

ORIGINAL

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

RECEIVED

MAY 20 2002

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

Department of Water Resources

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
95-7138					

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)

Idaho Contractors, Inc.

4. New Owner/Claimant(s)

P.O. Box 883 Coeur d'Alene, Idaho 83814

New Mailing Address

North Kootenai Water District

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

City, State and ZIP Code

P.O. Box 2290

New Telephone Number

Hayden, Idaho 83835

(208) 772-3619

5. Date you acquired the property

1996

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 space 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 Claimants(s)
(include title if applicable)

E. Sandberg
President

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 SP
 Receipted by SP
 Processed by _____ AJ

Date 5/16/02
 Date 5/16/02
 Date _____

Fee \$25⁰⁰
 Receipt No. N015013
 WR _____ Date _____

Schedule A

COMMITMENT

Pioneer Title Company of Kootenai County
100 Wallace Avenue
Coeur d'Alene, ID 83814
(208) 664-8254/Fax (208) 664-9479
Title Officer: Liz Nelson

Order No. 101646

1. Effective Date: **April 23, 2002** at 8:00 A.M.

2. Policy or Policies to be issued:	Policy Amount	Amount
(a) ☒ Owner's Policy Proposed Insured: North Kootenai Water District		\$200.00
Endorsements:	Total Premium:	\$ 200.00
(b) ☐ Loan Policy Proposed Insured: NONE	- 0 -	-0-
Endorsements:	Total Premium:	\$ 0.00

3. The estate or interest in the land described or referred to in this Commitment and Covered herein is:

Fee Simple

4. Title to the Fee Simple estate or interest in said land is at the effective date hereof vested in:

North Kootenai Water District, an Idaho Municipal Corporation, and Financial Securities Inc., a Wyoming Corporation, as their interests appear of record

5. The land referred to in this Commitment is described as follows:

SEE ATTACHED EXHIBIT A

Schedule A

COMMITMENT

Pioneer Title Company of Kootenai County

100 Wallace Avenue

Coeur d'Alene, ID 83814

(208) 664-8254/Fax (208) 664-9479

Title Officer: Liz Nelson

Order No. 101646

EXHIBIT A

A 50.00 foot radius circle whose center is described as follows:

COMMENCING at the Southeast corner of the Northwest Quarter Northeast Quarter Southeast Quarter, Section 23, Township 51 North, Range 4 West, Boise Meridian, Kootenai County, Idaho, which bears South 00°18'31" West, a distance of 665.27 feet from the Northeast corner of the Northwest Quarter Northeast Quarter Southeast Quarter, Section 23; thence

North 54°45'00" West, a distance of 122.61 feet to the center of said circle.

COMMITMENT

[illegible]

Order Number: 101646

Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company.

1. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records, or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires of record for value the estate or interest or mortgage thereon covered by this Commitment.
2. **General Exceptions:**
 - (a) Rights or claims of parties in possession not shown by the public records.
 - (b) 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.
 - (c) Easements, or claims of easements, not shown by the public records.
 - (d) 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.
 - (e) (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims to title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
 - (f) 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 to such proceedings, whether or not shown by the records of such agency or by the public records.

*PARAGRAPHS A, B, C, D, E AND F WILL NOT APPEAR AS PRINTED EXCEPTIONS ON EXTENDED COVERAGE POLICIES, EXCEPT AS TO SUCH PARTS THEREOF, WHICH MAY BE TYPED AS A SPECIAL EXCEPTION IN SCHEDULE B- SECTION II.



COMMITMENT



Order Number: 101646

1. General taxes for the year 2002, which are liens, are not yet due and payable.
2. Sewage charges and special assessment powers of the City of Hayden. No special assessments now show of record.
3. Right-of-Way Easement dated October 14, 1930 in Book 95 of Deeds, at Page 562, between Elizabeth Millerand and Dalton Highway District described as follows:

A strip of land 20 feet wide on the South side of and parallel with the center line of the Road Survey over and across the above-described property to wit: The North 20 feet of the South Half of Section 23, Township 51 North, Range 4 West, Boise Meridian.

4. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein.

For: A perpetual right and easement, together with the right to stall, inspect and maintain all of the facilities necessary to provide communication service and other related services located on said right of way and easement, including the trimming or removal of any brush, trees and shrubs that may interfere with the construction, maintenance and operation of said service.

In Favor of: General Telephone Company of the Northwest, Inc., a corporation, its successors and or assigns

Recorded: April 22, 1971

Instrument No.: 581085

5. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein.

For: The right to erect, construct, reconstruct and maintain an electrical distribution line consisting of wires, poles and associated fixtures, to be located over, along and across said lands together with the right to inspect said line and to remove brush and trees that may interfere with the construction, maintenance and operation of the same.

In Favor of: The Washington Water Power Company, a corporation, its successors and/or assigns

Recorded: December 28, 1984

Instrument No.: 595345

6. Possible lack of access to and from the premises described in Schedule A above. In order to insure access, we must be provided with satisfactory evidence that there is access to a public street or road.



ORIGINAL

ROBERT E. COVINGTON, III

ATTORNEY AT LAW
8884 N. GOVERNMENT WAY, SUITE A
HAYDEN LAKE, ID 83835

TELEPHONE: (208) 762-4545
FAX: (208) 762-4546

May 13, 2002

Phil Boyd
Welch Comer
1626 Lincoln Way
Coeur d'Alene, ID 83814

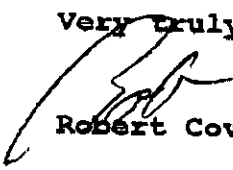
BY FAX ONLY TO: 664-5946

Re: Water Rights Applications

Dear Phil:

Transmitted with this letter is a copy of the two deeds by which NKWD acquired ownership of the various well sites and other parcels. It seems to that these documents should be attached to the applications to evidence ownership by NKWD of the parcels.

Very truly yours,


Robert Covington

REC/en
cc: client

1597713WARRANTY DEED

FOR VALUE RECEIVED, June D. Ford, wife of Charles A. Ford, does hereby grant, bargain, sell and convey unto North Kootenai Water District, an Idaho Municipal Corporation, hereinafter the "GRANTEE", her interest in the following described real property in the County of Kootenai, State of Idaho, to wit:

Parcel 1: Lot 9, Block 1, ATLAS ACRES, Kootenai County, Idaho

Parcel 2: North 100 feet of the East 100 feet of Lot 1, Block 23, AVONDALE ON HAYDEN THIRD ADDITION of Section 18, Township 51 North, Range 3 WBM, Kootenai County, Idaho.

Parcel 3: Lots 1 and 2, Block 6, ECHO BEACH, Kootenai County, Idaho.

Parcel 4: Commencing at the Northwest corner of Tract 29 of Plat 10 of the East Greenacres Irrigation District of Kootenai County, Idaho, thence South and along the West line of said Tract 29, a distance of 60 feet; thence East 60 feet; thence North 40 feet; thence East to the East line of said Tract 29; thence North and along the East line of said Tract to the North line of said Tract 29 a distance of 20 feet to the Northeast corner of said Tract 29; thence West and along the North boundary of Tract 29 to the point of beginning.

Parcel 5: Lot 39, Block E, HAYDEN VIEW ESTATES FIRST ADDITION, Kootenai County, Idaho.

Parcel 6: Lot 4, Block 0, HAYDEN VIEW ESTATES THIRD ADDITION, Kootenai County, Idaho.

Parcel 7: Lot 5, HAYDEN VIEW ESTATES FOURTH ADDITION, Kootenai County, Idaho.

Parcel 8: South ½ of Lots 1 and 2 HILLRISE ADDITION (a/k/a Lots 1 and 2, Block 6) Kootenai County, Idaho. According to the plat recorded in the office of the County Recorder in Book E of Plats at Page 27.

Parcel 9: Lot 13, less North 35 feet, Block 8, MOUNTAIN VIEW TERRACE FIRST ADDITION, Kootenai County, Idaho.

Parcel 10: Lot 3, Block 6, POINT HAYDEN, Kootenai County, Idaho.

Parcel 11: All that property encompassed by a 55 foot radius circle whose radius point lies South 0 degrees 33 feet 51" West 1,999.54 feet; thence South 89 degrees 26 feet 9 inches East, 31.32 feet from the Northwest corner of

1597713

Section 8, Township 52 North, Range 3WBM, all lying within the Northeast $\frac{1}{4}$ of Section 7, Township 52 North, Range 3 WBM; and the Northwest $\frac{1}{4}$ Section 8, Township 52 North, Range 3WBM in Kootenai County, Idaho.

Parcel 12: Tax #15972 in Lot 9, SPRING ROCK ESTATES, Kootenai County, Idaho.

Parcel 13: Lot 6, Block 6, TWIN LAKES ESTATES, according to the Plat recorded in the office of the County Recorder in Book F of Plats at Page 107, records of Kootenai County, Idaho.

Parcel 14: North 258 feet of the West 208 feet of the Northeast $\frac{1}{4}$ West of the highway, Section 11, Township 51 North, Range 4 West, Boise Meridian, Kootenai County, Idaho.

Parcel 15: The East 15 feet of Lot 9, Block 1, HAYDEN ORCHARDS, and the West 15 feet of Lot 10, Block 1, HAYDEN ORCHARDS, according to the plat recorded in the office of the County Recorder in the Book E of Plats at Page 186, records of Kootenai County, Idaho.

Parcel 16: Lot 7, Block 2, VALLEY GREEN, according to the plat recorded in the office of the County Recorder in Book E of Plats at Page 239, records of Kootenai, County, Idaho.

Parcel 17: Lot 6, Block 7, WOODLAND MEADOWS FIRST ADDITION, Kootenai County, Idaho.

Parcel 18: GTE Well No.1, Tax #11378 SE $\frac{1}{4}$ Section 23, Township 51 North, Range 4 West, Boise Meridian, Kootenai County, Idaho.

Parcel 19: The Easterly 180 feet of the South 403 feet of Tract 181, HAYDEN LAKE IRRIGATED TRACTS, Kootenai County, State of Idaho, according to the plat recorded in Book C of Plats, Page 67.

Parcel 20: A 50.00 foot radius circle whose center is described as follows:
Commencing at the SE Corner of the NW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 23, T51N, R4W B.M., Kootenai County, Idaho which bears S 00 degrees 18' 31"W a distance of 665.27 feet from the NE Corner of the NW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 23; thence N54 degrees 45' 00"W a distance of 122.61 feet to the Center of said Easement.

Parcel 21: A Tract of land in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 7, T52N, R3W B.M., Kootenai County, Idaho and further described as follows:
Beginning at a point on the East Line of said NE $\frac{1}{4}$ which bears S 00 degrees 48' 23"W a distance of 1877.22 feet from

1597713

the NE Corner of said Section 7; thence N89 degrees 11'37"W a distance of 200.00 feet; thence S 00 degrees 48' 23" W a distance of 180.00 Feet; thence S 89 degrees 11'37"E a distance of 200.00 feet to the intersection with the East Line of Section 7; thence N00 degrees 48'23"E a distance of 180.00 feet to the Point of Beginning.

Parcel 22: All easements or rights of use, whether acquired by grant, implication or prescriptive use, for location of pipes, booster pump facilities, wells, reservoirs, ingress or egress for maintenance of such facilities, which are held, possessed or owned by any of the Grantors named herein.

TO HAVE AND TO HOLD the said premises, with their appurtenances unto the said GRANTEE, its successors and assigns forever. And the said GRANTOR does hereby covenant to and with the said GRANTEE that they are the owner in fee simple of said real property; that it is free from all encumbrances except easements and rights-of-way in view and of record, and that Grantors will warrant and defend the title of Grantees delivered by this instrument.

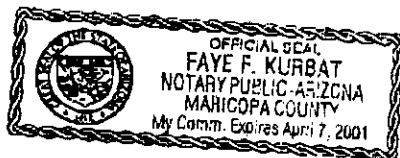
DATED this 23 day of February, 1999.

June D. Ford
JUNE D. FORD

Grantee's Address:
P.O. Box 883
Rathdrum, ID 83858

STATE OF ARIZONA)
County of MARICOPA)

On this 23 day of February, 1999 before me a notary public in and for said State, personally appeared June D. Ford, known or identified to me to be the person whose name is subscribed to the foregoing instrument.



Faye F. Kurbat
Notary Public
Residing at: Phoenix, AZ
Commission Expires: 4-7-2001

STATE OF ARIZONA } SS
COUNTY OF MARICOPA }
AT THE }
Office of }
Robert Covington

JUL 13 12 01 PM '99

DANIEL L. ENGLISH

FEES

DEPOT

1597712WARRANTY DEED

FOR VALUE RECEIVED, Charles A. Ford, Hayden Pines Water Company, Inc., an Idaho Corporation, Idaho Contractors, Inc., an Idaho Corporation the hereinafter GRANTOR, do hereby grant, bargain, sell and convey unto North Kootenai Water District, an Idaho Municipal Corporation, hereinafter the "GRANTEE", the following described real property in the County of Kootenai, State of Idaho, to wit:

Parcel 1: Lot 9, Block 1, ATLAS ACRES, Kootenai County, Idaho

Parcel 2: North 100 feet of the East 100 feet of Lot 1, Block 23, AVONDALE ON HAYDEN THIRD ADDITION of Section 18, Township 51 North, Range 3 WBM, Kootenai County, Idaho.

Parcel 3: Lots 1 and 2, Block 6, ECHO BEACH, Kootenai County, Idaho.

Parcel 4: Commencing at the Northwest corner of Tract 29 of Plat 10 of the East Greenacres Irrigation District of Kootenai County, Idaho, thence South and along the West line of said Tract 29, a distance of 60 feet; thence East 60 feet; thence North 40 feet; thence East to the East line of said Tract 29; thence North and along the East line of said Tract to the North line of said Tract 29 a distance of 20 feet to the Northeast corner of said Tract 29; thence West and along the North boundary of Tract 29 to the point of beginning.

Parcel 5: Lot 39, Block E, HAYDEN VIEW ESTATES FIRST ADDITION, Kootenai County, Idaho.

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Parcel 10: Lot 3, Block 6, POINT HAYDEN, Kootenai County, Idaho.

Parcel 11: All that property encompassed by a 55 foot radius circle whose radius point lies South 0 degrees 33

1597712

feet 51" West 1,999.54 feet; thence South 89 degrees 26 feet 9 inches East, 31.32 feet from the Northwest corner of Section 8, Township 52 North, Range 3WBM, all lying within the Northeast $\frac{1}{4}$ of Section 7, Township 52 North, Range 3 WBM; and the Northwest $\frac{1}{4}$ Section 8, Township 52 North, Range 3WBM in Kootenai County, Idaho.

Parcel 12: Tax #15972 in Lot 9, SPRING ROCK ESTATES, Kootenai County, Idaho.

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Commencing at the SE Corner of the NW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 23, T51N, R4W B.M., Kootenai County, Idaho which bears S 00 degrees 18' 31"W a distance of 665.27 feet from the NE Corner of the NW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 23; thence N54 degrees 45' 00"W a distance of 122.61 feet to the Center of said Easement.

Parcel 21: A Tract of land in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 7, T52N, R3W B.M., Kootenai County, Idaho and further described as follows:

1597712

Beginning at a point on the East Line of said NE ¼ which bears S 00 degrees 48'23"W a distance of 1877.22 feet from the NE Corner of said Section 7; thence N89 degrees 11'37"W a distance of 200.00 feet; thence S 00 degrees 48' 23" W a distance of 180.00 Feet; thence S 89 degrees 11'37"E a distance of 200.00 feet to the intersection with the East Line of Section 7; thence N00 degrees 48'23"E a distance of 180.00 feet to the Point of Beginning.

Parcel 22: All easements or rights of use, whether acquired by grant, implication or prescriptive use, for location of pipes, booster pump facilities, wells, reservoirs, ingress or egress for maintenance of such facilities, which are held, possessed or owned by any of the Grantors named herein.

TO HAVE AND TO HOLD the said premises, with their appurtenances unto the said GRANTEE, its successors and assigns forever. And the said GRANTOR does hereby covenant to and with the said GRANTEE that they are the owner in fee simple of said real property; that it is free from all encumbrances except easements and rights-of-way in view and of record, and that Grantors will warrant and defend the title of Grantees delivered by this instrument.

DATED this 20 day of November, 1998.

STATE OF IDAHO }
COUNTY OF BOOTENAI } SS
AT THE RESIDE OF

Robert Covington

JUL 13 12 00 PM '99

DANIEL C. ENGLISH

DEPUTY

FEES

12.00

Charles A. Ford
CHARLES A. FORD

HAYDEN PINES WATER COMPANY, INC.,

BY: Charles A. Ford
CHARLES A. FORD, PRESIDENT

IDAHO CONTRACTORS, INC.,

BY: Charles A. Ford
CHARLES A. FORD, PRESIDENT

Grantee's Address:

P.O. Box 883
Rathdrum, ID 83858

1597712

STATE OF IDAHO)
 County of Kootenai)

On this 20 day of November, 1998 before me a notary public in and for said State, personally appeared Charles A. Ford, known or identified to me to be the person whose names is subscribed to the foregoing instrument.

Robert E. Corbin, D.H.
 Notary Public
 Residing at: Coeur d'Alene
 Commission Expires: 10/11/00

STATE OF IDAHO)
 ss.
 County of Kootenai)

On this 20 day of November, 1998, before me, the undersigned Notary Public in and for the State of Idaho, personally appeared Charles A. Ford, identified to me to be the president of the Hayden Pines Water Company, Inc., the corporation that executed the instrument or the person who executed the instrument on behalf of said corporation and acknowledged to me that such corporation executed the same.

Robert E. Corbin, D.H.
 Notary Public
 Residing at: Coeur d'Alene
 Commission Expires: 10/11/00

STATE OF IDAHO)
 ss.
 County of Kootenai)

On this 20 day of November, 1998, before me, the undersigned Notary Public in and for the State of Idaho, personally appeared Charles A. Ford, identified to me to be the president of the Idaho Contractors, Inc., the corporation that executed the instrument or the person who executed the instrument on behalf of said corporation and acknowledged to me that such corporation executed the same.

Robert E. Corbin, D.H.
 Notary Public
 Residing at: Coeur d'Alene
 Commission Expires: 10/11/00

Schedule A

COMMITMENT

Pioneer Title Company of Kootenai County
100 Wallace Avenue
Coeur d'Alene, ID 83814
(208) 664-8254/Fax (208) 664-9479
Title Officer: Tanya Travis

Order No. 103001

REPORT ONLY1. Effective Date: **July 15, 2002 at 8:00 A.M.**

2. Policy or Policies to be issued:

(a) ☒ Owner's PolicyProposed Insured: **North Kootenai Water District**

Endorsements:

Policy Amount

Amount

\$200.00

\$200.00

Total Premium:

\$ 200.00

(b) ☐ Loan PolicyProposed Insured: **NONE**

Endorsements:

- 0 -

-0-

Total Premium:

\$ 0.00

3. The estate or interest in the land described or referred to in this Commitment and Covered herein is:

Fee Simple

4. Title to the Fee Simple estate or interest in said land is at the effective date hereof vested in:

Gerald A. Balk

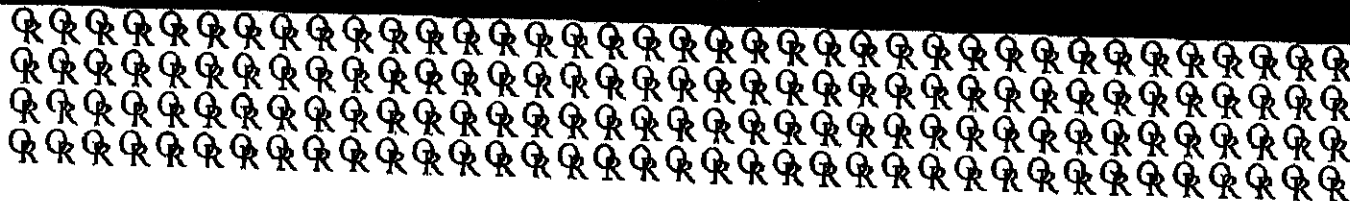
5. The land referred to in this Commitment is described as follows:

**Lot 9, Block 1, MEADOWLAND ACRES, according to the plat recorded in Book "G" of Plats at Page 402,
records of Kootenai County, Idaho.**



Schedule B - Section I

EXCEPTIONS



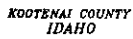
EXCEPTIONS

Order Number: 103001

Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company.

1. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records, or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires of record for value the estate or interest or mortgage thereon covered by this Commitment.
2. **General Exceptions:**
 - (a) Rights or claims of parties in possession not shown by the public records.
 - (b) 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.
 - (c) Easements, or claims of easements, not shown by the public records.
 - (d) 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.
 - (e) (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims to title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
 - (f) 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 to such proceedings, whether or not shown by the records of such agency or by the public records.

*PARAGRAPHS A, B, C, D, E AND F WILL NOT APPEAR AS PRINTED EXCEPTIONS ON EXTENDED COVERAGE POLICIES, EXCEPT AS TO SUCH PARTS THEREOF, WHICH MAY BE TYPED AS A SPECIAL EXCEPTION IN SCHEDULE B- SECTION II.



ARCHIVE REVISIONS

DATE	ACTIVITY	DATE
TH	MEADOWLAND ACRES	01-11-97
TH	MEADOWLAND ACRES 1ST ADDITION	02-20-98
SUB	DOMING SUB	08-12-99

NOTES:

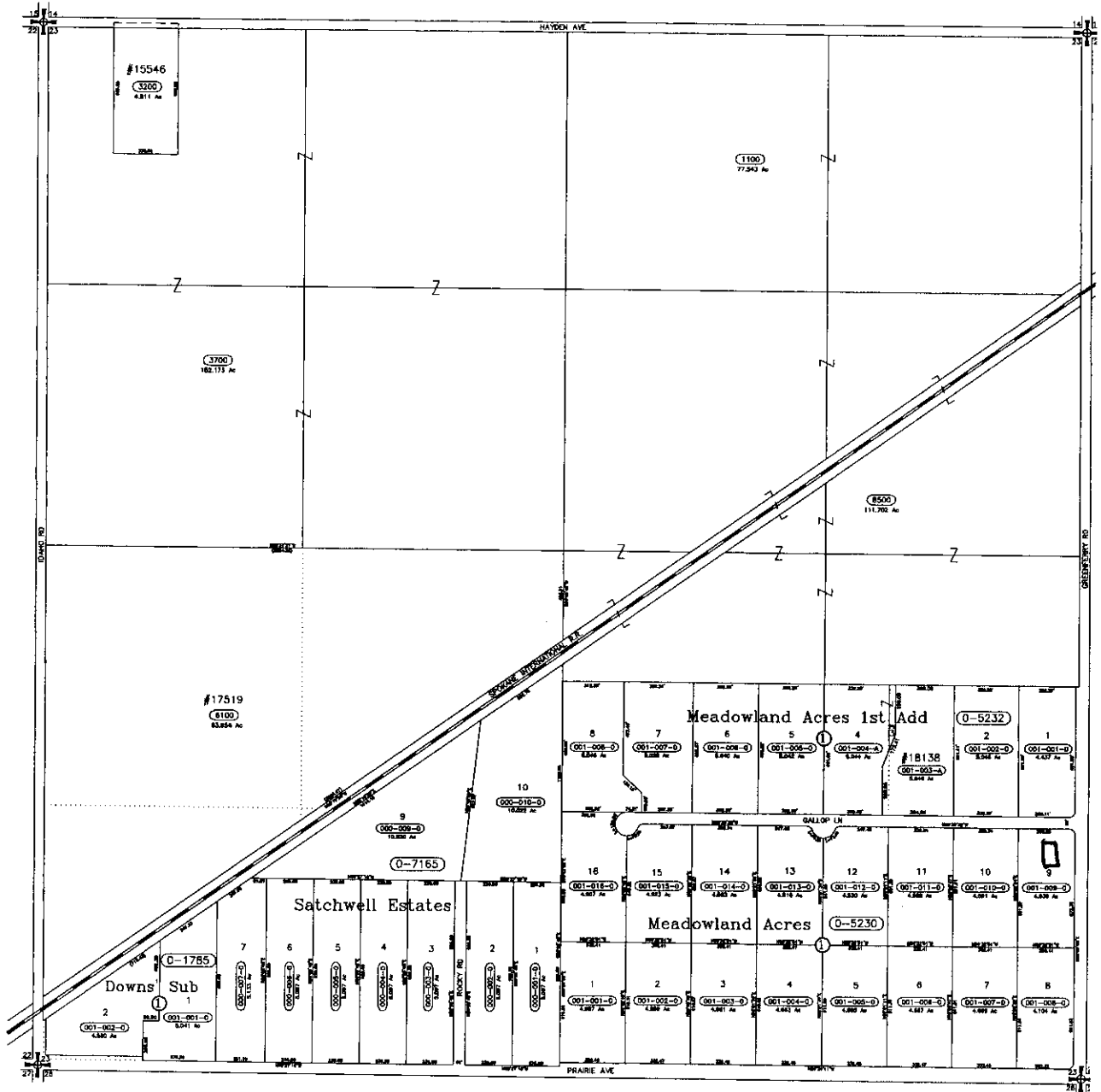
All kids of parents with given headings and addresses were contacted by telephone. All other parents were contacted by the next closest known possible with the given information (in length multiplied by eight, telephone, television, visiting over visiting stop, and eventually secondary). Addresses shown are not necessary. Age of age, where applicable, has been shown. Names are longer than last 50' may not be shown due to space limitations. Children in parentheses are second, third and/or plotted for last dimensions.

Records of Survey used:

<u>SL/PG</u>	<u>DESCRIPTION</u>
--------------	--------------------

Sec.23 Twp. 51 N. R.5 W.B.M.

51N05W-23



SCALE: 1 INCH = 400 FEET

Sec.23 Twp.51N. R.5W



PARCEL 7

Lancaster Well

FIRST AMERICAN TITLE COMPANY
1044 NORTHWEST BOULEVARD
COEUR D'ALENE, IDAHO 83814
(208) 667-0567

NOVEMBER 16, 1998

WELCH COMER & ASSOCIATES
1626 LINCOLN WAY
COEUR D'ALENE, IDAHO 83814

ATTN: DOUGLAS BLACK

ORDER NO. 35807-B

RE: NORTH KOOTENAI WATER
DISTRICT

COMMITMENT ENCLOSED.

THANK YOU FOR CHOOSING
FIRST AMERICAN TITLE!



First American Title Insurance Company

INFORMATION

The Title Insurance Commitment is a legal contract between you and the company. It is issued to show the basis on which we will issue a Title Insurance Policy to you. The Policy will insure you against certain risks to the land title, subject to the limitations shown in the Policy.

The Company will give you a sample of the Policy form, if you ask.

The Commitment is based on the land title as of the Commitment Date. Any changes in the land title or the transaction may affect the Commitment and the Policy.

The Commitment is subject to its Requirements, Exceptions and Conditions.

THIS INFORMATION IS NOT PART OF THE TITLE INSURANCE COMMITMENT.

TABLE OF CONTENTS

	Page
AGREEMENT TO ISSUE POLICY	1
SCHEDULE A	
1. Commitment Date	2
2. Policies to be Issued, Amounts and Proposed Insureds	2
3. Interest in the Land and Owner	2
4. Description of the Land	2
SCHEDULE B-1 — Requirements	3
SCHEDULE B-2 — Exceptions	4
CONDITIONS	other side of 1

YOU SHOULD READ THE COMMITMENT VERY CAREFULLY.

If you have any questions about the Commitment, please contact the issuing office.

COMMITMENT FOR TITLE INSURANCE

ISSUED BY

First American Title Insurance Company

AGREEMENT TO ISSUE POLICY

We agree to issue a policy to you according to the terms of this Commitment. When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the Commitment Date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under this Commitment is limited by the following:

- The Provisions in Schedule A.
- The Requirements in Schedule B-1.
- The Exceptions in Schedule B-2.
- The Conditions on the other side of this page 1.

This Commitment is not valid without SCHEDULE A and Sections 1 and 2 of SCHEDULE B.



First American Title Insurance Company

BY *Parker S. Kennedy* PRESIDENT

ATTEST *Mark R. Amerson* SECRETARY

BY *Rebecca Spencer* COUNTERSIGNED



SCHEDULE A

1. Commitment Date: October 9, 1998
at 8:00 a.m.

Commitment No. 35807-B

2. Policy or Policies to be issued:

Policy Amount Premium

(X) **Owners Policy**
(Form 1402.92, 10-17-92)
Proposed Insured:

\$TBD \$TBD

TO BE DETERMINED

() **Extended Coverage Loan Policy**
(Form 1056.92, 10-17-92)
Proposed Insured:

\$ \$

() **Endorsements:**

\$

() **Recordings:**

\$

() **Extra Chains:**

\$

3. FEE SIMPLE ESTATE in the land described in this Commitment is owned, at the Commitment Date, by:

CHARLES A. FORD

4. The Land referred to in this Commitment is located in Kootenai County, State of Idaho, and described as follows:

SEE ATTACHED EXHIBIT "A"



EXHIBIT "A"

The North 208 feet of the West 208 feet of that part of the Northeast quarter of Section 11, Township 51 North, Range 4, W.B.M., lying west of Highway 95, Kootenai County, Idaho.

AND

A portion of the Northeast quarter of Section 11, Township 51 North, Range 4 West, Boise Meridian, Kootenai County, Idaho, more particularly described as follows:

BEGINNING at the North quarter corner of said Section 11, as recorded in Book 6, Record of Surveys, at Page 40; thence

South $00^{\circ}22'32''$ West, 208.00 feet along the West line of said Northeast quarter of Section 11, to the TRUE POINT OF BEGINNING for this description, being the Southwest corner of that certain parcel currently owned by the Hayden Pines Water Company; thence

South $89^{\circ}56'50''$ East, 208.00 feet along a line parallel to and 208.00 feet South of the North line of said Northeast quarter of Section 11, and along the South line of the Hayden Pines Water Company parcel, to the Southeast corner of the parcel currently owned by the Hayden Pines Water Company; thence

South $00^{\circ}22'32''$ West, 50.00 feet along a line parallel with and 208.00 feet East of the West line of said Northeast quarter of Section 11; thence

North $89^{\circ}56'50''$ West, 208.00 feet along a line parallel to and 238.00 feet South of the North line of said Northeast quarter of Section 11; thence

North $00^{\circ}22'32''$ East, 50.00 feet along the West line of said Northeast quarter of Section 11 to the TRUE POINT OF BEGINNING for this description.

LESS AND EXCEPT that portion, if any, lying within the boundaries of Rimrock Road.



Form No. 1544 B 1 (1982)
ALTA Plain Language Commitment
ORDER NO. 35807

SCHEDULE B - SECTION 1
Requirements

The following requirements must be met:

- (a) Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
- (b) Pay us the premiums, fees and charges for the policy.
- (c) Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded.
- (d) You must tell us in writing the name of anyone not referred to in this Commitment who has an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.

For further information regarding this report please contact:

FIRST AMERICAN TITLE COMPANY
1044 NORTHWEST BOULEVARD
P.O. BOX 816
COEUR D'ALENE, IDAHO 83814

PHONE: (208) 667-0567
ESCROW DEPT. FAX: (208) 765-2050
TITLE DEPT. FAX: (208) 765-1376

TITLE OFFICER: Beverly Spencer

ESCROW OFFICER:

PLEASE ACCEPT OUR SINCERE THANKS FOR ALLOWING US TO BE OF SERVICE TO YOU. WE GREATLY APPRECIATE THE FACT THAT YOU HAVE CHOSEN TO DO BUSINESS WITH US; AND IN RETURN, WE PLEDGE OUR CONTINUING EFFORTS TO OFFER YOU THE BEST SERVICE POSSIBLE.

eh



SCHEDULE B - SECTION 2
Exceptions

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction.

PART 1:

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, interests or claims which are not shown 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. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other facts which a correct survey would disclose, and which are not shown by the public records.

5. Unpatented mining claims: reservations or exceptions in patents or in acts authorizing the issuance thereof: water rights, claims, or title to water.

6. Any lien, or right 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 for the year 1998, a lien in the process of assessment not yet due or payable.

8. Matters as shown on survey:

Recorded: June 30, 1981

Instrument No.: 879753, Book 3, page 79

9. Assessments, if any, levied by the City of Hayden, for which we find no delinquencies of record.

10. Right of Way Easement to Kootenai County for road purposes, recorded February 3, 1996 in Book "A" of Right of Ways at Page 17, records of Kootenai County, Idaho.

11. Easement:

Granted to: Washington Water Power Company, a corporation

Recorded: January 30, 1997

Instrument No.: 1477789



SCHEDULE B - SECTION 2
EXCEPTIONS - continued

12. Mortgage to secure an indebtedness in the principal sum of \$100,000.00:

Dated: November 9, 1989
Recorded: November 27, 1989
Instrument No.: 1167743
Mortgagor: Hayden Pines Water Co., Inc., an Idaho Corporation
Mortgagee: Market Investments, Inc., a Wyoming corporation

13. Agreement and Assignment upon the terms, conditions and covenants contained therein:

Dated: February 13, 1981
Recorded: February 13, 1981
Instrument No.: 867556

14. Agreement contained in Memorandum of Contract upon the terms, conditions and provisions contained therein:

Dated: October 19, 1979
Recorded: November 5, 1978
Instrument No.: 824804

15. The Effect of Quitclaim Deed:

Recorded: June 11, 1997
Instrument No.: 1493563

16. The Effect of Deed of Trust to secure an indebtedness in the principal sum of \$2,216,703.54, and any other amounts and/or obligations secured thereby:

Dated: May 19, 1997
Recorded: June 11, 1997
Instrument No.: 1493564
Grantor: Allied Water, Inc., an Idaho corporation
Trustee: Kootenai County Title Company, Inc.
Beneficiary: Hayden Pines Water Company, an Idaho corporation

17. The Effect of Financing Statement:

Recorded: June 16, 1997
Instrument No.: 1494043
Debtor: Allied Water, Inc., an Idaho Corporation
Secured Party: Hayden Pines Water Company, an Idaho corporation

18. Title to vest in the name of a person or persons to be submitted and when so vested will be subject to matters which may be disclosed by a search of the Records against the name of said person or persons.

19. Question of marital status of party herein named on date of acquiring title. If then joining in execution of forthcoming Instrument, recital therein of the fact will be sufficient; otherwise, present ownership of the community interest of spouse on said date must be determined:

Party: Charles A. Ford

END OF SCHEDULE "B" EXCEPTIONS



NOTES SECTION

1. There is no notice of record and therefore no search has been made for any unpaid assessments, charges or fees for sewer, water, garbage, irrigation, waste disposal fees, and other possible utility services.
2. If the proposed insured under the Policy to issue has any questions concerning the coverage or exclusions from coverage, the Company will be pleased to provide an explanation.
3. In the event that this transaction fails to close, a minimum fee of \$100.00 will be charged to comply with the State Insurance Code.

N. R. 4 W. B. M.

H-0000-011-

OAD

1.1134
0.820
0.293

2

1

11

12

0100

4.939 Ac

13125

408.88'

0500

23.429 Ac

1500

116.877 Ac

No. 95

WAY

641.7'

1057.35'

880'

579.37'

339

E-339-AA

48.681 Ac

CITY

346

E-346-AA

9.423 Ac

IN CITY

This sketch is furnished without charge solely for the purpose of assisting in locating premises and the company assumes no liability for inaccuracies therein

7272

0100

83.426 Ac

H-0000-011-8020

35.068 Ac

7298

less tax No.

H-0000-011-7723

10819

23.177 Ac

Village

GOVERNMENT

RECORD OF REAL ESTATE OWNERSHIP — STATE OF IDAHO

Buyer Owner Hayden Pines Water Co., Inc.
(Name)

Seller Robert E. Manger
(Name)

County Kootenai
(Name)

Section 11 Township 51 N Range 4 W

Date of Purchase June 24, 1988

Company Reference Name _____

Statement of Intended Use Well Lot

☒ Operating

☐ Non-operating

What Balance Sheet Account is this Property Placed in or Transferred to? _____

LEGAL DESCRIPTION OF PROPERTY: (Limit to single parcel per page where practical)

A portion of the Northeast quarter of Section 11, Township 51 North, Range 4 West, Boise Meridian, Kootenai County, Idaho, more particularly described as follows:

Beginning at the North quarter corner of said Section 11, as recorded in Book 6, Record of Surveys, at Page 40; thence South $00^{\circ}22'32''$ West, 208.00 feet along the west line of said Northeast quarter of Section 11, to the True Point of Beginning for this description, being the southwest corner of that certain parcel currently owned by the Hayden Pines Water Company; thence South $89^{\circ}56'50''$ East, 208.00 feet along a line parallel to and 208.00 feet south of the north line of said Northeast quarter of Section 11, and along the south line of the Hayden Pines Water Company parcel, to the southeast corner of the parcel currently owned by Hayden Pines Water Company; thence South $00^{\circ}22'32''$ West, 50.00 feet along a line parallel with and 208.00 feet east of the west line of said Northeast quarter of Section 11; thence North $89^{\circ}56'50''$ West, 208.00 feet along a line parallel to and 238.00 feet south of the north line of said Northeast quarter of Section 11; thence North $00^{\circ}22'32''$ East, 50.00 feet along the west line of said Northeast quarter of Section 11 to the True Point of Beginning for this description.

Lancaster



PARCEL 10

FIRST AMERICAN TITLE COMPANY
1044 NORTHWEST BOULEVARD
COEUR D'ALENE, IDAHO 83814
(208) 667-0567

Tree Farm

NOVEMBER 12, 1998

WELCH COMER & ASSOCIATES
1626 LINCOLN WAY
COEUR D'ALENE, IDAHO 83814

ATTN: DOUGLAS BLACK

ORDER NO. 35810-B

RE: NORTH KOOTENAI WATER
DISTRICT

COMMITMENT ENCLOSED.

THANK YOU FOR CHOOSING
FIRST AMERICAN TITLE!



The Title Insurance Commitment is a legal contract between you and the company. It is issued to show the basis on which we will issue a Title Insurance Policy to you. The Policy will insure you against certain risks to the land title, subject to the limitations shown in the Policy.

The Company will give you a sample of the Policy form, if you ask.

The Commitment is based on the land title as of the Commitment Date. Any changes in the land title or the transaction may affect the Commitment and the Policy.

The Commitment is subject to its Requirements, Exceptions and Conditions.

THIS INFORMATION IS NOT PART OF THE TITLE INSURANCE COMMITMENT.

TABLE OF CONTENTS

	Page
AGREEMENT TO ISSUE POLICY	1
SCHEDULE A	
1. Commitment Date	2
2. Policies to be Issued, Amounts and Proposed Insureds	2
3. Interest in the Land and Owner	2
4. Description of the Land	2
SCHEDULE B-1 — Requirements	3
SCHEDULE B-2 — Exceptions	4
CONDITIONS	other side of 1

YOU SHOULD READ THE COMMITMENT VERY CAREFULLY.

