicial District of the State of Idaho, in and for the County of Bear Lake dated March 7, 1924 recorded in the Official Records of Bear Lake County, State of Idaho on March 7, 1924 in Book 27 at Page 303.

Instrument # 219009

BEAR LAKE COUNTY

1-27-2015 10:26:34 AM No. of Pages: 2

Recorded for: MCKENZIE & MCKENZIE

CINDY GARNER

Fee: 13.00

Ex-Officio Recorder Deputy

Index to: SHERIFF'S DEED

After recording return to:
McKenzie & McKenzie, P.A.
102 North State, Suite 1
Preston, ID 83263

Instrument # 219066

BEAR LAKE COUNTY

2-2-2015 11:41:43 AM No. of Pages: 8

Recorded for: MCKENZIE & MCKENZIE

CINDY GARNER

Fee: 25.00

Ex-Officio Recorder Deputy

Index to: SHERIFF'S DEED

SHERIFF'S DEED

THIS INDENTURE, made this 26th day of January, 2015, is between BRENT R. BUNN, Sheriff of the County of Bear Lake, State of Idaho (hereafter "Sheriff"), and PRIVATE CAPITAL GROUP, LLC, Grantee;

WITNESSETH:

WHEREAS, the property referenced in the document attached hereto as *Exhibit A* was the subject of a duly-noticed Sheriff's Sale conducted on December 19, 2014; and

WHEREAS, a credit bid by PRIVATE CAPITAL GROUP, LLC, was entered for the property being sold at the Sheriff's Sale, which was the only bid received; and

WHEREAS, PRIVATE CAPITAL GROUP, LLC, the Plaintiff in the foreclosure lawsuit, Bear Lake County Case No. CV-2012-262, entered the credit bid in the foreclosure sale, to the Bear Lake County Sheriff, BRENT R. BUNN, for the purchase amount of the subject property together with any interest and any taxes that must be paid according to statute; and

WHEREAS, according to the laws of the State of Idaho, PRIVATE CAPITAL GROUP, LLC, is entitled to a Sheriff's Deed, subject only to the statutory right of redemption;

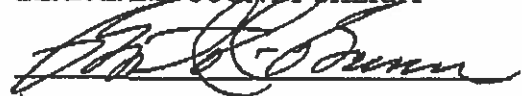
NOW, THIS INDENTURE WITNESSETH: That the Sheriff, in conformity with the laws of the State of Idaho, does hereby grant and convey to PRIVATE CAPITAL GROUP, LLC, of 8 East Broadway, Suite 550, Salt Lake City, Utah 84111, all interest in the property described in *Exhibit A* (attached hereto) which was the subject of the Sheriff's Sale; subject only to redemption by any lawful junior creditor within the statutory time period.

IN WITNESS WHEREOF, I have hereunto set my hand this 26th day of January, 2015.

This Sheriff's Deed is re-recorded to add Exhibit "A".

BRENT R. BUNN

BEAR LAKE COUNTY SHERIFF



219009

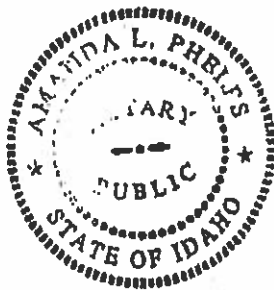
219056

STATE OF IDAHO)
) ss.
COUNTY OF BEAR LAKE)

On this 26th day of January, 2015, before me, Amanda L. Phelps, the undersigned, a Notary Public in and for the State of Idaho, personally appeared Sheriff Brent R. Bunn, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same on behalf of the Bear Lake County Sheriff.

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

(Seal)



Amanda L. Phelps
NOTARY PUBLIC FOR IDAHO
Residing at: Bennington
My Commission Expires: July 6, 2017

219056

Exhibit "A"

219056

Real property located in Bear Lake County, Idaho; more particularly described as follows:

Township 14 South, Range 43 East of the Boise Meridian

Section 29: SW1/4; SW1/4SE1/4. (Parcel Tax ID No. 4719)

Section 30: Lot 4; SE1/4SW1/4; S1/2SE1/4. (Parcel Tax ID No. 4720)

Section 32: W1/2W1/2. (Parcel Tax ID No. 4726)

WATER RIGHTS:

219056

WATER RIGHT No. 11-950

Priority Apr 15 1835 12:00AM

Source BEAR RIVER

Use IRRIGATION(30 acres) 0.6 CFS,

Total Amount 0.6 CFS

Point(s) of Diversion

Township	Range	Section	OOO	OO	Quarter	Government	Lot Number
15S	45E	11		NE	NE		

Place of Use Legal Description: IRRIGATION BEAR LAKE County

Township	Range	Section	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres
15S	45E	2		SENE	20									
				NESW	10									

