

RECEIVED

JUN 15 2005

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
NOTICE OF CHANGE IN WATER RIGHT OWNERSHIP

Please print or type. Attach pages with additional information. Instructions are included at the end of this form.
Incomplete forms will be returned.

1. Please list the water right number(s) and/or adjudication claim number(s) (if any) for each water right to be changed. List just the adjudication claim number if there is no corresponding water right record on file with the department. Indicate, by checking in the space provided, if the change in ownership is limited to a portion of a water right in which case division of the existing water right or adjudication claim record will be required.

Water Right No(s).	Adjudication Claim No(s).	Split	Water Right No(s).	Adjudication Claim No(s).	Split
84-40041					

2. The following **REQUIRED** information must be submitted with this form:

- A. The appropriate **FILING FEE**. See instructions for fee amounts.
- B. A copy of the most recent **DEED, TITLE POLICY, CONTRACT OF SALE** or other legal document indicating your ownership of the property and water right(s) or claim(s) in question, **WITH ATTACHED LEGAL DESCRIPTION**.
- C. Either of the following (if necessary to clarify division of water rights or other complex property descriptions):
PLAT OF PROPERTY or **SURVEY MAP** clearly showing the location of the point(s) of diversion and place of use of your water right(s) and/or adjudication claim(s) (these are usually attached to your deed or on file with the county).

OR

If your water right(s) and/or adjudication claim(s) are for ten or more acres of irrigation, you must submit a USDA Farm Service Agency **AERIAL PHOTO** with the irrigated acres outlined and point(s) of diversion clearly marked. The **AERIAL PHOTO** should be submitted in place of the **PLAT OF PROPERTY** or **SURVEY MAP**.

3. Name and Address of Former Owner/Claimant(s)

THOMAS T. MOUNTS

LOIS J. MOUNTS

4. New Owner/Claimant(s)

VIRGINIA FEELEY

Name Connector (Check one): ☒ and, ☐ or, ☐ and/or

New Mailing Address

P.O. Box 986

City, State and ZIP Code

KAMIAH, ID 83536

New Telephone Number

(208) 935-2449

5. Date you acquired the property

20 DEC 1991

Form 42-148/42-1409/6 July, 2000

6. If the change in ownership affects the entire water right for each water right or adjudication claim number listed in item 1, THEN SKIP THIS ITEM AND GO TO ITEM 7. If the change in ownership divides the water right(s) among multiple owners, you must describe, in detail, your portion of each water right after the change. Fill in the appropriate spaces in the box(es) below to describe your water right(s) after the change (one water right per box, you may copy this page as necessary). If your quantity of water is greater than a proportionate split, you must attach documentation to show justification for a larger amount. If you are not sure how to identify your portion of the original water right or adjudication claim records, please contact the nearest IDWR office for assistance.

DESCRIPTION OF YOUR PORTION OF WATER RIGHT (If the right(s) will not be split, skip this area and proceed to item 7)		
Water Right and/or Adjudication Claim Number _____		
Water Use	Diversion Rate or Volume (cubic feet per second or acre-feet per annum)	Description (acres, number and type of stock, homes, etc)
Irrigation	_____	_____
Stock	_____	_____
Domestic	_____	_____
Other _____	_____	_____
Total	_____	_____

DESCRIPTION OF YOUR PORTION OF WATER RIGHT (If the right(s) will not be split, skip this area and proceed to item 7)		
Water Right and/or Adjudication Claim Number _____		
Water Use	Diversion Rate or Volume (cubic feet per second or acre-feet per annum)	Description (acres, number and type of stock, homes, etc)
Irrigation	_____	_____
Stock	_____	_____
Domestic	_____	_____
Other _____	_____	_____
Total	_____	_____

7. Signature of New Owner(s) or Claimant(s)
(include title if applicable)

Virginia Lucinda Lealey

For Snake River Basin Adjudication Claims: Please attach a Notice of Appearance completed by your attorney, if you wish IDWR to correspond with him/her for all matters related to your claims.