If you have any questions about the Commitment, please contact the issuing office.

COMMITMENT FOR TITLE INSURANCE

ISSUED BY

First American Title Insurance Company

AGREEMENT TO ISSUE POLICY

We agree to issue a policy to you according to the terms of this Commitment. When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the Commitment Date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under this Commitment is limited by the following:

The Provisions in Schedule A.

The Requirements in Schedule B-1.

The Exceptions in Schedule B-2.

The Conditions on the other side of this page 1.

This Commitment is not valid without SCHEDULE A and Sections 1 and 2 of SCHEDULE B.



First American Title Insurance Company

BY *Parker S. Kennedy* PRESIDENT

ATTEST *Mark L. Ameson* SECRETARY

BY *Beverly Spencer* COUNTERSIGNED



SCHEDULE A

1. Commitment Date: October 9, 1998
at 8:00 a.m.

Commitment No. 35810-B

2. Policy or Policies to be issued:

Policy Amount Premium

(X) **Owners Policy**
(Form 1402.92, 10-17-92)
Proposed Insured:

\$TBD \$TBD

TO BE DETERMINED

() **Extended Coverage Loan Policy**
(Form 1056.92, 10-17-92)
Proposed Insured:

\$ \$

() **Endorsements:**

\$

() **Recordings:**

\$

() **Extra Chains:**

\$

3. FEE SIMPLE ESTATE in the land described in this Commitment is owned, at the Commitment Date, by:

CHARLES A. FORD

4. The Land referred to in this Commitment is located in Kootenai County, State of Idaho, and described as follows:

Lot 6, Block 6, TWIN LAKES ESTATES, according to the Plat recorded in the office of the County Recorder in Book "F" of Plats at page 107, records of Kootenai County, State of Idaho,



Form No. 1544 - 1 (1982)
ALTA Plain Language Commitment
ORDER NO. 35810

SCHEDULE B - SECTION 1
Requirements

The following requirements must be met:

- (a) Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
- (b) Pay us the premiums, fees and charges for the policy.
- (c) Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded.
- (d) You must tell us in writing the name of anyone not referred to in this Commitment who has an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.

For further information regarding this report please contact:

FIRST AMERICAN TITLE COMPANY
1044 NORTHWEST BOULEVARD
P.O. BOX 816
COEUR D'ALENE, IDAHO 83814

PHONE: (208) 667-0567
ESCROW DEPT. FAX: (208) 765-2050
TITLE DEPT. FAX: (208) 765-1376

TITLE OFFICER: Beverly Spencer

ESCROW OFFICER:

PLEASE ACCEPT OUR SINCERE THANKS FOR ALLOWING US TO BE OF SERVICE TO YOU. WE GREATLY APPRECIATE THE FACT THAT YOU HAVE CHOSEN TO DO BUSINESS WITH US; AND IN RETURN, WE PLEDGE OUR CONTINUING EFFORTS TO OFFER YOU THE BEST SERVICE POSSIBLE.

eh



SCHEDULE B - SECTION 2
Exceptions

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction.

PART 1:

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, interests or claims which are not shown 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. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other facts which a correct survey would disclose, and which are not shown by the public records.

5. Unpatented mining claims: reservations or exceptions in patents or in acts authorizing the issuance thereof: water rights, claims, or title to water.

6. Any lien, or right 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 for the year 1998, a lien in the process of assessment not yet due or payable.

8. Liens and assessments of the following district and the rights and powers thereof as provided by law, for which we find no delinquencies of record:
District: Lakes Highway District

9. Covenants, Conditions and Restrictions and Easements:
Instrument No.: 641545
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).

10. Covenants, conditions, restrictions and easements contained in the recorded Plat of said subdivision, 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).



SCHEDULE B - SECTION 2
EXCEPTIONS - continued

11. Covenants, Conditions and Restrictions and Easements contained in Deed:

Recorded: May 3, 1976

Instrument No.: 698640

Book/page: Book 276 of Deeds, page 344

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).

12. Mortgage to secure an indebtedness in the principal sum of \$100,000.00:

Dated: November 9, 1989

Recorded: November 27, 1989

Instrument No.: 1167743

Mortgagor: Hayden Pines Water Co., Inc., an Idaho Corporation

Mortgagee: Market Investments, Inc., a Wyoming corporation

13. The Effect of Quitclaim Deed:

Recorded: June 11, 1997

Instrument No.: 1493563



SCHEDULE B - SECTION 2
EXCEPTIONS - continued

14. The Effect of Deed of Trust to secure an indebtedness in the principal sum of \$2,216,703.54, and any other amounts and/or obligations secured thereby:

Dated: May 19, 1997
Recorded: June 11, 1997
Instrument No.: 1493564
Grantor: Allied Water, Inc., an Idaho corporation
Trustee: Kootenai County Title Company, Inc.
Beneficiary: Hayden Pines Water Company, an Idaho corporation

15. The Effect of Financing Statement:

Recorded: June 16, 1997
Instrument No.: 1494043
Debtor: Allied Water, Inc., an Idaho Corporation
Secured Party: Hayden Pines Water Company, an Idaho corporation

16. Title to vest in the name of a person or persons to be submitted and when so vested will be subject to matters which may be disclosed by a search of the Records against the name of said person or persons.

17. Question of marital status of party herein named on date of acquiring title. If then joining in execution of forthcoming Instrument, recital therein of the fact will be sufficient; otherwise, present ownership of the community interest of spouse on said date must be determined:

Party: Charles A. Ford

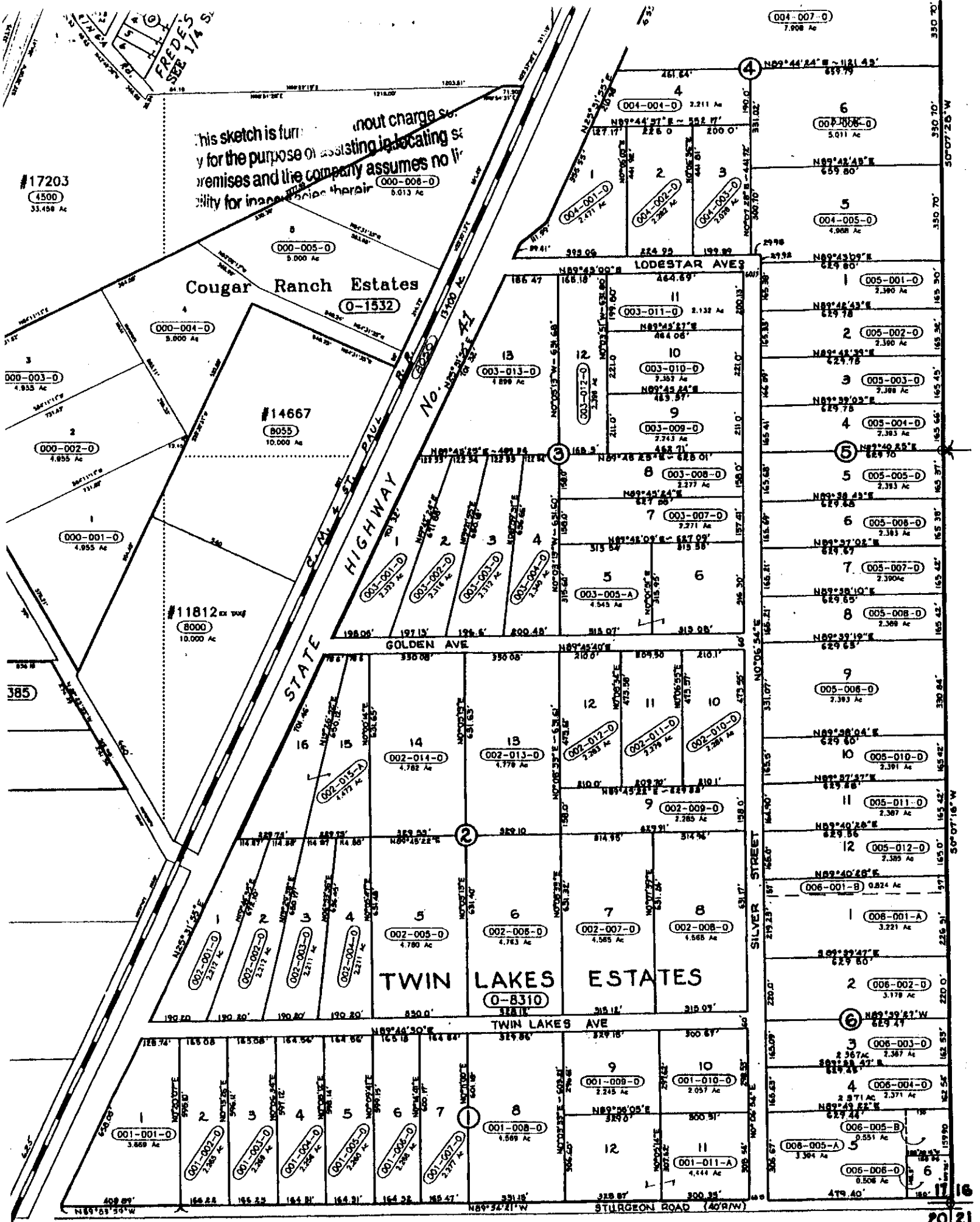
END OF SCHEDULE "B" EXCEPTIONS

NOTES SECTION

1. There is no notice of record and therefore no search has been made for any unpaid assessments, charges or fees for sewer, water, garbage, irrigation, waste disposal fees, and other possible utility services.

2. If the proposed insured under the Policy to issue has any questions concerning the coverage or exclusions from coverage, the Company will be pleased to provide an explanation.

3. In the event that this transaction fails to close, a minimum fee of \$100.00 will be charged to comply with the State Insurance Code.



This sketch is furnished for the purpose of assisting in locating premises and the company assumes no liability for inaccuracies thereon.

Cougar Ranch Estates
0-1532

TWIN LAKES ESTATES
0-8310

004-007-0
7.908 Ac

#17203
4500
33.458 Ac

#14667
8055
10.000 Ac

#11812 ex 704
8000
10.000 Ac

385

RECORD OF REAL ESTATE OWNERSHIP — STATE OF IDAHO

Buyer/Owner Hayden Pines Water Co.
(Name)
Seller John Fairchild III
(Name)
County Kootenai County
(Name)
Section 17 Township 52 Range 4 WBM
Date of Purchase July 6, 1987

FOR TAX COMMISSION USE

T.C. Ref. No. TCO-28-04-115-12
CLASSIFICATION OF PROPERTY

☒ Operating ☐ Non-operating

Company Reference Name _____
Statement of Intended Use Well Site - Twin Lakes
☐ Operating ☐ Non-operating
What Balance Sheet Account is this Property Placed in or Transferred to? _____

LEGAL DESCRIPTION OF PROPERTY: (Limit to single parcel per page where practical)

See Attached Description

RECEIVED
DEC 11 1987

STATE TAX COMMISSION
OPERATING PROPERTY
BUREAU

1091403

QUITCLAIM DEED

FOR VALUE RECEIVED, JOHN DOUGLAS FAIRCHILD, III.,
does hereby convey, release, remise and QuitClaim unto
HAYDEN PINES WATER COMPANY, a division of IDAHO CONTRACTORS,
INC., whose address is 8601 N. Hayden Pines, Hayden Lake, ID
83835, the following described premises, to wit:

A portion of Lot 5, Block 6 of Twin Lakes
Estates located in the SE 1/4 SE 1/4
Section 17, T52N, R4W B.M., as recorded
in Book F, Pages 107 and 107A, Kootenai
County, Idaho and further described as
being the East 150 feet of said Lot 5
laying North of and adjoining Lot 6,
Block 6 of said Twin Lakes Estates.

Contains 0.55 Acres more or less.

together with their appurtenances.

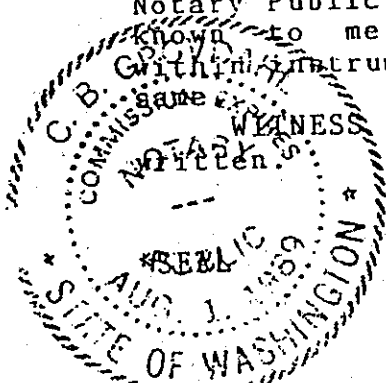
DATED this 6 day of ^{July}~~June~~, 1987.

John Douglas Fairchild III
JOHN DOUGLAS FAIRCHILD, III

STATE OF WASHINGTON)
County of ISLAND) ss.
~~Kootenai~~

On this 6th day of ^{July}~~June~~, 1987, before me, the undersigned
Notary Public, personally appeared JOHN DOUGLAS FAIRCHILD, III,
known to me to be the person whose name is subscribed to the
Within instrument, and acknowledged to me that he executed the

my hand and seal the day and year first above



RECEIVED

JUL 11 1987

STATE TAX COMMISSION

STATE OF IDAHO
COUNTY OF KOOTENAI
AT THE REQUEST OF Norman
Isabel
At Hayden Lake, ID
JUL 28 1987
By Norman Groussard
Notary
Fee \$ 3.00
P.O. # 588
C.C. # 10

C. B. Groussard
NOTARY PUBLIC FOR IDAHO WASH
Residing Oak Harbor
Commission expires 8-1-89

quitklm.ded



The Title Insurance Commitment is a legal contract between you and the company. It is issued to show the basis on which we will issue a Title Insurance Policy to you. The Policy will insure you against certain risks to the land title, subject to the limitations shown in the Policy.

The Company will give you a sample of the Policy form, if you ask.

The Commitment is based on the land title as of the Commitment Date. Any changes in the land title or the transaction may affect the Commitment and the Policy.

The Commitment is subject to its Requirements, Exceptions and Conditions.

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TABLE OF CONTENTS

	Page
AGREEMENT TO ISSUE POLICY	1
SCHEDULE A	
1. Commitment Date	2
2. Policies to be Issued, Amounts and Proposed Insureds	2
3. Interest in the Land and Owner	2
4. Description of the Land	2
SCHEDULE B-1 — Requirements	3
SCHEDULE B-2 — Exceptions	4
CONDITIONS	other side of 1

YOU SHOULD READ THE COMMITMENT VERY CAREFULLY.
If you have any questions about the Commitment, please contact the issuing office.

COMMITMENT FOR TITLE INSURANCE

ISSUED BY

First American Title Insurance Company

AGREEMENT TO ISSUE POLICY

We agree to issue a policy to you according to the terms of this Commitment. When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the Commitment Date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under this Commitment is limited by the following:

The Provisions in Schedule A.

The Requirements in Schedule B-1.

The Exceptions in Schedule B-2.

The Conditions on the other side of this page 1.

This Commitment is not valid without SCHEDULE A and Sections 1 and 2 of SCHEDULE B.



First American Title Insurance Company

BY *Parker S. Kennedy* PRESIDENT

ATTEST *Mark R. Ameson* SECRETARY

BY *Beverly Spencer* COUNTERSIGNED

SCHEDULE A

1. Commitment Date: March 18, 1999
at 8:00 a.m. Commitment No. 35814-B

2. Policy or Policies to be issued:

	<u>Policy Amount</u>	<u>Premium</u>
(X) Owners Policy (Form 1402.92, 10-17-92) <u>Proposed Insured:</u> TO BE DETERMINED	\$TBD	\$TBD
() Extended Coverage Loan Policy (Form 1056.92, 10-17-92) <u>Proposed Insured:</u>	\$	\$
() Endorsements:	\$	
() Recordings:	\$	
() Extra Chains:	\$	

3. FEE SIMPLE ESTATE in the land described in this Commitment is owned, at the Commitment Date, by:

IDAHO CONTRACTORS, INC.

4. The Land referred to in this Commitment is located in Kootenai County, State of Idaho, and described as follows:

SEE ATTACHED EXHIBIT "A"

EXHIBIT "A"

A tract of land located in the West half of the South half of the Southeast quarter of Section 23, Township 51 North, Range 4 W.B.M., Kootenai County, State of Idaho described as follows:

BEGINNING at the Northwest corner of the West half of the South half of the Southeast quarter of Section 23, Township 51 North, Range 4 W.B.M.; thence

South along the West line of said West half of the South half of the Southeast quarter, a distance of 100 feet; thence

East parallel with the North line, a distance of 100 feet; thence

North parallel with the West line, a distance of 100 feet to a point on the North line of said West half of the South half of the Southeast quarter; thence

West along said North line a distance of 100 feet to the TRUE POINT OF BEGINNING.

SCHEDULE B - SECTION 1
Requirements

The following requirements must be met:

- (a) Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
- (b) Pay us the premiums, fees and charges for the policy.
- (c) Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded.
- (d) You must tell us in writing the name of anyone not referred to in this Commitment who has an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.

For further information regarding this report please contact:

FIRST AMERICAN TITLE COMPANY
1044 NORTHWEST BOULEVARD
P.O. BOX 816
COEUR D'ALENE, IDAHO 83814

PHONE: (208) 667-0567
ESCROW DEPT. FAX: (208) 765-2050
TITLE DEPT. FAX: (208) 765-1376

TITLE OFFICER: Beverly Spencer

ESCROW OFFICER:

PLEASE ACCEPT OUR SINCERE THANKS FOR ALLOWING US TO BE OF SERVICE TO YOU. WE GREATLY APPRECIATE THE FACT THAT YOU HAVE CHOSEN TO DO BUSINESS WITH US; AND IN RETURN, WE PLEDGE OUR CONTINUING EFFORTS TO OFFER YOU THE BEST SERVICE POSSIBLE.

WB

SCHEDULE B - SECTION 2
Exceptions

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction.

PART 1:

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, interests or claims which are not shown 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. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. Unpatented mining claims: reservations or exceptions in patents or in acts authorizing the issuance thereof: water rights, claims, or title to water.
6. Any lien, or right 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 for the year 1999, a lien in the process of assessment not yet due or payable.

8. Restriction as contained in Second Judgment and Decree of Condemnation:

Recorded: June 2, 1972
Instrument No.: Book 72 of Miscellaneous, Page 255

9. Provisions in Deed to General Telephone Company of the Northwest, Inc.:

Recorded: December 22, 1978
Book/Page: Book 296, page 266
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).