Total Acres: 30

WATER RIGHT No. 11-7597

Priority Apr 15 1877 12:00AM

Source BEAR RIVER

Use IRRIGATION(166 acres) 11.5 CFS, IRRIGATION(166 acres) 7.67 CFS,

Total Amount 11.5 CFS

Point(s) of Diversion

Township	Range	Section	OOO	OO	Quarter	Government	Lot Number
14S	46E	31			SE		
15S	45E	11			NE		
15S	45E	12		NE	SW		

Place of Use Legal Description: IRRIGATION BEAR LAKE County

Township	Range	Section	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres
15S	45E	2		SESW	39									
				SWSE	41									
		11		SWNE	40									
				NWNW	22		SENE	24						

Place of Use Legal Description: IRRIGATION BEAR LAKE County

Township	Range	Section	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres
15S	45E	2		SESW	39									
				SWSE	41									
		11		SWNE	40									
				NWNW	22		SENE	24						

Total Acres: 332

219056

WATER RIGHT NO. 11-7601

Priority Apr 15 1885 12:00AM

Source BEAR RIVER,

Use IRRIGATION(40 acres) 0.35 CFS,

Total Amount 0.35 CFS

Point(s) of Diversion

Township	Range	Section	OOO	OO	Quarter	Government Lot/Number
14S	46E	31			SE	
15S	45E	11			NE	
15S	45E	12		NE	SW	

Place of Use Legal Description: IRRIGATION BEAR LAKE County

Township	Range	Section	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres
15S	45E	12		NWNW	40									

Total Acres: 40



State of Idaho

DEPARTMENT OF WATER RESOURCES

900 N Skyline Dr., Ste A, Idaho Falls, Idaho 83402-1718

Phone: (208) 525-7161 FAX: (208) 525-7177 www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

April 27, 2017

Private Capital Group Inc
160 W Canyon Crest Rd
Alpine UT 84004

RE: Change of Ownership for Water Rights 11-930 (No split), 11-7597 (No split), 11-7601 (No Split) & 11-7599 (Split into 11-7599 & 11-7827)

Dear Water Right Holder:

The department acknowledges receipt of correspondence changing ownership and splitting the above referenced water right. The department has modified its records to reflect the changes and has enclosed computer-generated reports for your records.

Your portion of the water right has a specified point of diversion, nature of use and place of use. If you plan on changing any of these, including adding a new point of diversion, then an Application for Transfer on your portion of this right is required. If you do not plan on changing any items on your water right, then no further action is required at this time.

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 deliberately abandoned or 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 Sections 42-222 and 42-223, Idaho Code.

Please note that Section 42-248, Idaho Code, requires you or the owner of this water right to maintain current ownership and address records on file with the department. Forms to file a change of ownership of a water right and/or a change in the address of the water right owner are available from any department office, or at the department's website at: www.idwr.idaho.gov.

Please feel free to contact this office if you have any questions regarding this matter.

Sincerely,

Jonie Barg
Technical Records Specialist

Enclosures

cc: Deseret First Federal Credit Union
Water District 11

RECEIVED
JUN 02 2016

Department of Water Resources
Eastern Region

May 31, 2016

Idaho Department of Water Resources
Eastern Region
900 N Skyline Dr. Ste A
Idaho Falls, ID 83402-1718

Re: Notice of Change of Water Right Ownership

To Whom It May Concern,

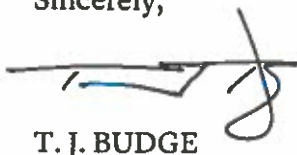
Enclosed please find for filing an original and extra copy of Notice of Change of Water Right Ownership for filing, together with a check in the amount of \$175 for the filing fee. Please file the original and file stamp the extra copy and return to us in the enclosed stamped and address return envelope.

Let me explain the enclosed title documents. In 2013 Private Capital Group (PCG) and Deseret First Federal Credit Union (DFFCU) entered into a settlement agreement verifying that PCG owns all of water right nos. 11-930, 11-7597 and 11-7601. However, that settlement agreement did not resolve ownership of water right no. 11-7599, though it acknowledged PCG had been deeded 287 acre feet and DFFCU had been deeded 49.9 acre feet of that water right. PCG subsequently acquired all of the water rights via the Sheriff's Deed. However, as there has still been some dispute over ownership over 11-7599, PCG and DFFCU recently entered the enclosed Water Right Agreement to verify their respective shares of that right.

Accordingly, PCG is now the owner of all of water nos. 11-930, 11-7597, and 11-7601, and the owner of 85.2% of water right no. 11-7599.

Thank you for your assistance. Please contact me if you have any questions.

Sincerely,


T. J. BUDGE