For Office Use Only

Received by MSMDate 6.15.05Fee \$25.00Receipted by MDate 6.15.05Receipt No. 6078251

Processed by _____

AJ

Date _____

WR _____

Date _____

COMPUTER _____
SCANNED _____
TRACTED ☒

0412806

BARGAIN AND SALE DEED

FOR VALUE RECEIVED, and pursuant to that certain STIPULATION of even date herewith, filed in Case No. CV-32513, of the District Court of the Second Judicial District of the State of Idaho, in and for the County of Idaho, entitled Virginia Lucid Course vs. William H. Course, WILLIAM H. COURSE, hereinafter referred to as Party of the First Part, does hereby sell, transfer, bargain, convey and assign unto Virginia Lucid Course, also known as VIRGINIA L. FEELEY, whose address is Route HCR 11, Box 5A, Kamiah, Idaho 83536, all his right, title and interest in and to the following described real property, to-wit:

A parcel of land located in Section 36 of Township 34 North, Range Three (3) East of the Boise Meridian, Idaho County, Idaho, more particularly described as follows:

A parcel sometimes referred to as the Idaho County Assessor's Tax No. 53 situate in the Northwest One-quarter of the Northwest One-quarter (NW1/4NW1/4) of said Section 36 commencing at a point South 673.6 feet and East 644.7 feet from the Northwest corner of said Section 36:
thence East 265 feet to the true point of beginning;
thence East, 120.5 feet to the intersection of Woodland Road right-of-way;
thence South 52° 30' East, 104 feet along Woodland Road right-of-way;
thence South 10° West, 129 feet along Woodland Road right-of-way;
thence West 168 feet;
thence North 205 feet to the true place of beginning.

and

Also a parcel of land, sometimes referred to as the Idaho County Assessor's Tax No. 57, commencing at a point South 673.6 feet and East 644.7 feet from the Northwest corner of said Section 36, which point is the true point of beginning;
thence East 265 feet;
thence South 205 feet;

thence West 265 feet;
thence North 205 feet to the true point of beginning.

which property is subject to that certain Deed of Trust, dated the 1st day of November, 1994, wherein the parties hereto are named Grantors, Idaho County Title Company, Inc. is named Trustee and the Kamiah Community Credit Union is named Beneficiary, which by acceptance and recording of this deed, the said Virginia L. Feeley does hereby agree to indemnify and save harmless the said William H. Course, from and against any and all liability thereon.

TO BE AND BECOME the sole and separate property of the said Virginia L. Feeley, without right or claim now or in the future of William H. Course, his heirs, personal representatives or assigns forever.

IN WITNESS WHEREOF, the Party of the First Part has hereunto set his hand on the day and year last above written.

William H. Course
WILLIAM H. COURSE

STATE OF IDAHO)
County of Idaho) ss.

On this 7th day of June, 2000, before me, the undersigned, a Notary Public for the State of Idaho, personally appeared WILLIAM H. COURSE, known to me or identified by me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed me official seal on the day and year last above written.

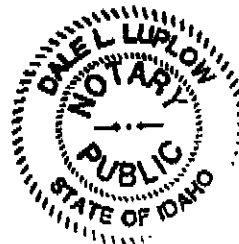
Dale L. Luplow
Notary Public for the State of Idaho, residing at
Grangeville, Idaho.

My Commission Expires: 10/22/04

Prepared by and return to:

Dale L. Luplow
Attorney at Law
P.O. Box 241
Grangeville, Idaho 83530
(208) 983-2111

STATE OF IDAHO	
County of Idaho	
Subscribed at request of	
<u>Rose E. Gehring</u>	
at <u>1:10 p.m.</u>	on <u>7-26-00</u>
ROSE E. GEHRING	
by <u>Dale L. Luplow</u>	
Page <u>1</u>	of <u>2</u>



BARGAIN AND SALE DEED Page 2

436261

QUITCLAIM DEED

For Value Received

I, VIRGINIA LUCID COURSE, a.k.a. VIRGINIA L FEELEY, AN UNMARRIED WOMAN

do hereby convey, release, remise and forever quitclaim unto

VIRGINIA L FEELEY, AN UNMARRIED WOMAN

whose current address is: HCR 11 BOX 5 KAMIAH ID 83536

the following described premises, to-wit:

LEGAL DESCRIPTION

Township 34 North, Range 3 East, Boise Meridian, Idaho County, Idaho
 Section 36: A parcel of land located in the NW1/4NW1/4, more particularly described
 as follows:

Commencing at a point South 673.6 feet and East 644.7 feet from
 the Northwest corner of said Section 36;
 thence East 265 feet to the true point of beginning;
 thence East 120.5 feet to the intersection of Woodland Road right-
 of-way;
 thence S 52°30' E, 104 feet along Woodland Road right-of-way;
 thence S 10° W, 129 feet along Woodland Road right-of-way;
 thence West 168 feet;
 thence North 205 feet to the true place of beginning.
 Sometimes known as Assessors Tax No. 53.

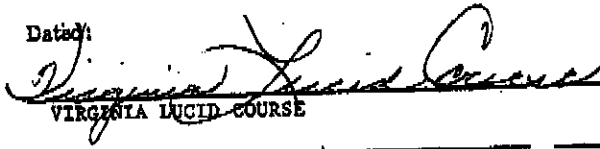
ALSO:

A parcel of land located in the NW1/4NW1/4, more particularly
 described as follows:

Commencing at a point South 673.6 feet and East 644.7 feet from
 the Northwest corner of said Section 36, the true point of
 beginning;
 thence East 265 feet to a point;
 thence South 205 feet to a point;
 thence West 265 feet to a point;
 thence North 205 feet back to the point of beginning.
 Sometimes known as Assessors Tax No. 57.

together with their appurtenances.

Dated:


 VIRGINIA LUCID COURSE

STATE OF IDAHO, COUNTY OF IDAHO

On this day of JULY, 2004,
 before me, a notary public in and for the said State, per-
 sonally appeared

VIRGINIA LUCID COURSE

LEONA MARIE
 NOTARY PUBLIC
 IDAHO

known to me to be the person whose name
 subscribed to the within instrument, and acknowledged to
 executed the same.


 LEONA MARIE Notary Public
 Residing at Phangville, Idaho
 Comm. Expires 01 April 2009

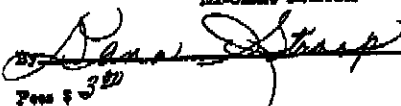
STATE OF IDAHO, COUNTY OF Idaho

I hereby certify that this instrument was filed for record at
 the request of IDAHO COUNTY TITLE CO.

at 40 minutes past 3:00 o'clock P.M.,
 this 16th day of July 2004,
 in my office, and duly recorded in Book
 of Deeds at Page

ROSE E. GEHRING

Ex-Officio Recorder


 Deputy.
 Fees \$ 3.00
 Mail to: pa



**Chicago Title Insurance
Company of Idaho**

POLICY OF TITLE INSURANCE

13 0798 60 000086

COPY

CHICAGO TITLE INSURANCE COMPANY OF IDAHO

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, CHICAGO TITLE INSURANCE COMPANY OF IDAHO, an Idaho corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the Insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title, as insured, but only to the extent provided in the Conditions and Stipulations.

CHICAGO TITLE INSURANCE COMPANY OF IDAHO

By:

Issued by:
IDAHO COUNTY
TITLE COMPANY, INC.
319 West Main Street
Grangeville, Idaho 83530

Robert C. [Signature]

President



By:

Thomas J. Adams

Secretary

.....
Authorized Signature

ALTA OWNER'S POLICY (4-6-90)

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 which arise by reason of:

- COPY**
1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
 - (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
 2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
 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; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
 4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws.

CONDITIONS AND STIPULATIONS

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

(a) "insured": the insured named in Schedule A, and, subject to any rights or defenses the Company would have had against the named insured, those who succeed to the interest of the named insured by operation of law as distinguished from purchase including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate or fiduciary successors.

(b) "insured claimant": an insured claiming loss or damage.

(c) "knowledge" or "known": actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land.

(d) "land": the land described or referred to in Schedule A, and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.

(e) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.