10. Easement:

Granted to: The Washington Water Power Company
Recorded: July 29, 1988
Instrument No.: 1124049

SCHEDULE B - SECTION 2
EXCEPTIONS - continued

11. The Effect of Quitclaim Deed:

Recorded: June 11, 1997
Instrument No.: 1493563

12. The Effect of Deed of Trust to secure an indebtedness in the principal sum of \$2,216,703.54, and any other amounts and/or obligations secured thereby:

Dated: May 19, 1997
Recorded: June 11, 1997
Instrument No.: 1493564
Grantor: Allied Water, Inc., an Idaho corporation
Trustee: Kootenai County Title Company, Inc.
Beneficiary: Hayden Pines Water Company, an Idaho corporation

13. The Effect of Financing Statement:

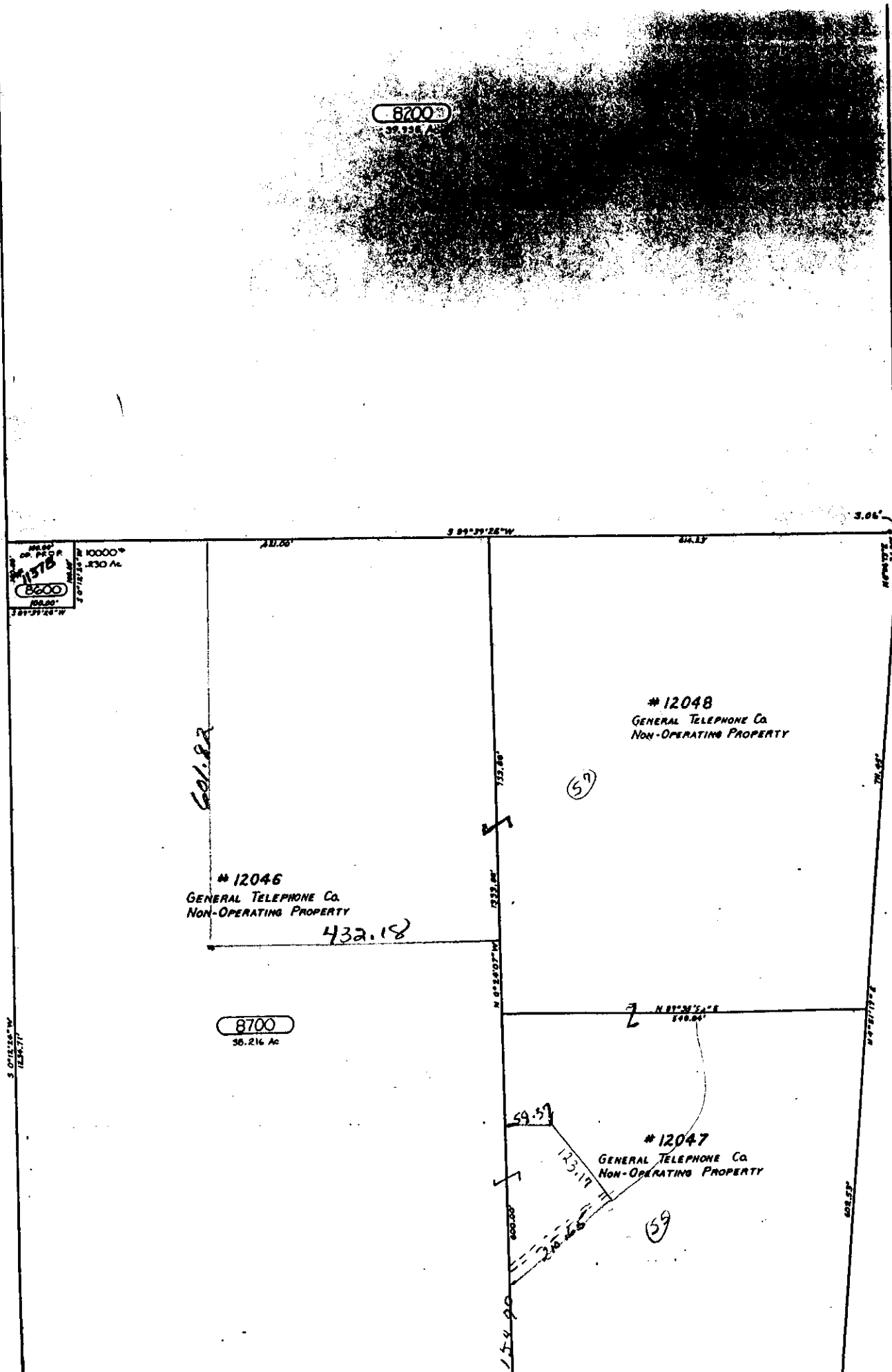
Recorded: June 16, 1997
Instrument No.: 1494043
Debtor: Allied Water, Inc., an Idaho Corporation
Secured Party: Hayden Pines Water Company, an Idaho corporation

14. Title to vest in the name of a person or persons to be submitted and when so vested will be subject to matters which may be disclosed by a search of the Records against the name of said person or persons.

15. Question of marital status of party herein named on date of acquiring title. If then joining in execution of forthcoming Instrument, recital therein of the fact will be sufficient; otherwise, present ownership of the community interest of spouse on said date must be determined:

Party: Charles A. Ford

- S K - S E M





PAGE 15

FIRST AMERICAN TITLE COMPANY
1044 NORTHWEST BOULEVARD
COEUR D'ALENE, IDAHO 83814
(208) 667-0567

NOVEMBER 25, 1998

WELCH COMER & ASSOCIATES
1626 LINCOLN WAY
COEUR D'ALENE, IDAHO 83814

ATTN: DOUGLAS BLACK

ORDER NO. 35815-B

RE: NORTH KOOTENAI WATER
DISTRICT

COMMITMENT ENCLOSED.

THANK YOU FOR CHOOSING
FIRST AMERICAN TITLE!



The Title Insurance Commitment is a legal contract between you and the company. It is issued to show the basis on which we will issue a Title Insurance Policy to you. The Policy will insure you against certain risks to the land title, subject to the limitations shown in the Policy.

The Company will give you a sample of the Policy form, if you ask.

The Commitment is based on the land title as of the Commitment Date. Any changes in the land title or the transaction may affect the Commitment and the Policy.

The Commitment is subject to its Requirements, Exceptions and Conditions.

THIS INFORMATION IS NOT PART OF THE TITLE INSURANCE COMMITMENT.

TABLE OF CONTENTS

	Page
AGREEMENT TO ISSUE POLICY	1
SCHEDULE A	
1. Commitment Date	2
2. Policies to be Issued, Amounts and Proposed Insureds	2
3. Interest in the Land and Owner	2
4. Description of the Land	2
SCHEDULE B-1 — Requirements	3
SCHEDULE B-2 — Exceptions	4
CONDITIONS	other side of 1

YOU SHOULD READ THE COMMITMENT VERY CAREFULLY.

If you have any questions about the Commitment, please contact the issuing office.

10-1-01
TAA Plan Language Commitment

COMMITMENT FOR TITLE INSURANCE

ISSUED BY

First American Title Insurance Company

AGREEMENT TO ISSUE POLICY

We agree to issue a policy to you according to the terms of this Commitment. When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the Commitment Date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under this Commitment is limited by the following:

The Provisions in Schedule A.

The Requirements in Schedule B-1.

The Exceptions in Schedule B-2.

The Conditions on the other side of this page 1.

This Commitment is not valid without SCHEDULE A and Sections 1 and 2 of SCHEDULE B.



First American Title Insurance Company

BY *Parker S. Kennedy* PRESIDENT

ATTEST *Mark R. Amerson* SECRETARY

BY *Reverly Spencer* COUNTERSIGNED



SCHEDULE A

1. Commitment Date: October 9, 1998
at 8:00 a.m.

Commitment No. 35815-B

2. Policy or Policies to be issued:

Policy Amount Premium

- (X) **Owners Policy**
(Form 1402.92, 10-17-92)
Proposed Insured:

\$TBD \$TBD

TO BE DETERMINED

- () **Extended Coverage Loan Policy**
(Form 1056.92, 10-17-92)
Proposed Insured:

\$ \$

- () **Endorsements:**

\$

- () **Recordings:**

\$

- () **Extra Chains:**

\$

3. FEE SIMPLE ESTATE in the land described in this Commitment is owned, at the Commitment Date, by:

HAYDEN PINES WATER COMPANY

4. The Land referred to in this Commitment is located in Kootenai County, State of Idaho, and described as follows:

SEE ATTACHED EXHIBIT "A"



EXHIBIT "A"

That portion of Tract 89 and the North half of Tract 96, SPOKANE VALLEY COMMERCIAL ORCHARD TRACTS, according to the plat recorded in Book "C" at Plats at pages 120 and 121.

LESS AND EXCEPT any portion lying within the plat of ABBOTT DELLS, according to the plat recorded in Book "F" of Plats at pages 246 and 246A, records of Kootenai County, State of Idaho.

LESS AND EXCEPT All that property encompassed by a 55 foot radius circle whose radius point lies South $0^{\circ}33'51''$ West 1,999.54 feet; thence

South $89^{\circ}26'9''$ East, 31.32 feet from the Northwest corner of Section 8, Township 52 North, Range 3 West, Boise Meridian, all lying within the Northeast quarter of Section 7, Township 52 North, Range 3 West, Boise Meridian, and the Northwest quarter, Section 8, Township 52 North, Range 3 West, Boise Meridian, records of Kootenai County, Idaho.



Form No. 104-B 1(1982)
ALTA Plain Language Commitment
ORDER NO. 35815

SCHEDULE B - SECTION 1
Requirements

The following requirements must be met:

- (a) Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
- (b) Pay us the premiums, fees and charges for the policy.
- (c) Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded.
- (d) You must tell us in writing the name of anyone not referred to in this Commitment who has an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.
- (e) We require proof that Hayden Pines Water Company is a legal entity capable of holding title.

For further information regarding this report please contact:

FIRST AMERICAN TITLE COMPANY
1044 NORTHWEST BOULEVARD
P.O. BOX 816
COEUR D'ALENE, IDAHO 83814

PHONE: (208) 667-0567
ESCROW DEPT. FAX: (208) 765-2050
TITLE DEPT. FAX: (208) 765-1376

TITLE OFFICER: Beverly Spencer

ESCROW OFFICER:

PLEASE ACCEPT OUR SINCERE THANKS FOR ALLOWING US TO BE OF SERVICE TO YOU. WE GREATLY APPRECIATE THE FACT THAT YOU HAVE CHOSEN TO DO BUSINESS WITH US; AND IN RETURN, WE PLEDGE OUR CONTINUING EFFORTS TO OFFER YOU THE BEST SERVICE POSSIBLE.

eh



SCHEDULE B - SECTION 2
Exceptions

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction.

PART 1:

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, interests or claims which are not shown 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. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. Unpatented mining claims: reservations or exceptions in patents or in acts authorizing the issuance thereof: water rights, claims, or title to water.
6. Any lien, or right 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 for the year 1998, a lien in the process of assessment not yet due or payable.

8. Easement:

Granted to: Hunt Brothers Construction, Inc., an Idaho Corporation
Recorded: June 19, 1978
Instrument No.: 771051

Amendment to said Easement:

Recorded: August 7, 1979
Instrument No.: 776355

9. Easement:

Granted to: Delbert V. Abbott, a single man
Recorded: June 19, 1978
Instrument No.: 771052

Amendment to said Easement:

Recorded: August 2, 1979
Instrument No.: 776354



SCHEDULE B - SECTION 2
EXCEPTIONS - continued

10. Easement:

Granted to: Hunt Brothers Construction, Inc., an Idaho Corporation
Recorded: August 2, 1979
Instrument No.: 776357

11. Electric Line - Right of Way Easement:

Granted to: Kootenai Electric Cooperative, Inc.:
Recorded: May 4, 1979
Instrument No.: 804354

12. Easement:

Granted to: Lakes Highway District
Recorded: December 7, 1979
Instrument No.: 827988

13. Matters as shown on survey:

Recorded: June 29, 1972
Instrument No.: 810651

14. Matters as shown on survey:

Recorded: September 13, 1979
Instrument No.: 818993

15. Easement:

Granted to: The Port Blakely Hill Company, a Washington corporation
Recorded: August 2, 1979
Instrument No.: 776356

Said easement was assigned to The Port Blakely Mill Company Land Partnership, December 20, 1985 as Instrument No. 1030951.

Said easement was assigned to Port Blakely Tree Farms, a limited partnership, recorded November 21, 1988 as Instrument No. 1134678.

16. Effect of terms, covenants, conditions and provisions contained in the By-Laws and/or Articles of Incorporation of the hereafter named association

Association: Chilco Estates Road Owners Association, Inc.
Recorded: June 4, 1978
Instrument No.: 807662

17. Electric Line - Right of Way Easement:

Granted to: Kootenai Electric Cooperative, Inc.:
Recorded: June 9, 1980
Instrument No.: 843889

18. Liens and assessments of the following association and the rights and powers thereof as provided by law, for which we find no delinquencies of record:

Association: Hayden Pines Water Company



SCHEDULE B - SECTION 2
EXCEPTIONS - continued

19. Lack of a right of access to and from said land.

20. The Effect of Quitclaim Deed:

Recorded: June 11, 1997
Instrument No.: 1493563

21. The Effect of Deed of Trust to secure an indebtedness in the principal sum of \$2,216,703.54, and any other amounts and/or obligations secured thereby:

Dated: May 19, 1997
Recorded: June 11, 1997
Instrument No.: 1493564
Grantor: Allied Water, Inc., an Idaho corporation
Trustee: Kootenai County Title Company, Inc.
Beneficiary: Hayden Pines Water Company, an Idaho corporation

22. The Effect of Financing Statement:

Recorded: June 16, 1997
Instrument No.: 1494043
Debtor: Allied Water, Inc., an Idaho Corporation
Secured Party: Hayden Pines Water Company, an Idaho corporation

23. The effect of Quitclaim Deed:

Recorded: November 20, 1997
Instrument No.: 1514259

24. Title to vest in the name of a person or persons to be submitted and when so vested will be subject to matters which may be disclosed by a search of the Records against the name of said person or persons.

25. Question of marital status of party herein named on date of acquiring title. If then joining in execution of forthcoming Instrument, recital therein of the fact will be sufficient; otherwise, present ownership of the community interest of spouse on said date must be determined:

Party: Charles A. Ford

END OF SCHEDULE "B" EXCEPTIONS

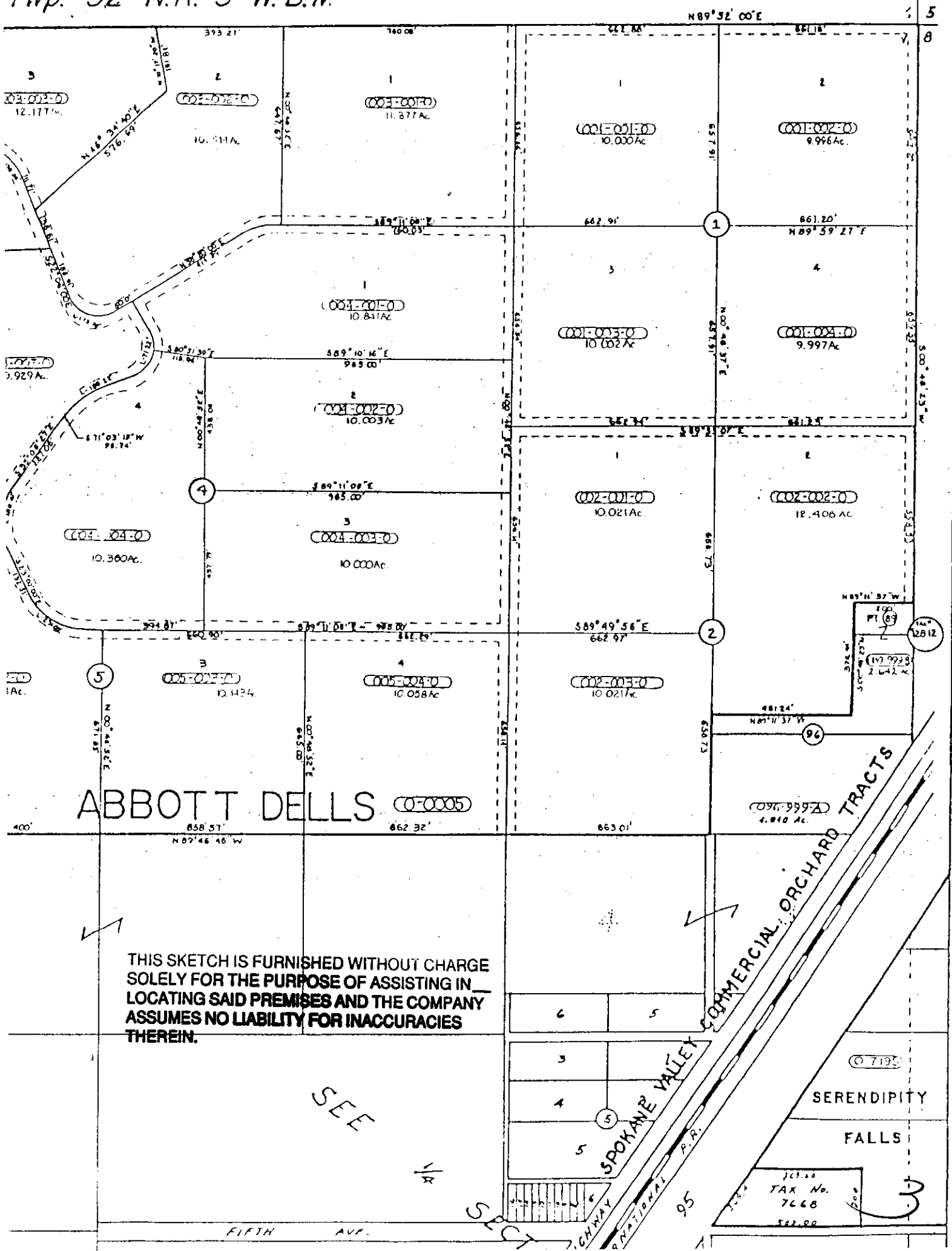
NOTES SECTION

1. There is no notice of record and therefore no search has been made for any unpaid assessments, charges or fees for sewer, water, garbage, irrigation, waste disposal fees, and other possible utility services.

2. If the proposed insured under the Policy to issue has any questions concerning the coverage or exclusions from coverage, the Company will be pleased to provide an explanation.

3. In the event that this transaction fails to close, a minimum fee of \$100.00 will be charged to comply with the State Insurance Code.

Twp. 52 N.R. 3 W.D.M.





PARCEL 16

*Chico
well
#2*

FIRST AMERICAN TITLE COMPANY
1044 NORTHWEST BOULEVARD
COEUR D'ALENE, IDAHO 83814
(208) 667-0567

NOVEMBER 17, 1998

WELCH COMER & ASSOC
1626 LINCOLN WAY
COEUR D'ALENE, IDAHO 83814

ATTN: DOUGLAS BLACK

ORDER NO. 35816-B

RE: NORTH KOOTENAI WATER
DISTRICT

COMMITMENT ENCLOSED.

THANK YOU FOR CHOOSING
FIRST AMERICAN TITLE!



First American Title Insurance Company

INFORMATION

The Title Insurance Commitment is a legal contract between you and the company. It is issued to show the basis on which we will issue a Title Insurance Policy to you. The Policy will insure you against certain risks to the land title, subject to the limitations shown in the Policy.

The Company will give you a sample of the Policy form, if you ask.

The Commitment is based on the land title as of the Commitment Date. Any changes in the land title or the transaction may affect the Commitment and the Policy.

The Commitment is subject to its Requirements, Exceptions and Conditions.

THIS INFORMATION IS NOT PART OF THE TITLE INSURANCE COMMITMENT.

TABLE OF CONTENTS

	Page
AGREEMENT TO ISSUE POLICY	1
SCHEDULE A	
1. Commitment Date	2
2. Policies to be Issued, Amounts and Proposed Insureds	2
3. Interest in the Land and Owner	2
4. Description of the Land	2
SCHEDULE B-1 — Requirements	3
SCHEDULE B-2 — Exceptions	4
CONDITIONS	other side of 1

YOU SHOULD READ THE COMMITMENT VERY CAREFULLY.

If you have any questions about the Commitment, please contact the issuing office.

COMMITMENT FOR TITLE INSURANCE

ISSUED BY

First American Title Insurance Company

AGREEMENT TO ISSUE POLICY

We agree to issue a policy to you according to the terms of this Commitment. When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the Commitment Date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under this Commitment is limited by the following:

The Provisions in Schedule A.

The Requirements in Schedule B-1.

The Exceptions in Schedule B-2.

The Conditions on the other side of this page 1.

This Commitment is not valid without SCHEDULE A and Sections 1 and 2 of SCHEDULE B.