(f) "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 Section 1(a) (iv) of the Exclusions From Coverage, "public records" shall also include environmental protection liens filed in the records of the clerk of the United States district court for the district in which the land is located.

(g) "unmarketability of the title": an alleged or apparent matter affecting the title to the land, not excluded or excepted from coverage, which would entitle a purchaser of the estate or interest described in Schedule A to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE AFTER CONVEYANCE OF TITLE

The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness 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 covenants of warranty made by the insured in any transfer or conveyance of the estate or interest. 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 indebtedness 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 4(a) below, (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest which is adverse to the title to the estate or interest, as insured, and which might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if title to the estate or interest, as insured, is rejected as unmarketable.

If prompt notice shall not be given to the Company, then as to the insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

4. DEFENSE AND PROSECUTION OF ACTIONS; DUTY OF INSURED CLAIMANT TO COOPERATE

(a) Upon written request by the insured and subject to the options contained in Section 6 of these Conditions and Stipulations, 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 adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter 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 and 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 which allege matters not insured against by this policy.

(b) The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest, 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 hereunder, and shall not thereby concede liability or waive any provision of this policy. If the Company shall exercise its rights under this paragraph, it shall do so diligently.

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

(d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, the insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company 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 any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest 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.

OWNERS

SCHEDULE A

OFFICE FILE NUMBER	POLICY NUMBER	DATE OF POLICY	AMOUNT OF INSURANCE	PREMIUM AMOUNT
8004	13 0798 60 000086	December 30, 1991	\$ 28,500.00	\$ 249.50

COPY

1. Name of Insured: WILLIAM H. COURSE and VIRGINIA LUCID COURSE
2. The estate or interest in the land which is covered by this Policy is: fee simple
3. Title to the estate or interest in the land is vested in: WILLIAM H. COURSE and VIRGINIA LUCID COURSE, husband and wife
4. The land herein described is encumbered by the following mortgage or trust deed, and assignments:
NONE

and the mortgages or trust deeds, if any, shown in Schedule B hereof.

5. The land referred to in this Policy is described as follows:
as per SCHEDULE C attached hereto

SCHEDULE B

COPY

Policy Number: 8004

Owners

EXCEPTIONS FROM COVERAGE

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

General Exceptions:

- (1) Rights or claims of parties in possession not shown by the public records.
- (2) Encroachments, overlaps, boundary line disputes, and any other matters which would be disclosed by an accurate survey or inspection of the premises including, but not limited to, insufficient or impaired access or matters contradictory to any survey plat shown by the public records.
- (3) Easements, or claims of easements, not shown by the public records.
- (4) Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
- (5) (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof, (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.
- (6) Taxes or special assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.

Special Exceptions: The mortgage, if any, referred to in Item 4 of Schedule A.

1. Right of Way Easement, including the terms and conditions thereof, by and between FRANK W. STEARNS and VERA I. STEARNS, husband and wife, Grantors, and THE WASHINGTON WATER POWER COMPANY, a corporation, recorded February 6, 1947, under Instrument No. 155095 Book 78 page 151, records of Idaho County, Idaho.

2. Deed of Trust to secure an indebtedness of the amount herein stated and any other obligations secured thereby, records of Idaho County, Idaho,

Amount: \$25,500.00
 Dated: August 1, 1985
 Recorded: August 8, 1985
 Instrument No.: 321267
 Grantor: THOMAS T. MOUNTS and LOIS JEAN MOUNTS
 Trustee: Idaho County Title Company, Inc.
 Beneficiary: ELVA LOUISE McFERON, a/k/a ELVA L. McFERON

NOTE: Exclusions from Coverage 1.(a) and (b) and 2. of Policy Cover include, among other governmental entities, the Nez Perce Tribe of Indians.

END OF SCHEDULE B

COPY

SCHEDULE C

8004

The following property situate in Idaho County, State of Idaho, to-wit:

Located in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 36, Township 34 North, Range 3 East, Boise Meridian, Idaho County, Idaho, Tax Number 53, more particularly described as:

Commencing at a point South 673.6 feet and East 644.7 feet from the Northwest corner of said Section 36,
thence East 265 feet to the true point of beginning;
thence East 120.5 feet to the intersection of Woodland Road right of way;
thence South 52°30' East, 104 feet along Woodland Road right of way;
thence South 10° West 129 feet along Woodland Road right of way;
thence West 168 feet;
thence North 205 feet to the true place of beginning.