First American Title Insurance Company

BY *Parker S. Kennedy* PRESIDENT

ATTEST *Mark A. Ameson* SECRETARY

BY *Beverly Spencer* COUNTERSIGNED



SCHEDULE A

1. Commitment Date: October 9, 1998
at 8:00 a.m.

Commitment No. 35816-B

2. Policy or Policies to be issued:

Policy Amount

Premium

(X) **Owners Policy**
(Form 1402.92, 10-17-92)
Proposed Insured:

\$TBD

\$TBD

TO BE DETERMINED

() **Extended Coverage Loan Policy**
(Form 1056.92, 10-17-92)
Proposed Insured:

\$

\$

() **Endorsements:**

\$

() **Recordings:**

\$

() **Extra Chains:**

\$

3. FEE SIMPLE ESTATE in the land described in this Commitment is owned, at the Commitment Date, by:

CHARLES A. FORD

4. The Land referred to in this Commitment is located in Kootenai County, State of Idaho, and described as follows:

SEE ATTACHED EXHIBIT "A"



ORDER NO. 35816

EXHIBIT "A"

All that property encompassed by a 55 foot radius circle whose radius point lies South $0^{\circ}33'51''$ West 1,999.54 feet; thence

South $89^{\circ}26'9''$ East, 31.32 feet from the Northwest corner of Section 8, Township 52 North, Range 3 West, Boise Meridian, all lying within the Northeast quarter of Section 7, Township 52 North, Range 3 West, Boise Meridian, and the Northwest quarter, Section 8, Township 52 North, Range 3 West, Boise Meridian, records of Kootenai County, Idaho.



Form No. 104-1 (1982)
ALTA Plain Language Commitment
ORDER NO. 35816

SCHEDULE B - SECTION 1
Requirements

The following requirements must be met:

- (a) Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
- (b) Pay us the premiums, fees and charges for the policy.
- (c) Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded.
- (d) You must tell us in writing the name of anyone not referred to in this Commitment who has an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.

For further information regarding this report please contact:

FIRST AMERICAN TITLE COMPANY
1044 NORTHWEST BOULEVARD
P.O. BOX 816
COEUR D'ALENE, IDAHO 83814

PHONE: (208) 667-0567
ESCROW DEPT. FAX: (208) 765-2050
TITLE DEPT. FAX: (208) 765-1376

TITLE OFFICER: Beverly Spencer

ESCROW OFFICER:

PLEASE ACCEPT OUR SINCERE THANKS FOR ALLOWING US TO BE OF SERVICE TO YOU. WE GREATLY APPRECIATE THE FACT THAT YOU HAVE CHOSEN TO DO BUSINESS WITH US; AND IN RETURN, WE PLEDGE OUR CONTINUING EFFORTS TO OFFER YOU THE BEST SERVICE POSSIBLE.

eh



SCHEDULE B - SECTION 2
Exceptions

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction.

PART 1:

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, interests or claims which are not shown 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. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. Unpatented mining claims: reservations or exceptions in patents or in acts authorizing the issuance thereof: water rights, claims, or title to water.
6. Any lien, or right 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 for the year 1998, a lien in the process of assessment not yet due or payable.
8. Order creating Herd District recorded April 15, 1976 as Instrument No. 697223.

9. Easement:

Granted to: Delbert V. Abbott, a single man
Recorded: June 19, 1978
Instrument No.: 771051

Amendment to said Covenants:

Instrument No.: 776354

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).



SCHEDULE B - SECTION 2
EXCEPTIONS - continued

Paragraph No. 9 - Continued

Amendment to said Covenants:

Instrument No.: 776355

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).

Amendment to said Covenants:

Instrument No.: 776356

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).

Assignment of Easement:

Assigned to Port Blakely Tree Farms (Limited Partnership), by instrument:

Recorded: November 21, 1988

Instrument No.: 1134678

10. Electric Line - Right of Way Easement:

Granted to: Kootenai Electric Cooperative, Inc.:

Recorded: May 4, 1979

Instrument No.: 804354

11. Easement:

Granted to: General Telephone company of the Northwest

Recorded: February 15, 1980

Instrument No.: 833686

12. The Effect of Quitclaim Deed:

Recorded: June 11, 1997

Instrument No.: 1493563

13. The Effect of Deed of Trust to secure an indebtedness in the principal sum of \$2,216,703.54, and any other amounts and/or obligations secured thereby:

Dated: May 19, 1997

Recorded: June 11, 1997

Instrument No.: 1493564

Grantor: Allied Water, Inc., an Idaho corporation

Trustee: Kootenai County Title Company, Inc.

Beneficiary: Hayden Pines Water Company, an Idaho corporation

14. The Effect of Financing Statement:

Recorded: June 16, 1997

Instrument No.: 1494043

Debtor: Allied Water, Inc., an Idaho Corporation

Secured Party: Hayden Pines Water Company, an Idaho corporation



SCHEDULE B - SECTION 2
EXCEPTIONS - continued

15. Title to vest in the name of a person or persons to be submitted and when so vested will be subject to matters which may be disclosed by a search of the Records against the name of said person or persons.

16. Question of marital status of party herein named on date of acquiring title. If then joining in execution of forthcoming Instrument, recital therein of the fact will be sufficient; otherwise, present ownership of the community interest of spouse on said date must be determined:
Party: Charles A. Ford

17. Lack of a right of access to and from said land.

18. Effect of Term, Covenants, Conditions and provisions contained in the By-Laws and/or Articles of Incorporation of the hereafter named association:

Association: Chilco Estates Road Owners Association, Inc.
Recorded: June 4, 1978
Instrument No.: 807662

Amendment to said Covenants:

Instrument No.: 1482720

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).

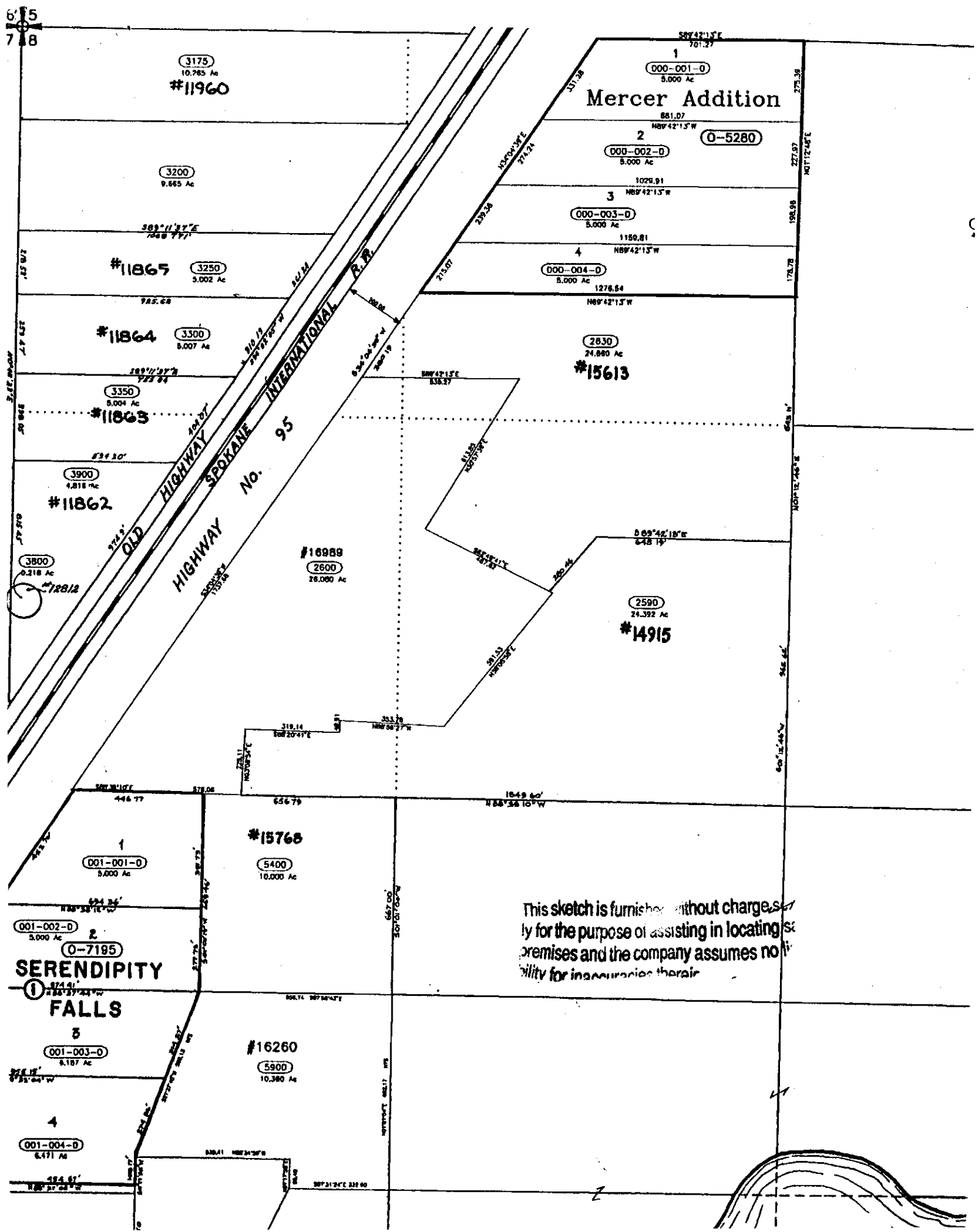
END OF SCHEDULE "B" EXCEPTIONS

NOTES SECTION

1. There is no notice of record and therefore no search has been made for any unpaid assessments, charges or fees for sewer, water, garbage, irrigation, waste disposal fees, and other possible utility services.

2. If the proposed insured under the Policy to issue has any questions concerning the coverage or exclusions from coverage, the Company will be pleased to provide an explanation.

3. In the event that this transaction fails to close, a minimum fee of \$100.00 will be charged to comply with the State Insurance Code.





Parcel 18

*Ohio
March*

FIRST AMERICAN TITLE COMPANY
1044 NORTHWEST BOULEVARD
COEUR D'ALENE, IDAHO 83814
(208) 667-0567

NOVEMBER 23, 1998

WELCH COMER & ASSOCIATES
1626 LINCOLN WAY
COEUR D'ALENE, IDAHO 83814

ATTN: DOUGLAS BLACK

ORDER NO. 35818-B

RE: NORTH KOOTENAI WATER
DISTRICT

COMMITMENT ENCLOSED.

THANK YOU FOR CHOOSING
FIRST AMERICAN TITLE!



First American Title Insurance Company

INFORMATION

The Title Insurance Commitment is a legal contract between you and the company. It is issued to show the basis on which we will issue a Title Insurance Policy to you. The Policy will insure you against certain risks to the land title, subject to the limitations shown in the Policy.

The Company will give you a sample of the Policy form, if you ask.

The Commitment is based on the land title as of the Commitment Date. Any changes in the land title or the transaction may affect the Commitment and the Policy.

The Commitment is subject to its Requirements, Exceptions and Conditions.

THIS INFORMATION IS NOT PART OF THE TITLE INSURANCE COMMITMENT.

TABLE OF CONTENTS

	Page
AGREEMENT TO ISSUE POLICY	1
SCHEDULE A	
1. Commitment Date	2
2. Policies to be Issued, Amounts and Proposed Insureds	2
3. Interest in the Land and Owner	2
4. Description of the Land	2
SCHEDULE B-1 — Requirements	3
SCHEDULE B-2 — Exceptions	4
CONDITIONS	other side of 1

YOU SHOULD READ THE COMMITMENT VERY CAREFULLY.

If you have any questions about the Commitment, please contact the issuing office.

COMMITMENT FOR TITLE INSURANCE

ISSUED BY

First American Title Insurance Company

AGREEMENT TO ISSUE POLICY

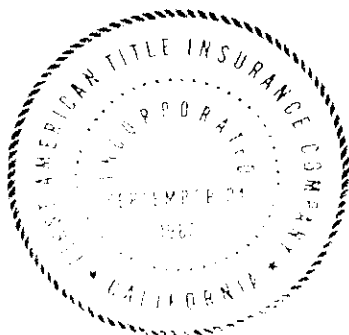
We agree to issue a policy to you according to the terms of this Commitment. When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the Commitment Date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under this Commitment is limited by the following:

- The Provisions in Schedule A.
- The Requirements in Schedule B-1.
- The Exceptions in Schedule B-2.
- The Conditions on the other side of this page 1.

This Commitment is not valid without SCHEDULE A and Sections 1 and 2 of SCHEDULE B.



First American Title Insurance Company

BY *Parker S. Kennedy* PRESIDENT

ATTEST *Mark A. Amerson* SECRETARY

BY *Leventis Spencer* COUNTER-SIGNED



SCHEDULE A

1. Commitment Date: October 9, 1998
at 8:00 a.m. Commitment No. 35818-B

2. Policy or Policies to be issued:

	<u>Policy Amount</u>	<u>Premium</u>
(X) Owners Policy (Form 1402.92, 10-17-92) <u>Proposed Insured:</u> TO BE DETERMINED	\$TBD _____	\$TBD _____
() Extended Coverage Loan Policy (Form 1056.92, 10-17-92) <u>Proposed Insured:</u>	\$ _____	\$ _____
() Endorsements:	\$ _____	
() Recordings:	\$ _____	
() Extra Chains:	\$ _____	

3. FEE SIMPLE ESTATE in the land described in this Commitment is owned, at the Commitment Date, by:

CHARLES A. FORD AND JUNE FORD, HUSBAND AND WIFE

4. The Land referred to in this Commitment is located in Kootenai County, State of Idaho, and described as follows:

North 150 feet of the West 150 feet of the Northeast quarter of the Northwest quarter of the Southeast quarter, Section 18, Township 52 North, Range 3 West, B.M., Kootenai County, Idaho.



SCHEDULE A

1. Commitment Date: October 9, 1998
at 8:00 a.m. Commitment No. 35818-B

2. Policy or Policies to be issued:

	<u>Policy Amount</u>	<u>Premium</u>
(X) Owners Policy (Form 1402.92, 10-17-92) <u>Proposed Insured:</u> TO BE DETERMINED	<u>\$TBD</u>	<u>\$TBD</u>
() Extended Coverage Loan Policy (Form 1056.92, 10-17-92) <u>Proposed Insured:</u>	<u>\$</u>	<u>\$</u>
() Endorsements:	<u>\$</u>	
() Recordings:	<u>\$</u>	
() Extra Chains:	<u>\$</u>	

3. FEE SIMPLE ESTATE in the land described in this Commitment is owned, at the Commitment Date, by:

CHARLES A. FORD AND JUNE FORD, HUSBAND AND WIFE

4. The Land referred to in this Commitment is located in Kootenai County, State of Idaho, and described as follows:

North 150 feet of the West 150 feet of the Northeast quarter of the Northwest quarter of the Southeast quarter, Section 18, Township 52 North, Range 3 West, B.M., Kootenai County, Idaho.



Form No. 1044 B 1(1982)
ALTA Plain Language Commitment
ORDER NO. 35818

SCHEDULE B - SECTION 1
Requirements

The following requirements must be met:

- (a) Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
- (b) Pay us the premiums, fees and charges for the policy.
- (c) Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded.
- (d) You must tell us in writing the name of anyone not referred to in this Commitment who has an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.

For further information regarding this report please contact:

FIRST AMERICAN TITLE COMPANY
1044 NORTHWEST BOULEVARD
P.O. BOX 816
COEUR D'ALENE, IDAHO 83814

PHONE: (208) 667-0567
ESCROW DEPT. FAX: (208) 765-2050
TITLE DEPT. FAX: (208) 765-1376

TITLE OFFICER: Beverly Spencer

ESCROW OFFICER:

PLEASE ACCEPT OUR SINCERE THANKS FOR ALLOWING US TO BE OF SERVICE TO YOU. WE GREATLY APPRECIATE THE FACT THAT YOU HAVE CHOSEN TO DO BUSINESS WITH US; AND IN RETURN, WE PLEDGE OUR CONTINUING EFFORTS TO OFFER YOU THE BEST SERVICE POSSIBLE.

eh



SCHEDULE B - SECTION 2
Exceptions

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction.

PART 1:

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, interests or claims which are not shown 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. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. Unpatented mining claims: reservations or exceptions in patents or in acts authorizing the issuance thereof: water rights, claims, or title to water.
6. Any lien, or right 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 for the year 1998, a lien in the process of assessment not yet due or payable.

8. Reservations contained in Memorandum of Contract:

Recorded: July 22, 197

Instrument No.: 737576

9. Reservations contained in Memorandum of Contract:

Recorded: July 22, 1977

Instrument No.: 737577

10. Covenants, Conditions and Restrictions and Easements contained in Memorandum of Contract:

Instrument No.: 738087

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).



SCHEDULE B - SECTION 2
EXCEPTIONS - continued

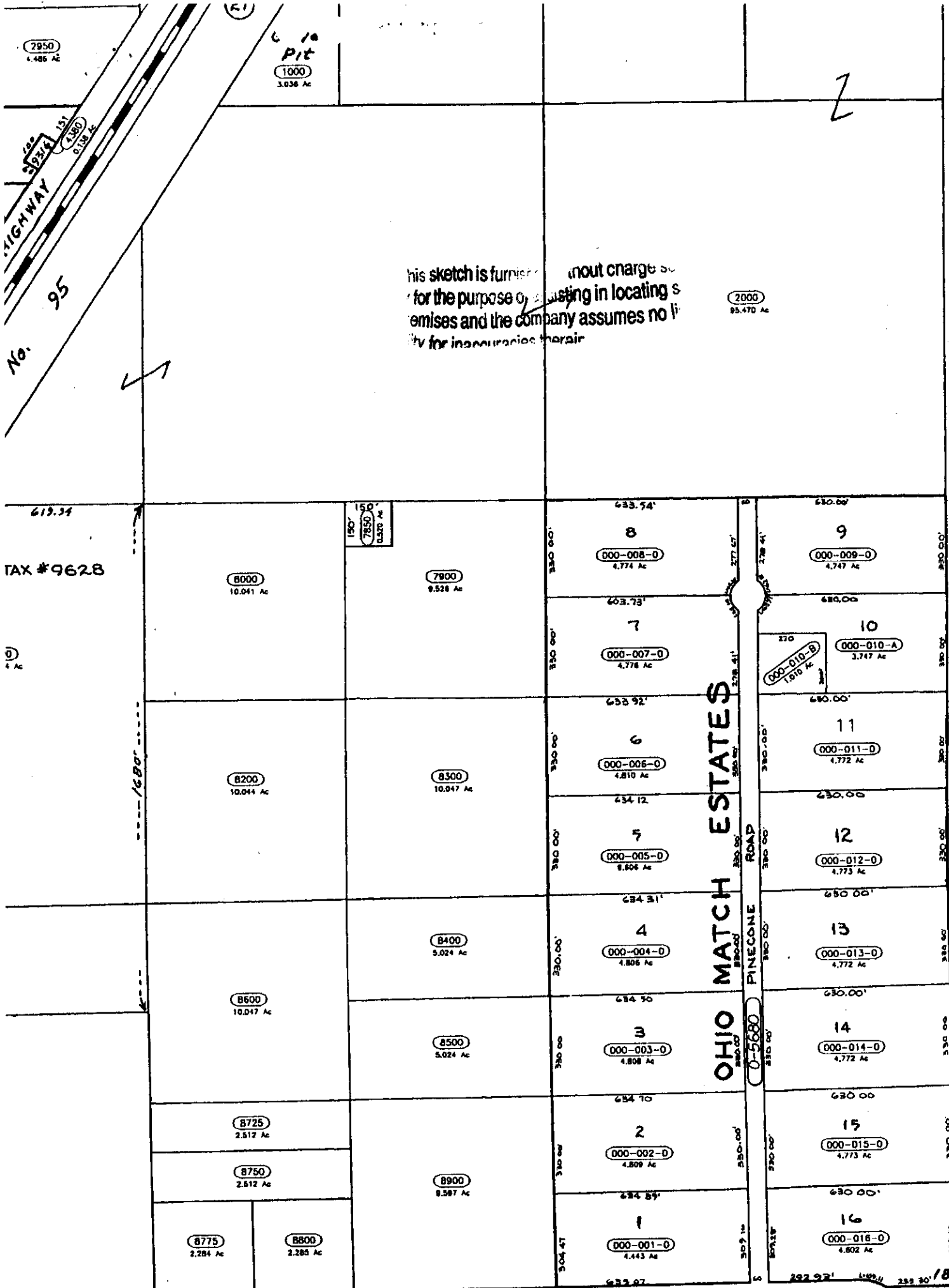
11. Reservations and Easements contained in Warranty Deed:
Recorded: May 23, 1978
Instrument No.: 768289
12. Easement:
Recorded: May 23, 1978
Instrument No.: 768290
13. Mortgage to secure an indebtedness in the principal sum of \$100,000.00, and any other amounts and/or obligations secured thereby:
Recorded: March 28, 1990
Instrument No.: 1177797
Mortgagor: Hayden Pines Water Co., Inc. an Idaho Corporation
Mortgagee: Market Investments, Inc., a Wyoming corporation
14. Covenants, Conditions and Restrictions and Easement:
Instrument No.: 741184
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. Electric Line - Right of Way Easement:
Granted to: Kootenai Electric Cooperative, Inc.:
Recorded: September 14, 1979
Instrument No.: 819226
16. The Effect of Quitclaim Deed:
Recorded: June 11, 1997
Instrument No.: 1493563
17. The Effect of Deed of Trust to secure an indebtedness in the principal sum of \$2,216,703.54, and any other amounts and/or obligations secured thereby:
Dated: May 19, 1997
Recorded: June 11, 1997
Instrument No.: 1493564
Grantor: Allied Water, Inc., an Idaho corporation
Trustee: Kootenai County Title Company, Inc.
Beneficiary: Hayden Pines Water Company, an Idaho corporation
18. The Effect of Financing Statement:
Recorded: June 16, 1997
Instrument No.: 1494043
Debtor: Allied Water, Inc., an Idaho Corporation
Secured Party: Hayden Pines Water Company, an Idaho corporation
19. Title to vest in the name of a person or persons to be submitted and when so vested will be subject to matters which may be disclosed by a search of the Records against the name of said person or persons.

END OF SCHEDULE "B" EXCEPTIONS



NOTES SECTION

1. There is no notice of record and therefore no search has been made for any unpaid assessments, charges or fees for sewer, water, garbage, irrigation, waste disposal fees, and other possible utility services.
2. If the proposed insured under the Policy to issue has any questions concerning the coverage or exclusions from coverage, the Company will be pleased to provide an explanation.
3. In the event that this transaction fails to close, a minimum fee of \$100.00 will be charged to comply with the State Insurance Code.
4. Liens and assessments of the following district and the rights and powers thereof as provided by law, for which we find no delinquencies of record:
District: Ohio Match Road Water District



This sketch is furnished without charge for the purpose of assisting in locating premises and the company assumes no liability for inaccuracies therein

TAX #9628

4 Ac

MATCH ROAD

18 17
19 20

RECORD OF REAL ESTATE OWNERSHIP — STATE OF IDAHO

Company Hayden Pines Water Company
(Name)

Seller _____
(Name)

County Kootenai
(Name)

Date of Purchase _____

Tax Code Area Number _____ Company Map Number _____

Company Reference Name _____

Statement of Intended Use _____

FOR TAX COMMISSION USE	
700	
T.C. Ref. No. <u>28-04-115-6</u>	
CLASSIFICATION OF PROPERTY	
☒ Operating	☐ Non-operating

LEGAL DESCRIPTION OF PROPERTY: (Limit to single section per page where practical)

- 1) The North 208 feet of West 208' of that part of the NE $\frac{1}{4}$ of Section 11, Township 51 North. Range 4, WBN. Lying west of Highway 95. Kootenai County, Idaho. *LANCASTER*
- 2) Lot 3 Block 6; Point Hayden Sub-Division, Kootenai County, Idaho.
- 3) E 15' of lot 9, West 15' of lot 10, block 1; Hayden Orchards Sub-Division, Kootenai County, Idaho.
- 4) The N 150' of West 150' of that part of the W $\frac{1}{4}$ section 23; Township 51 N *Prairie* Range 4; WBN, Kootenai County, Idaho. *comm.*
- 5) Greenacres, Plat #10, Tax # 3320, Kootenai County, Idaho.
- 6) ~~Lots 1 & 2; Block 3; Mountain View Terrace, Kootenai County, Idaho.~~ *Delete*
- 7) North 150' of West 150' of NE $\frac{1}{4}$ of NW $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 18; Kootenai *Ohio match* County; Idaho. Township 52 N; Range 3 WBN.
- 8) Lot 1 Block 1; West Hayden Estates; Kootenai County, Idaho.

REVISED

5-13-88

RECORD OF REAL ESTATE OWNERSHIP — STATE OF IDAHO

Company Hayden Pines Water Company
(Name)

Seller _____
(Name)

County Kootenai
(Name)

Date of Purchase _____

Tax Code Area Number _____ Company Map Number _____

Company Reference Name _____

Statement of Intended Use _____

FOR TAX COMMISSION USE	
T.C. Ref. No. <u>28-04-115-6</u>	
CLASSIFICATION OF PROPERTY	
☒ Operating	☐ Non-operating

LEGAL DESCRIPTION OF PROPERTY: (Limit to single section per page where practical)

- 1) The North 208 feet of West 208' of that part of the NE $\frac{1}{4}$ of Section 11, Township 51 North. Range 4, WBM. Lying west of Highway 95. Kootenai County, Idaho. *LANCASTER*
- 2) Lot 3 Block 6; Point Hayden Sub-Division, Kootenai County, Idaho.
- 3) E 15' of lot 9, West 15' of lot 10, block 1; Hayden Orchards Sub-Division, Kootenai County, Idaho.
- 4) The N 150' of West 150' of that part of the W $\frac{1}{4}$ section 23; Township 51 N *Prairie* Range 4; WBN, Kootenai County, Idaho. *commence*
- 5) Greenacres, Plat #10, Tax # 3320, Kootenai County, Idaho.
- 6) ~~Lots 1 & 2; Block 3; Mountain View Terrace, Kootenai County, Idaho.~~ *← Delete*
- 7) North 150' of West 150' of NE $\frac{1}{4}$ of NW $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 18; Kootenai County; Idaho. Township 52 N; Range 3 WBN. *Ohio match*
- 8) Lot 1 Block 1; West Hayden Estates; Kootenai County, Idaho.

REVISED
5-13-88



PARCEL 19

Hayden
Orchards

FIRST AMERICAN TITLE COMPANY
1044 NORTHWEST BOULEVARD
COEUR D'ALENE, IDAHO 83814
(208) 667-0567

NOVEMBER 12, 1998

WELCH COMER & ASSOCIATES
1626 LINCOLN WAY
COEUR D'ALENE, IDAHO 83814

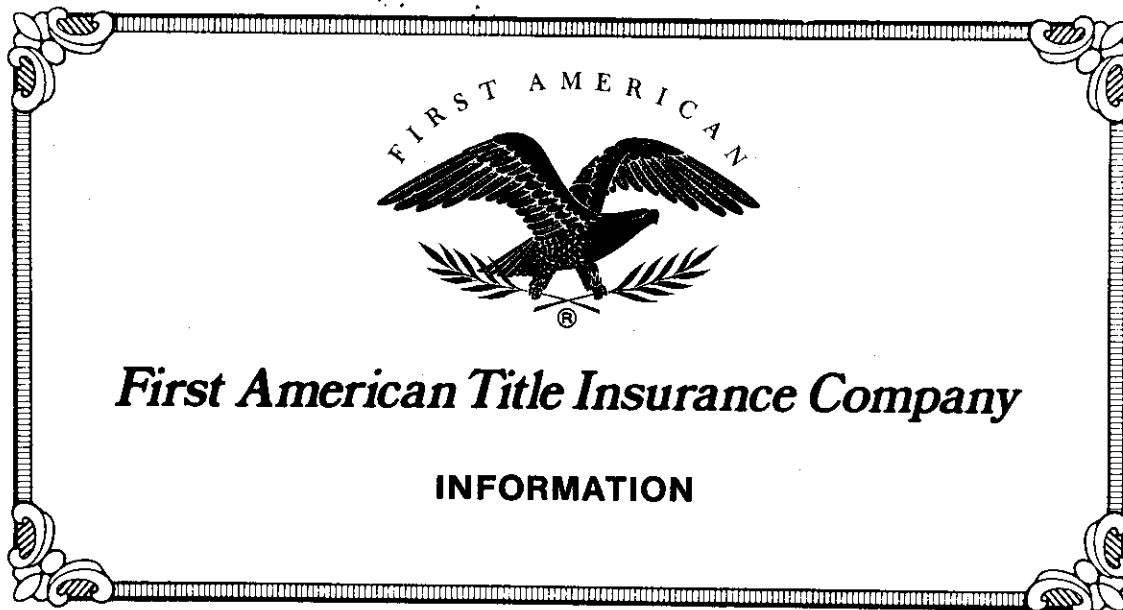
ATTN: DOUGLAS BLACK

ORDER NO. 35819-B

RE: NORTH KOOTENAI WATER
DISTRICT

COMMITMENT ENCLOSED.

THANK YOU FOR CHOOSING
FIRST AMERICAN TITLE!



The Title Insurance Commitment is a legal contract between you and the company. It is issued to show the basis on which we will issue a Title Insurance Policy to you. The Policy will insure you against certain risks to the land title, subject to the limitations shown in the Policy.

The Company will give you a sample of the Policy form, if you ask.

The Commitment is based on the land title as of the Commitment Date. Any changes in the land title or the transaction may affect the Commitment and the Policy.

The Commitment is subject to its Requirements, Exceptions and Conditions.

THIS INFORMATION IS NOT PART OF THE TITLE INSURANCE COMMITMENT.

TABLE OF CONTENTS

	Page
AGREEMENT TO ISSUE POLICY	1
SCHEDULE A	
1. Commitment Date	2
2. Policies to be Issued, Amounts and Proposed Insureds	2
3. Interest in the Land and Owner	2
4. Description of the Land	2
SCHEDULE B-1 — Requirements	3
SCHEDULE B-2 — Exceptions	4
CONDITIONS	other side of 1

YOU SHOULD READ THE COMMITMENT VERY CAREFULLY.

If you have any questions about the Commitment, please contact the issuing office.

COMMITMENT FOR TITLE INSURANCE

ISSUED BY

First American Title Insurance Company

AGREEMENT TO ISSUE POLICY

We agree to issue a policy to you according to the terms of this Commitment. When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the Commitment Date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under this Commitment is limited by the following:

The Provisions in Schedule A.

The Requirements in Schedule B-1.

The Exceptions in Schedule B-2.

The Conditions on the other side of this page 1.

This Commitment is not valid without SCHEDULE A and Sections 1 and 2 of SCHEDULE B.



First American Title Insurance Company

BY *Parker S. Kennedy* PRESIDENT

ATTEST *Mark A. Ameson* SECRETARY

BY *Beverly Spencer* COUNTERSIGNED



SCHEDULE A

1. Commitment Date: October 9, 1998
at 8:00 a.m.

Commitment No. 35819-B

2. Policy or Policies to be issued:

Policy Amount

Premium

(X) **Owners Policy**
(Form 1402.92, 10-17-92)
Proposed Insured:

\$TBD

\$TBD

TO BE DETERMINED

() **Extended Coverage Loan Policy**
(Form 1056.92, 10-17-92)
Proposed Insured:

\$

\$

() **Endorsements:**

\$

() **Recordings:**

\$

() **Extra Chains:**

\$

3. FEE SIMPLE ESTATE in the land described in this Commitment is owned, at the Commitment Date, by:

IDAHO CONTRACTORS, INC., AN IDAHO CORPORATION

4. The Land referred to in this Commitment is located in Kootenai County, State of Idaho, and described as follows:

The East 15 feet of Lot 9, Block 1, HAYDEN ORCHARDS, and the West 15 feet of Lot 10, Block 1, HAYDEN ORCHARDS, according to the plat recorded in the office of the County Recorder in Book "E" of Plats at page 186, records of Kootenai County, Idaho.



Form No. 1544 - 1 (1982)
ALTA Plain Language Commitment
ORDER NO. 35819

SCHEDULE B - SECTION 1
Requirements

The following requirements must be met:

- (a) Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
- (b) Pay us the premiums, fees and charges for the policy.
- (c) Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded.
- (d) You must tell us in writing the name of anyone not referred to in this Commitment who has an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.
- (e) We require a copy of the Corporate Resolution authorizing the Sale and directing the execution of the forthcoming Deed.

For further information regarding this report please contact:

FIRST AMERICAN TITLE COMPANY
1044 NORTHWEST BOULEVARD
P.O. BOX 816
COEUR D'ALENE, IDAHO 83814

PHONE: (208) 667-0567
ESCROW DEPT. FAX: (208) 765-2050
TITLE DEPT. FAX: (208) 765-1376

TITLE OFFICER: Beverly Spencer

ESCROW OFFICER:

PLEASE ACCEPT OUR SINCERE THANKS FOR ALLOWING US TO BE OF SERVICE TO YOU. WE GREATLY APPRECIATE THE FACT THAT YOU HAVE CHOSEN TO DO BUSINESS WITH US; AND IN RETURN, WE PLEDGE OUR CONTINUING EFFORTS TO OFFER YOU THE BEST SERVICE POSSIBLE.

eh



SCHEDULE B - SECTION 2
Exceptions

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction.

PART 1:

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, interests or claims which are not shown 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. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other facts which a correct survey would disclose, and which are not shown by the public records.
 5. Unpatented mining claims: reservations or exceptions in patents or in acts authorizing the issuance thereof: water rights, claims, or title to water.
 6. Any lien, or right 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 for the year 1998, a lien in the process of assessment not yet due or payable.
 8. Assessments, if any, levied by the City of Hayden, for which we find no delinquencies of record.
 9. Liens and assessments of the following district and the rights and powers thereof as provided by law, for which we find no delinquencies of record:
District: Hayden Lake Irrigation District
 10. Covenants, Conditions and Restrictions and Easements:
Instrument No.: 677772
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).



SCHEDULE B - SECTION 2
EXCEPTIONS - continued

11. Covenants, conditions, restrictions and easements contained in the recorded Plat of said subdivision, 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).

12. Easement:

Granted to: General Telephone Company of the Northwest, Inc.
Recorded: August 5, 1976
Instrument No.: 706740

13. The effect of Quitclaim deed:

Recorded: May 11, 1988
Instrument No.: 1116583

14. The Effect of Quitclaim Deed:

Recorded: June 11, 1997
Instrument No.: 1493563

15. The Effect of Deed of Trust to secure an indebtedness in the principal sum of \$2,216,703.54, and any other amounts and/or obligations secured thereby:

Dated: May 19, 1997
Recorded: June 11, 1997
Instrument No.: 1493564
Grantor: Allied Water, Inc., an Idaho corporation
Trustee: Kootenai County Title Company, Inc.
Beneficiary: Hayden Pines Water Company, an Idaho corporation

16. The Effect of Financing Statement:

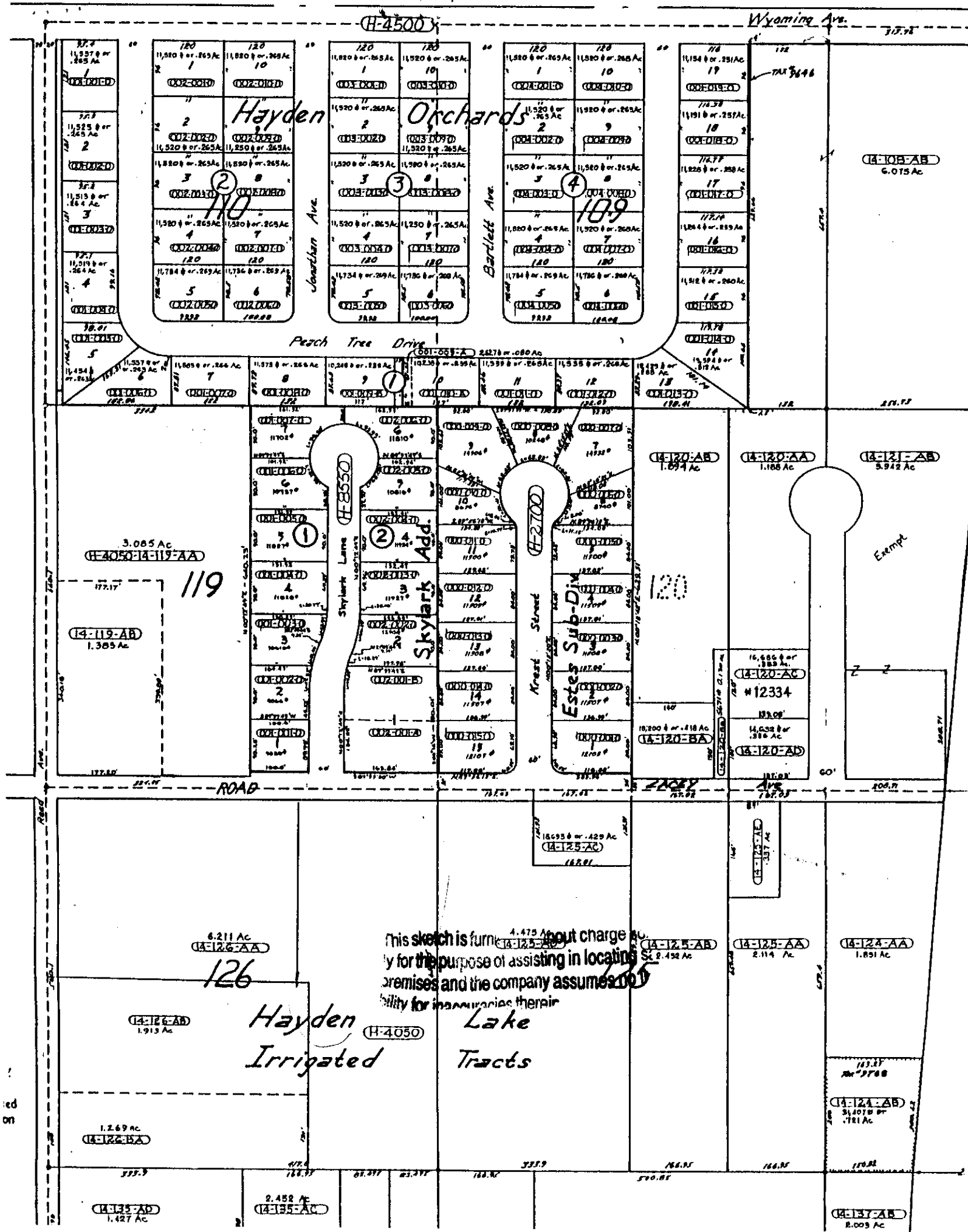
Recorded: June 16, 1997
Instrument No.: 1494043
Debtor: Allied Water, Inc., an Idaho Corporation
Secured Party: Hayden Pines Water Company, an Idaho corporation

17. The Effect of Quitclaim Deed:

Recorded: November 20, 1997
Instrument No.: 1514259

18. Question of marital status of party herein named on date of acquiring title. If then joining in execution of forthcoming Instrument, recital therein of the fact will be sufficient; otherwise, present ownership of the community interest of spouse on said date must be determined:

Party: Charles A. Ford



Commitment To Insure

ALTA Commitment 11870 Rev.



OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY, a Minnesota corporation, herein called the Company, for a valuable consideration, hereby commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest covered hereby in the land described or referred to in Schedule A, upon payment of the premiums and charges therefor; all subject to the provisions of Schedule A and B and to the Conditions and Stipulations hereof.

This Commitment shall be effective only when the identity of the proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A hereof by the Company, either at the time of the issuance of this Commitment or by subsequent endorsement.

This Commitment is preliminary to the issuance of such policy or policies of title insurance and all liability and obligations hereunder shall cease and terminate six months after the effective date hereof or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue such policy or policies is not the fault of the Company.

CONDITIONS AND STIPULATIONS

1. The term "mortgage", when used herein, shall include deed of trust, trust deed, or other security instrument.
2. If the proposed Insured has or acquires actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure of the proposed Insured to so disclose such knowledge. If the proposed Insured shall disclose such knowledge to the Company, or if the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions and Stipulations.
3. Liability of the Company under this Commitment shall be only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions and the Conditions and Stipulations and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and made a part of this Commitment except as expressly modified herein.
4. Any action or actions or rights of action that the proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of this Commitment.

IN WITNESS WHEREOF, Old Republic National Title Insurance Company has caused its corporate name and seal to be hereunto affixed by its duly authorized officers on the date shown in Schedule A, to be valid when countersigned by a validating officer or other authorized signatory.

Pioneer Title Company of Kootenai County
100 Wallace Avenue
Coeur d'Alene, ID 83814
(208) 664-8254

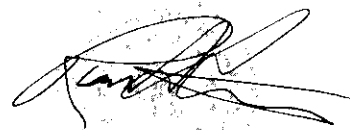

Authorized Signatory

ORT Form 2526

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

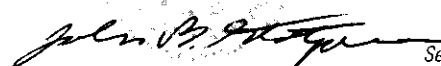
A Stock Company
400 Second Avenue South, Minneapolis, Minnesota 55401
(612) 371-1111

By



President

Attest



Secretary

SCHEDULE A

PIONEER TITLE COMPANY OF KOOTENAI COUNTY

100 Wallace Avenue

Coeur d'Alene ID 83814

(208) 664-8254/Fax (208) 664-9479

Title Officer/Liz Nelson

2ND REPORT

PAGE 1

FILE NUMBER: **88324**

1. Effective Date: **March 29, 2002 at 8:00AM**

2. Policy or Policies to be issued:

A. ☒ ALTA Owner's Policy, (10-17-92) ☒ Standard Coverage ☐ Extended Coverage Amount **\$26,000.00**
Owners/Easement Premium **\$296.00**

Proposed Insured: **NORTH KOOTENAI WATER DISTRICT**

B. ☐ ALTA Loan Policy,(10-17-92) ☐ Standard Coverage ☐ Extended Coverage Amount \$
Premium **\$0.00**

Proposed Insured:

C. ☐ ALTA Loan Policy,(10-17-92) ☐ Standard Coverage ☐ Extended Coverage Amount \$
Premium \$

Proposed Insured:

3. The estate or interest in the land described or referred to in this Commitment and covered herein is:

Fee Simple

4. Title to the estate or interest in said land is at the effective date hereof vested in:

THE JOHN C. POINTNER and CALLIE S. POINTNER FAMILY TRUST, as to a one-third (1/3) interest; and CLARA P. RAMOS, as Trustee U/T/A dated April 3, 1990, known as THE CLARA P. RAMOS TRUST, as to an undivided two-thirds (2/3) interest

5. The land referred to in this Commitment is described as follows:

The East Half of the Southwest Quarter of the Southeast Quarter of the Southwest Quarter of the Southwest Quarter of Section 2, Township 51 North, Range 4 West, Boise Meridian, Kootenai County, Idaho.

SCHEDULE B - SECTION 1

PAGE 2

FILE NUMBER: 88324

Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company.

- A. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records, or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires of record for value the estate or interest or mortgage thereon covered by this Commitment.
- B. 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.*

*Paragraphs 1, 2, 3, 4, 5 and 6 will not appear as printed exceptions on extended coverage policies, except as to such parts thereof which may be typed as a Special Exception in Schedule B-Section 2.

C. Special Exceptions:

(See Schedule B-Section 2 beginning on next page.)

SCHEDULE B - SECTION II

FILE NUMBER: 88324

PAGE 3

Special Exceptions:

1. General taxes for the year 2002, which are liens not yet due and payable.
2. Agreement executed by and between the parties herein named upon the terms, conditions and provisions therein provided.
Between: John Campbell Pointner, a married man dealing with his sole and separate property, as to a one-third interest
And: Clara Pointner Ramos, a married woman, dealing with her sole and separate property, as to a two-thirds interest
Dated: August 11, 1976
Recorded: December 15, 1977
Instrument No.: 752673
Providing: Rights of survivorship
3. Title to that portion which may lie in county roads right of way.
4. We note a record of survey for the subject property. Reference to the record is made for full particulars.
Recorded: May 31, 1989
Instrument No.: 1150036
Book/Page: Book 7/Page 188
5. Terms, conditions and provisions of the trust under which title is vested. We request a showing thereof in particular, the unrestricted power and authority of the trustee to sell, convey or borrow on said premises.
6. If title is to be insured in the trustee(s) of a trust, (or if their act is to be insured, this company will require a copy of the trust instrument creating such trust, and all amendments thereto, together with a written verification by all present trustees that the copy is the true and correct copy of the trust, as it may have been amended, that it is in full force and affect and that it has not been revoked or terminated.

CONTINUED

NOTES:

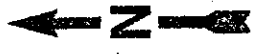
1. General taxes for the year 2001, which were a lien, in the original sum of \$535.10, are paid. Parcel No. 51N04W-02-5100 B/N 143739. Property tax includes an Agricultural Exemption.
2. There is no notice of record and therefore no search has been made of any unpaid charges or fees for sewer, water, garbage, irrigation and other possible utility services.
3. In the event that any or all of the sellers are foreign persons or entities, please notify Pioneer Title Company for further arrangements must be made prior to closing.
4. Examination of the records discloses no matters pending against the names of NORTH KOOTENAI WATER DISTRICT, the proposed purchasers.
5. In the event that this transaction fails to close, a minimum fee of \$100.00 will be charged to comply with the State Insurance Code.
6. Because of the provisions of the Idaho Homestead Law (Chapter 10, Title 55, I.C.), the company will require:
 - (a) the personal execution and acknowledgment of any deed, deed of trust, mortgage or special power of attorney to convey or encumber the homestead by the vested owner and spouse, if any,or in the alternative
 - (b) an affidavit, signed by the vested owner and spouse which states (i) that the land described herein is not their principal residence; (ii) the land is not claimed as homestead property; and (iii) their principal residence is . (and if applicable, the vested owner is not married.)

END OF REPORT

BENTZ RD

LANCASTER RD

THIS IS NOT A SURVEY. THIS
MAP IS FOR INFORMATIONAL
PURPOSES ONLY. PIONEER
TITLE COMPANY MAKES NO
REPRESENTATIONS AS TO THE
ACCURACY OF THE MAP AND
ASSUMES NO LIABILITY FOR IT.



(5100)
156.984 Ac

(8100)
92.293 Ac

Z

Z

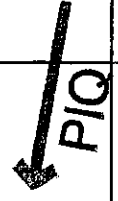
Z

Z

Z

Z

Z



#1459

(8150)
4.827 Ac

118.00
118.00



SCALE: 1 INCH = 400 FEET

WATER

RECORD OF REAL ESTATE OWNERSHIP - STATE OF IDAHO

Company Hayden Pines Water Company
(Name)Seller The Washington Water Power Company
(Name)County Kootenai
(Name)Date of Purchase March 29, 1979Tax Code Area Number 56 Company Map Number C-20766Company Reference Name Mountain View Terrace Water SystemStatement of Intended Use Same as above.

FOR TAX COMMISSION USE

T.C. Ref. No. TCO-28-04-115-1

CLASSIFICATION OF PROPERTY

☒ Operating☐ Non-operating

LEGAL DESCRIPTION OF PROPERTY: (Limit to single section per page where practical)

	Sec.	Twp.	Rge.
Lot 13, Block 8, less N 35', Mountain View Terrace, 1st Addition.	32	51	5 W

~~Cancel TCO 28-04-225-1~~

COPY

SUPPLEMENTAL ENDORSEMENT
Attached to Commitment No. 35820

FORD

Issued by
First American Title Insurance Company

This endorsement is made a part of said commitment, including any prior endorsements, and is subject to the schedules, terms, provisions and conditions and stipulations therein, except as modified by the provisions hereof:

1. Schedule A of the above Commitment is hereby amended in the following particulars:

(a) The effective date of the Commitment including extensions is:

OCTOBER 9, 1998 AT 8:00 A.M.

(b) The title to the estate or interest in the land is at the extended effective date hereof vested in:

CHARLES A. FORD

2. Schedule B of the above Commitment, including any prior endorsements, is hereby amended in the following particulars:

(a) The exceptions at the following numbered paragraphs are hereby deleted:

#20

(b) The exceptions at the following numbered paragraphs are hereby added:

NONE

(c) The following requirements are hereby deleted:

(e)

First American Title Insurance Company

Beverly Spencer
Assistant Secretary

Commitment Supplemental Endorsement

Form No. WA-5C

Valley
Green



PARCEL 20

FIRST AMERICAN TITLE COMPANY
1044 NORTHWEST BOULEVARD
COEUR D'ALENE, IDAHO 83814
(208) 667-0567

NOVEMBER 24, 1998

WELCH COMER & ASSOCIATES
1626 LINCOLN WAY
COEUR D'ALENE, IDAHO 83814

ATTN: DOUGLAS BLACK

ORDER NO. 35820-B

RE: NORTH KOOTENAI WATER
DISTRICT

COMMITMENT ENCLOSED.

THANK YOU FOR CHOOSING
FIRST AMERICAN TITLE!



First American Title Insurance Company

INFORMATION

The Title Insurance Commitment is a legal contract between you and the company. It is issued to show the basis on which we will issue a Title Insurance Policy to you. The Policy will insure you against certain risks to the land title, subject to the limitations shown in the Policy.

The Company will give you a sample of the Policy form, if you ask.

The Commitment is based on the land title as of the Commitment Date. Any changes in the land title or the transaction may affect the Commitment and the Policy.

The Commitment is subject to its Requirements, Exceptions and Conditions.

THIS INFORMATION IS NOT PART OF THE TITLE INSURANCE COMMITMENT.

TABLE OF CONTENTS

	Page
AGREEMENT TO ISSUE POLICY	1
SCHEDULE A	
1. Commitment Date	2
2. Policies to be Issued, Amounts and Proposed Insureds	2
3. Interest in the Land and Owner	2
4. Description of the Land	2
SCHEDULE B-1 — Requirements	3
SCHEDULE B-2 — Exceptions	4
CONDITIONS	other side of 1

YOU SHOULD READ THE COMMITMENT VERY CAREFULLY.

If you have any questions about the Commitment, please contact the issuing office.

COMMITMENT FOR TITLE INSURANCE

ISSUED BY

First American Title Insurance Company

AGREEMENT TO ISSUE POLICY

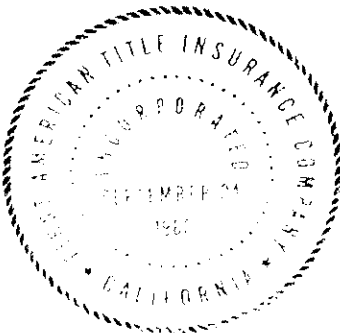
We agree to issue a policy to you according to the terms of this Commitment. When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the Commitment Date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under this Commitment is limited by the following:

- The Provisions in Schedule A.
- The Requirements in Schedule B-1.
- The Exceptions in Schedule B-2.
- The Conditions on the other side of this page 1.

This Commitment is not valid without SCHEDULE A and Sections 1 and 2 of SCHEDULE B.



First American Title Insurance Company

BY *Parker S. Kennedy* PRESIDENT

ATTEST *Mark A. Anderson* SECRETARY

BY *Kevin Spencer* COUNTERSIGNED



SCHEDULE A

1. Commitment Date: October 9, 1998
at 8:00 a.m.

Commitment No. 35820-B

2. Policy or Policies to be issued:

Policy Amount Premium

(X) **Owners Policy**
(Form 1402.92, 10-17-92)
Proposed Insured:

\$TBD \$TBD

TO BE DETERMINED

() **Extended Coverage Loan Policy**
(Form 1056.92, 10-17-92)
Proposed Insured:

\$ \$

() **Endorsements:**

\$

() **Recordings:**

\$

() **Extra Chains:**

\$

3. FEE SIMPLE ESTATE in the land described in this Commitment is owned, at the Commitment Date, by:

HAYDEN PINES WATER COMPANY

4. The Land referred to in this Commitment is located in Kootenai County, State of Idaho, and described as follows:

Lot 7, Block 2, VALLEY GREEN, Kootenai County, State of Idaho, according to the plat recorded in Book "E" of Plats, page 239.



Form No. 1-4-3 1(1982)
ALTA Plain Language Commitment
ORDER NO. 35820

SCHEDULE B - SECTION 1
Requirements

The following requirements must be met:

- (a) Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
- (b) Pay us the premiums, fees and charges for the policy.
- (c) Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded.
- (d) You must tell us in writing the name of anyone not referred to in this Commitment who has an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.
- (e) We require proof that Hayden Pines Water Company is a legal entity capable of holding title.

For further information regarding this report please contact:

FIRST AMERICAN TITLE COMPANY
1044 NORTHWEST BOULEVARD
P.O. BOX 816
COEUR D'ALENE, IDAHO 83814

PHONE: (208) 667-0567
ESCROW DEPT. FAX: (208) 765-2050
TITLE DEPT. FAX: (208) 765-1376

TITLE OFFICER: Beverly Spencer

ESCROW OFFICER:

PLEASE ACCEPT OUR SINCERE THANKS FOR ALLOWING US TO BE OF SERVICE TO YOU. WE GREATLY APPRECIATE THE FACT THAT YOU HAVE CHOSEN TO DO BUSINESS WITH US; AND IN RETURN, WE PLEDGE OUR CONTINUING EFFORTS TO OFFER YOU THE BEST SERVICE POSSIBLE.

eh



SCHEDULE B - SECTION 2
Exceptions

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction.

PART 1:

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, interests or claims which are not shown 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. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other facts which a correct survey would disclose, and which are not shown by the public records.
 5. Unpatented mining claims: reservations or exceptions in patents or in acts authorizing the issuance thereof: water rights, claims, or title to water.
 6. Any lien, or right 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 for the year 1998, a lien in the process of assessment not yet due or payable.
 8. Covenants, conditions, restrictions and easements contained in the recorded Plat of said subdivision, 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).
 9. Easement:
Granted to: General Telephone Company of the Northwest, Inc., a corporation, its successors or assigns
Instrument No.: 712634
 10. Covenants, Conditions and Restrictions:
Instrument No.: 733893
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).



SCHEDULE B - SECTION 2
EXCEPTIONS - continued

11. Covenants, Conditions and Restrictions:

Instrument No.: 733894

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).

12. Grant of Easement and Covenants, Conditions and Restrictions:

Book/Page: Book 88, Page 412

13. Provisions in Deed:

Grantors:

C. Warran Goodson and Susan M. Goodson, husband and wife, Emmett T. Florea and Lynn Florea, husband and wife, Gary E. Wraspir and Jeannette Wraspir, husband and wife, John Douglas Somers and Mary E. Somers, husband and wife, and Alan R. Eborall and Jeanette R. Eborall, husband and wife

Grantee:

Hayden Pines Water Company

Recorded:

June 22, 1979

Instrument No.:

809824

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. The effect of a Quitclaim Deed:

Recorded:

May 11, 1988

Instrument No.:

1116583

15. Provisions in Deed:

Instrument No.: 1463684

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. The Effect of Quitclaim Deed:

Recorded:

June 11, 1997

Instrument No.:

1493563

17. The Effect of Deed of Trust to secure an indebtedness in the principal sum of \$2,216,703.54, and any other amounts and/or obligations secured thereby:

Dated:

May 19, 1997

Recorded:

June 11, 1997

Instrument No.:

1493564

Grantor:

Allied Water, Inc., an Idaho corporation

Trustee:

Kootenai County Title Company, Inc.

Beneficiary:

Hayden Pines Water Company, an Idaho corporation



SCHEDULE B - SECTION 2
EXCEPTIONS - continued

18. The Effect of Financing Statement:

Recorded: June 16, 1997
Instrument No.: 1494043
Debtor: Allied Water, Inc., an Idaho Corporation
Secured Party: Hayden Pines Water Company, an Idaho corporation

19. Title to vest in the name of a person or persons to be submitted and when so vested will be subject to matters which may be disclosed by a search of the Records against the name of said person or persons.

20. The effect of Quitclaim Deed:

Recorded: November 20, 1997
Instrument No.: 1514259

21. Question of marital status of party herein named on date of acquiring title. If then joining in execution of forthcoming Instrument, recital therein of the fact will be sufficient; otherwise, present ownership of the community interest of spouse on said date must be determined:

Party: Charles A. Ford

END OF SCHEDULE "B" EXCEPTIONS

NOTES SECTION

1. There is no notice of record and therefore no search has been made for any unpaid assessments, charges or fees for sewer, water, garbage, irrigation, waste disposal fees, and other possible utility services.

2. If the proposed insured under the Policy to issue has any questions concerning the coverage or exclusions from coverage, the Company will be pleased to provide an explanation.

3. In the event that this transaction fails to close, a minimum fee of \$100.00 will be charged to comply with the State Insurance Code.

4. Liens and assessments of the following district and the rights and powers thereof as provided by law, for which we find no delinquencies of record:

District: Hayden Lake Recreational Water and Sewer District

VALLEY GREEN

This sketch is furnished without charge solely for the purpose of assisting in locating premises and the company assumes no liability for inaccuracies therein

TRACTS 179 & 170 OF AMENDED PLAT OF H LAKE IRRIGATED TRACTS IN SECTION 15, TOWNSHIP 51 NORTH, RANGE 4 WEST, B.M. KOOTENAI COUNTY, IDAHO.