ALSO located in Section 36, Township 34 North, Range 3 East, Boise Meridian, Idaho County, Idaho, tax Number 57, more particularly described as follows,
Commencing at a point South 673.6 feet and East 644.7 feet from the Northwest corner of said Section 36, the true point of beginning;
thence East 265 feet to a point;
thence South 205 feet to a point;
thence West 265 feet to a point;
thence North 205 feet back to the true point of beginning.

COPY

CONDITIONS AND STIPULATIONS - (Continued from Reverse Side of Policy Face)

5. PROOF OF LOSS OR DAMAGE

In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided the Company, a proof of loss or damage signed and sworn to by the insured claimant shall be furnished to the Company within 90 days after the insured claimant shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, or other matter insured against by this policy which 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. If the Company is prejudiced by the failure of the insured claimant to provide the required proof of loss or damage, 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 proof of loss or damage.

In addition, the insured claimant may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Policy, which 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 records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which 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 other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph shall terminate any liability of the Company under this policy as to that claim.

6. 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, which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay. Upon the exercise by the Company of this option, all liability and obligations to the insured under this policy, other than to make the payment required, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation.

(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, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which 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 which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in paragraphs (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.

7. DETERMINATION, EXTENT OF LIABILITY AND COINSURANCE

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 and only to the extent herein described.

(a) The liability of the Company under this policy shall not exceed the least of:

(i) the Amount of Insurance stated in Schedule A; or,
(ii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.

(b) In the event the Amount of Insurance stated in Schedule A at the Date of Policy is less than 80 percent of the value of the insured estate or interest or the full consideration paid for the land, whichever is less, or if subsequent to the Date of Policy an improvement is erected on the land which increases the value of the insured estate or interest by at least 20 percent over the Amount of Insurance stated in Schedule A, then this Policy is subject to the following:

(i) where no subsequent improvement has been made, as to any partial

amount of insurance at Date of Policy bears to the total value of the insured estate or interest at Date of Policy; or

(ii) where a subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that 120 percent of the Amount of Insurance stated in Schedule A bears to the sum of the Amount of Insurance stated in Schedule A and the amount expended for the improvement.

The provisions of this paragraph shall not apply to costs, attorneys' fees and expenses for which the Company is liable under this policy, and shall only apply to that portion of any loss which exceeds, in the aggregate, 10 percent of the Amount of Insurance stated in Schedule A.

(c) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

8. APPORTIONMENT

If the land described in Schedule A consists of two or more parcels which are not used as a single site, and a loss is established affecting one or more of the parcels but not all, the loss shall be computed and settled on a pro rata basis as if the amount of insurance under this policy was divided pro rata as to the value on Date of Policy of each separate parcel to the whole, exclusive of any improvements made subsequent to Date of Policy, unless a liability or value has otherwise been agreed upon as to each parcel by the Company and the insured at the time of the issuance of this policy and shown by an express statement or by an endorsement attached to this policy.

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 unmarketability of title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.

(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 therefrom, adverse to the title as insured.

(c) The Company shall not be liable for loss or damage to any 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 the insurance pro tanto.

11. LIABILITY NONCUMULATIVE

It is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay 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 hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy to the insured owner.

12. PAYMENT OF LOSS

(a) No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within 30 days thereafter.

13. SUBROGATION UPON PAYMENT OR SETTLEMENT

(a) **The Company's Right of Subrogation.**

Whenever the Company shall have settled and paid a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the insured claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the insured claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. 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 or remedies.

If a payment on account of a claim does not fully cover the loss of the insured claimant, the Company shall be subrogated to these rights and remedies in the proportion which the Company's payment bears to the whole amount of the loss.

If loss should result from any act of the insured claimant, as stated above, that act shall not void this policy, but the Company, in that event, shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

COPY

CONTINUED AND STIPULATIONS - (Continued and Concluded From Reverse Side)

(b) The Company's Rights Against Non-insured Obligors.

The Company's right of subrogation against non-insured obligors shall exist and shall include, without limitation, the rights of the insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments which provide for subrogation rights by reason of this policy.

14. ARBITRATION

Unless prohibited by applicable law, either the Company or the insured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. 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 of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance is \$1,000,000 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 \$1,000,000 shall be arbitrated only when agreed to by both the Company and the insured. Arbitration pursuant to this policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the insured, the Rules in effect at Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT

(a) This policy together with all endorsements, if any, attached hereto 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, whether or not based on negligence, and which arises out of the status of the title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to this policy.

(c) No amendment of or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

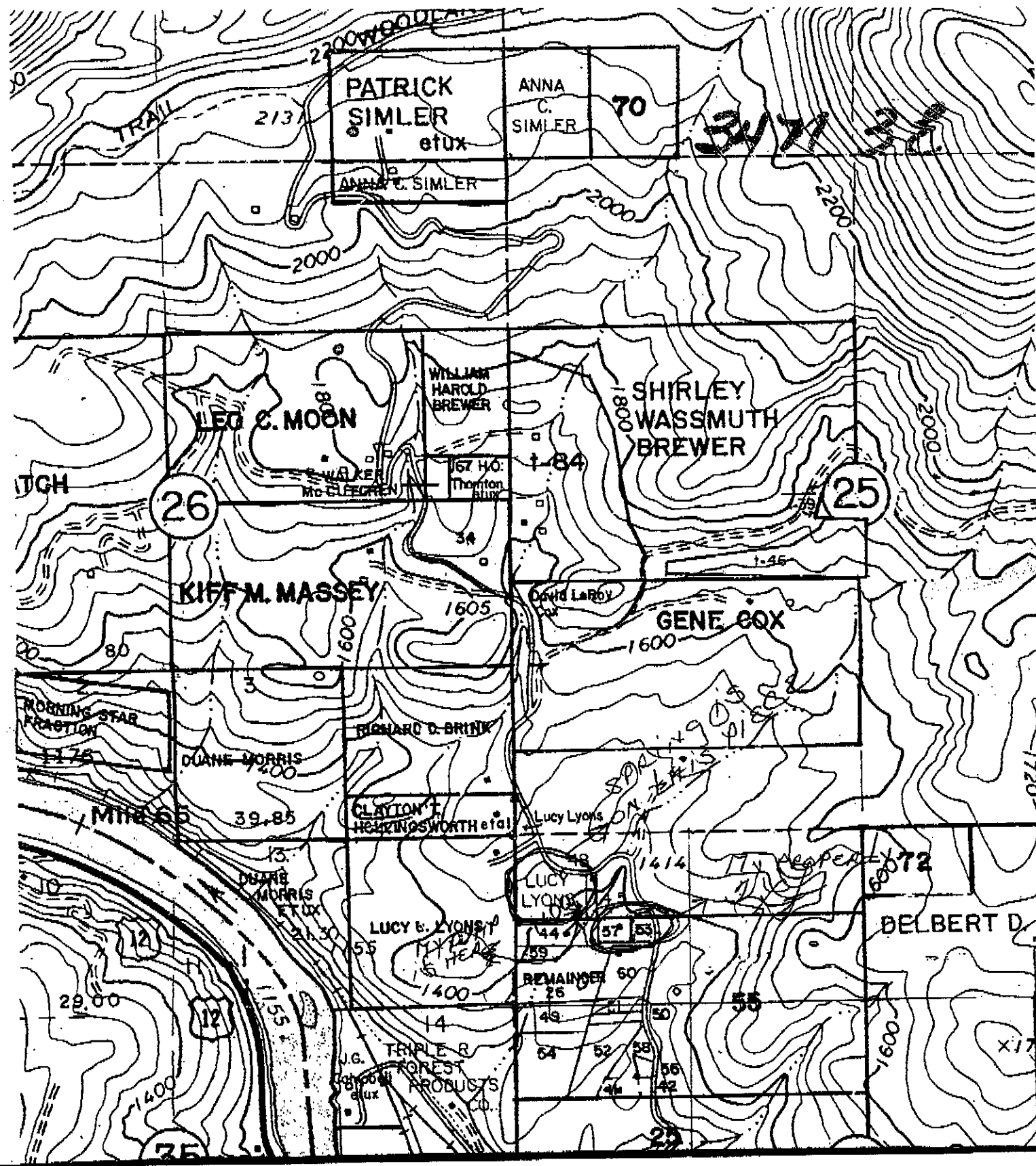
16. SEVERABILITY

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

17. NOTICES, WHERE SENT

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to the Company at:

Chicago Title Insurance Company of Idaho
960 Broadway
Suite 440
Boise, Idaho 83706



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TRACTING
PLANNED
SESSION

IDAHO COUNTY TITLE COMPANY

FACSIMILE TRANSMITTAL SHEET

TO: Bob Hanes, Dept. of Water Resources FROM: Rosalie Jessup
COMPANY: DATE: 6/1/2005
FAX NUMBER: 208-769-1454 TOTAL NO. OF PAGES INCLUDING COVER: 11
PHONE NUMBER:
RE: ORDER #

☐ URGENT ☐ FOR REVIEW ☐ PLEASE COMMENT ☐ PLEASE REPLY ☐ PLEASE RECYCLE

NOTES/COMMENTS:

At the request of Virginia L. Feeley, I am faxing to you the following:

- Copy of Instrument Number 412806, Bargain and Sale Deed
- Copy of Instrument Number 436261, Quitclaim Deed
- Copy of Policy of Title Insurance dated December 30, 1991

TO HAVE AND TO HOLD, all and singular, the above mentioned and described premises, together with the appurtenances unto the said Grantees, their heirs and assigns forever.

And the said Grantors, for themselves, their heirs, executors and administrators, do covenant, grant, bargain and agree to and with the said Grantees their heirs and assigns, that at the time of the ensembling and delivery of these presents they were well seized of the premises above conveyed as of good, sure, perfect, absolute and indefeasible estate of inheritance, in fee simple, and have good right, full power and lawful authority to grant, bargain, sell and convey the same in the manner and form aforesaid, and that the same are free and clear from all and former grants, bargains, liens, taxes, assessments and encumbrances of whatever kind or nature whatsoever, EXCEPT:

(a) Right of Way Easement, including the terms and conditions thereof, by and between FRANK W. STEARNS and VERA J. STEARNS, husband and wife, Grantors, and THE WASHINGTON WATER POWER COMPANY, a corporation, recorded February 6, 1947, under Instrument No. 155095, Book 78, page 151, records of Idaho County, Idaho;

(b) That certain Deed of Trust, Instrument No. 321267, earlier referred to;

And that the above bargained premises, in the quiet and peaceable possession of the said Grantees, their heirs and assigns, against all and every person or persons lawfully claiming or to claim whole or any part thereof, the said Grantors will and shall WARRANT AND FOREVER DEFEND.

That, this deed is given by Grantors to Grantees, not on account of any default in any security agreements or arrangements which pertain to the real property hereinabove written and described, but is given for full consideration paid by Grantees to Grantors.

IN WITNESS WHEREOF, the said Crantor has hereunto set his hand
and seal the day and year first above written.

THOMAS T. MOUNTS

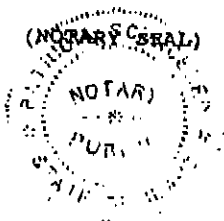
LOIS JEAN MOUNTS

STATE OF WASHINGTON)

County of Leelanau) ss

On this 11 day of December, 1991, before me, a Notary
Public, in and for said County and State, personally appeared
THOMAS T. MOUNTS and LOIS JEAN MOUNTS, husband and wife, known to
me to be the persons whose names are subscribed to the within
instrument, and they acknowledged to me that they freely executed
the same.

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



John A. Schroeder
Notary Public for the State of Washington,
Residing at Bellevue, WA, therein.
My Commission expires 11/23/95.