TR 178

EXISTING ROAD RIGHT-OF-WAY
N 0° 41' 00" W - 1275.00'

BLOCK 1

VALLEY WAY

BLOCK 2

MEADOW WAY

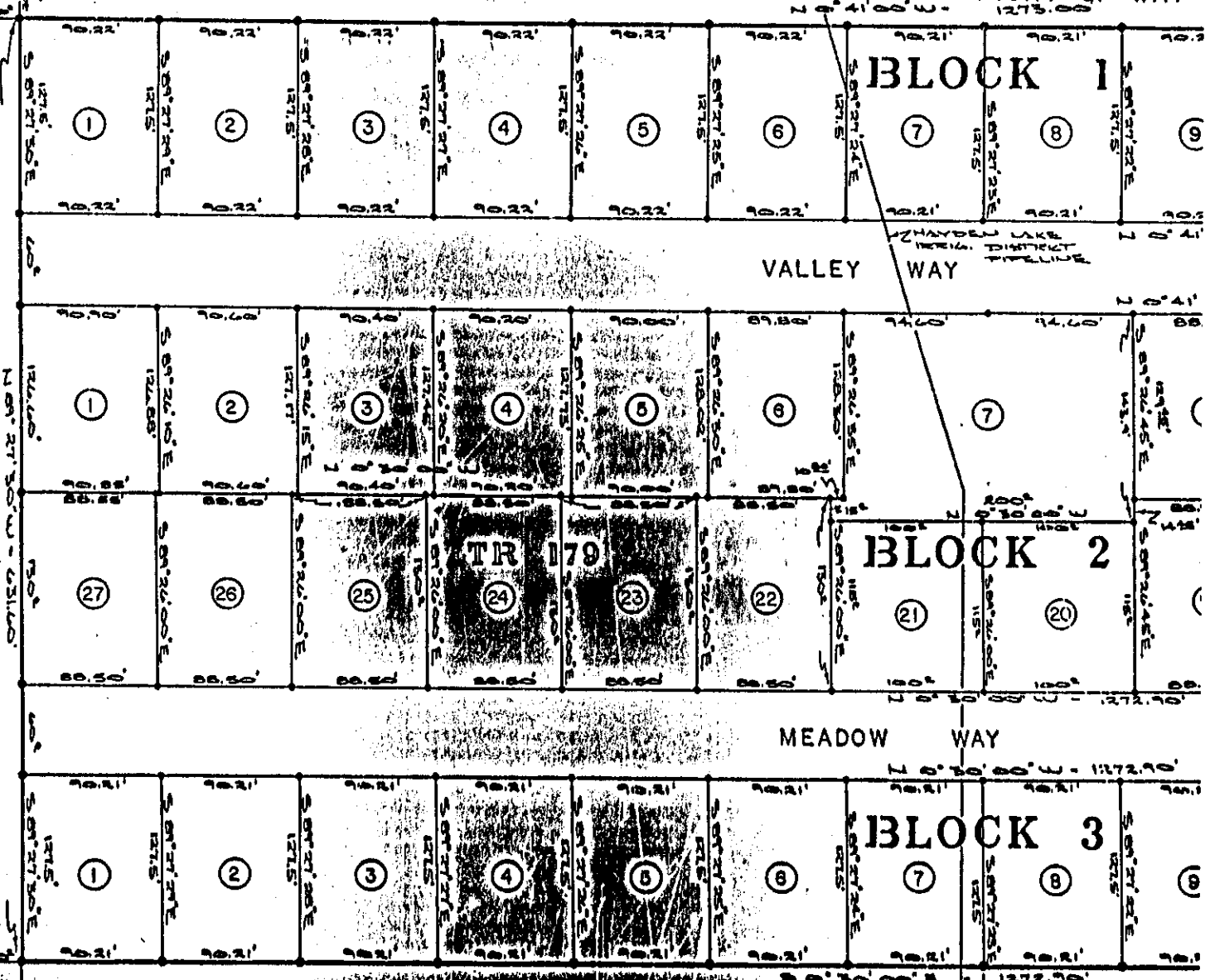
BLOCK 3

TR 180

FOUND IR SPIKE
IN PAVEMENT FOR
1/4 COR. SEC. 15
R25 NW 34.70 12' LOCUST
NW 25.64 TO TOWN POLE

HAYDEN LAKE
IRRM. DISTRICT
TIP LINE

HAYDEN AVE



RECORD OF REAL ESTATE OWNERSHIP — STATE OF IDAHO

Buyer/Owner Hayden Pines Water Company, INC.
(Name)

Seller _____
(Name)

County Kootenai
(Name)

Section 15 Township 51N Range 4W

Date of Purchase 1977

Company Reference Name Valley Green Water system

Statement of Intended Use Well Site

☒ Operating ☐ Non-operating

What Balance Sheet Account is this Property Placed in or Transferred to? _____

LEGAL DESCRIPTION OF PROPERTY: (Limit to single parcel per page where practical)

Lt 7 Blk 2 Valley Green Subdivision

FOR TAX COMMISSION USE

T.C. Ref. No. TCO-28-04-115-14

CLASSIFICATION OF PROPERTY

☒ Operating ☐ Non-operating

RECEIVED

MAY 12 1988

STATE TAX COMMISSION
OPERATING PROPERTY
BUREAU

Prepare in Triplicate

Forn
Revised - 19



PARCEL 21

Atlas
Acres

FIRST AMERICAN TITLE COMPANY
1044 NORTHWEST BOULEVARD
COEUR D'ALENE, IDAHO 83814
(208) 667-0567

NOVEMBER 12, 1998

WELCH COMER & ASSOCIATES
1626 LINCOLN WAY
COEUR D'ALENE, IDAHO 83814

ATTN: DOUGLAS BLACK

ORDER NO. 35821-B

RE: NORTH KOOTENAI WATER
DISTRICT

COMMITMENT ENCLOSED.

THANK YOU FOR CHOOSING
FIRST AMERICAN TITLE!



The Title Insurance Commitment is a legal contract between you and the company. It is issued to show the basis on which we will issue a Title Insurance Policy to you. The Policy will insure you against certain risks to the land title, subject to the limitations shown in the Policy.

The Company will give you a sample of the Policy form, if you ask.

The Commitment is based on the land title as of the Commitment Date. Any changes in the land title or the transaction may affect the Commitment and the Policy.

The Commitment is subject to its Requirements, Exceptions and Conditions.

THIS INFORMATION IS NOT PART OF THE TITLE INSURANCE COMMITMENT.

TABLE OF CONTENTS

	Page
AGREEMENT TO ISSUE POLICY	1
SCHEDULE A	
1. Commitment Date	2
2. Policies to be Issued, Amounts and Proposed Insureds	2
3. Interest in the Land and Owner	2
4. Description of the Land	2
SCHEDULE B-1 — Requirements	3
SCHEDULE B-2 — Exceptions	4
CONDITIONS	other side of 1

YOU SHOULD READ THE COMMITMENT VERY CAREFULLY.

If you have any questions about the Commitment, please contact the issuing office.

COMMITMENT FOR TITLE INSURANCE

ISSUED BY

First American Title Insurance Company

AGREEMENT TO ISSUE POLICY

We agree to issue a policy to you according to the terms of this Commitment. When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the Commitment Date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under this Commitment is limited by the following:

The Provisions in Schedule A.

The Requirements in Schedule B-1.

The Exceptions in Schedule B-2.

The Conditions on the other side of this page 1.

This Commitment is not valid without SCHEDULE A and Sections 1 and 2 of SCHEDULE B.



First American Title Insurance Company

BY *Parker S. Kennedy* PRESIDENT

ATTEST *Mark L. Amerson* SECRETARY

BY *Beverly Spencer* COUNTERSIGNED



SCHEDULE A

1. Commitment Date: October 9, 1998
at 8:00 a.m.

Commitment No. 35821-B

2. Policy or Policies to be issued:

Policy Amount Premium

(X) **Owners Policy**
(Form 1402.92, 10-17-92)
Proposed Insured:

\$TBD \$TBD

TO BE DETERMINED

() **Extended Coverage Loan Policy**
(Form 1056.92, 10-17-92)
Proposed Insured:

\$ \$

() **Endorsements:**

\$

() **Recordings:**

\$

() **Extra Chains:**

\$

3. FEE SIMPLE ESTATE in the land described in this Commitment is owned, at the Commitment Date, by:

HAYDEN PINES WATER COMPANY, A DIVISION OF IDAHO CONTRACTORS, INC.

4. The Land referred to in this Commitment is located in Kootenai County, State of Idaho, and described as follows:

Lot 9, Block 1, ATLAS ACRES, according to the plat recorded in the office of the County Recorder in Book "F" of Plats at page 71, Records of Kootenai County, State of Idaho.



Form No. 1044-1 (1982)
ALTA Plain Language Commitment
ORDER NO. 35821

SCHEDULE B - SECTION 1
Requirements

The following requirements must be met:

- (a) Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
- (b) Pay us the premiums, fees and charges for the policy.
- (c) Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded.
- (d) You must tell us in writing the name of anyone not referred to in this Commitment who has an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.
- (e) We require proof of the corporate existence of the Vestee and its right to do business in Idaho.

For further information regarding this report please contact:

FIRST AMERICAN TITLE COMPANY
1044 NORTHWEST BOULEVARD
P.O. BOX 816
COEUR D'ALENE, IDAHO 83814

PHONE: (208) 667-0567
ESCROW DEPT. FAX: (208) 765-2050
TITLE DEPT. FAX: (208) 765-1376

TITLE OFFICER: Beverly Spencer

ESCROW OFFICER:

PLEASE ACCEPT OUR SINCERE THANKS FOR ALLOWING US TO BE OF SERVICE TO YOU. WE GREATLY APPRECIATE THE FACT THAT YOU HAVE CHOSEN TO DO BUSINESS WITH US; AND IN RETURN, WE PLEDGE OUR CONTINUING EFFORTS TO OFFER YOU THE BEST SERVICE POSSIBLE.

eh



SCHEDULE B - SECTION 2
Exceptions

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction.

PART 1:

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, interests or claims which are not shown 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. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. Unpatented mining claims: reservations or exceptions in patents or in acts authorizing the issuance thereof: water rights, claims, or title to water.
6. Any lien, or right 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 for the year 1998, a lien in the process of assessment not yet due or payable.
8. Covenants, conditions, restrictions and easements contained in the recorded Plat of said subdivision, 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).
9. Easement:
Granted to: The Washington Water Power Company, a corporation
Recorded: June 7, 1948
Book/Page: Book 130 of Deeds, page 492
10. Easement:
Granted to: Kootenai Electric Cooperative, Inc.
Recorded: September 25, 1978
Instrument No.: 782568



SCHEDULE B - SECTION 2
EXCEPTIONS - continued

11. Covenants, Conditions and Restrictions:

Instrument No.: 847963

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).

Amendment to said Covenants:

Instrument No.: 860556

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).

Amendment to said Covenants:

Instrument No.: 877905

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).

Second Amendment to said Covenants Concerning atlas Acres Subdivision:

Instrument No.: 987034

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).

Amendment to said Covenants:

Instrument No.: 886967

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).

12. Agreement upon the terms, conditions and provisions contained therein:

Parties: Joe R. Acuff and Lucile M. Acuff, husband and wife, and
Reino A. Jurvelin and Julia M. Jurvelin, husband and
wife; and Hayden Pines Water Company, a division of
Idaho Contractors, Inc.

Dated: July 23, 1981

Recorded: July 29, 1981

Instrument No.: 882220

13. The Effect of Quitclaim Deed:

Recorded: June 11, 1997

Instrument No.: 1493563



SCHEDULE B - SECTION 2
EXCEPTIONS - continued

14. The Effect of Deed of Trust to secure an indebtedness in the principal sum of \$2,216,703.54, and any other amounts and/or obligations secured thereby:

Dated: May 19, 1997
Recorded: June 11, 1997
Instrument No.: 1493564
Grantor: Allied Water, Inc., an Idaho corporation
Trustee: Kootenai County Title Company, Inc.
Beneficiary: Hayden Pines Water Company, an Idaho corporation

15. The Effect of Financing Statement:

Recorded: June 16, 1997
Instrument No.: 1494043
Debtor: Allied Water, Inc., an Idaho Corporation
Secured Party: Hayden Pines Water Company, an Idaho corporation

16. Title to vest in the name of a person or persons to be submitted and when so vested will be subject to matters which may be disclosed by a search of the Records against the name of said person or persons.

17. The effect of Quitclaim Deed:

Recorded: November 20, 1997
Instrument No.: 1514259

18. Question of marital status of party herein named on date of acquiring title. If then joining in execution of forthcoming Instrument, recital therein of the fact will be sufficient; otherwise, present ownership of the community interest of spouse on said date must be determined:

Party: Charles A. Ford

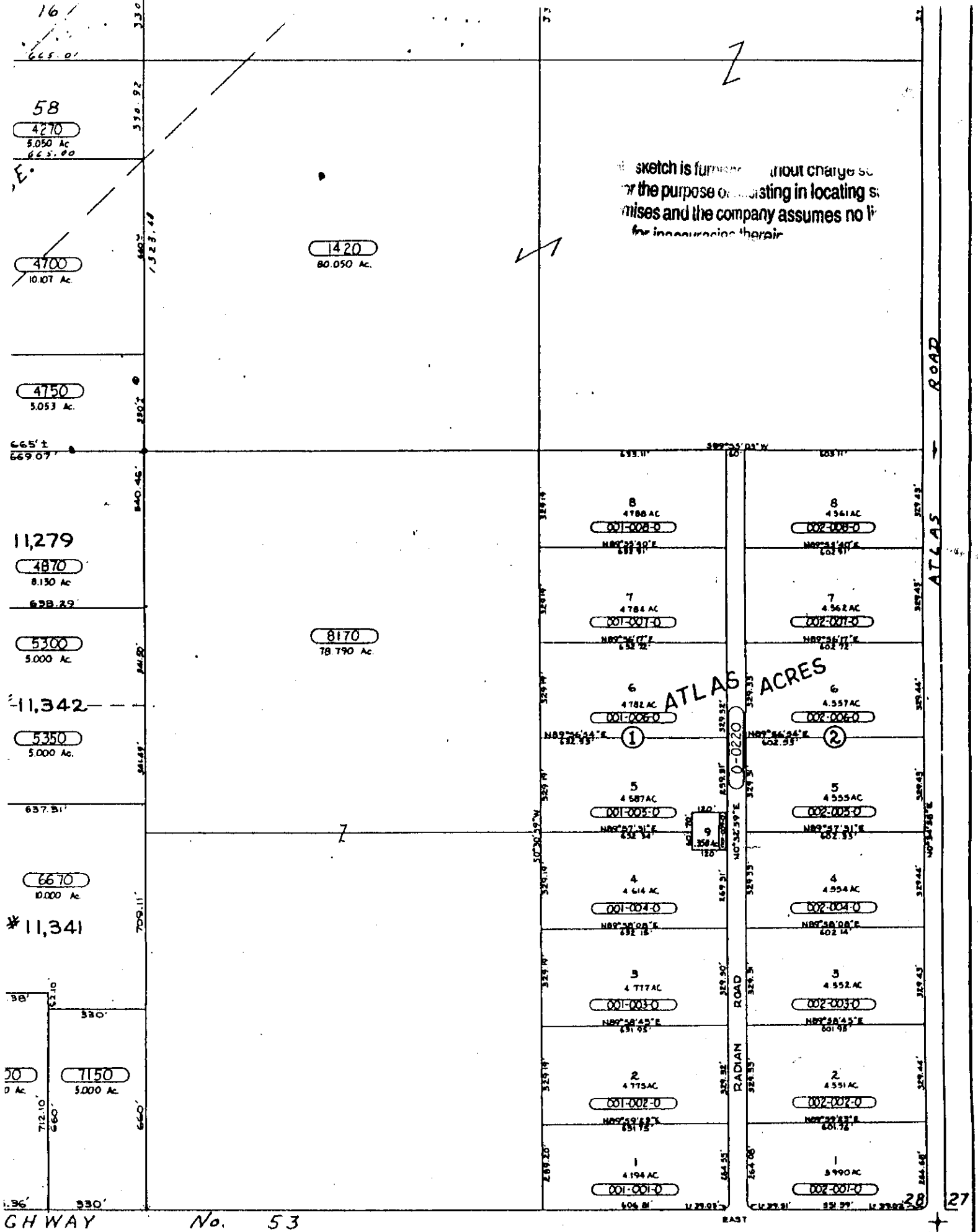
END OF SCHEDULE "B" EXCEPTIONS

NOTES SECTION

1. There is no notice of record and therefore no search has been made for any unpaid assessments, charges or fees for sewer, water, garbage, irrigation, waste disposal fees, and other possible utility services.

2. If the proposed insured under the Policy to issue has any questions concerning the coverage or exclusions from coverage, the Company will be pleased to provide an explanation.

3. In the event that this transaction fails to close, a minimum fee of \$100.00 will be charged to comply with the State Insurance Code.



sketch is furnished without charge for the purpose of assisting in locating premises and the company assumes no liability for inaccuracies therein



PARCEL 23

Mtn
View
Well #2

FIRST AMERICAN TITLE COMPANY
1044 NORTHWEST BOULEVARD
COEUR D'ALENE, IDAHO 83814
(208) 667-0567

NOVEMBER 17, 1998

WELCH COMER & ASSOC
1626 LINCOLN WAY
COEUR D'ALENE, IDAHO 83814

ATTN: DOUGLAS BLACK

ORDER NO. 35823-B.
RE: NORTH KOOTENAI WATER
DISTRICT

COMMITMENT ENCLOSED.

THANK YOU FOR CHOOSING
FIRST AMERICAN TITLE!



The Title Insurance Commitment is a legal contract between you and the company. It is issued to show the basis on which we will issue a Title Insurance Policy to you. The Policy will insure you against certain risks to the land title, subject to the limitations shown in the Policy.

The Company will give you a sample of the Policy form, if you ask.

The Commitment is based on the land title as of the Commitment Date. Any changes in the land title or the transaction may affect the Commitment and the Policy.

The Commitment is subject to its Requirements, Exceptions and Conditions.

THIS INFORMATION IS NOT PART OF THE TITLE INSURANCE COMMITMENT.

TABLE OF CONTENTS

	Page
AGREEMENT TO ISSUE POLICY	1
SCHEDULE A	
1. Commitment Date	2
2. Policies to be Issued, Amounts and Proposed Insureds	2
3. Interest in the Land and Owner	2
4. Description of the Land	2
SCHEDULE B-1 — Requirements	3
SCHEDULE B-2 — Exceptions	4
CONDITIONS	other side of 1

YOU SHOULD READ THE COMMITMENT VERY CAREFULLY.

If you have any questions about the Commitment, please contact the issuing office.

COMMITMENT FOR TITLE INSURANCE

ISSUED BY

First American Title Insurance Company

AGREEMENT TO ISSUE POLICY

We agree to issue a policy to you according to the terms of this Commitment. When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the Commitment Date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under this Commitment is limited by the following:

The Provisions in Schedule A.

The Requirements in Schedule B-1.

The Exceptions in Schedule B-2.

The Conditions on the other side of this page 1.

This Commitment is not valid without SCHEDULE A and Sections 1 and 2 of SCHEDULE B.



First American Title Insurance Company

BY *Parker S. Kennedy* PRESIDENT

ATTEST *Mark A. Amerson* SECRETARY

BY *Beverly Spencer* COUNTERSIGNED



SCHEDULE A

1. Commitment Date: October 9, 1998
at 8:00 a.m.

Commitment No. 35823-B

2. Policy or Policies to be issued:

Policy Amount Premium

(X) **Owners Policy**
(Form 1402.92, 10-17-92)
Proposed Insured:

\$TBD \$TBD

TO BE DETERMINED

() **Extended Coverage Loan Policy**
(Form 1056.92, 10-17-92)
Proposed Insured:

\$ \$

() **Endorsements:**

\$

() **Recordings:**

\$

() **Extra Chains:**

\$

3. FEE SIMPLE ESTATE in the land described in this Commitment is owned, at the Commitment Date, by:

CHARLES A. FORD

4. The Land referred to in this Commitment is located in Kootenai County, State of Idaho, and described as follows:

SEE ATTACHED EXHIBIT "A"



EXHIBIT "A"

COMMENCING at the Northwest corner of Tract 29 of Plat 10 of the East Greenacres Irrigation District of Kootenai County, Idaho, thence

South and along the West line of said Tract 29, a distance of 60 feet; thence

East 60 feet; thence

North 40 feet; thence

East to the East line of said Tract 29; thence

North and along the East line of said Tract to the North line of said Tract 29 a distance of 20 feet to the Northeast corner of said Tract 29; thence

West and along the North boundary of Tract 29 to the POINT OF BEGINNING.



Form No. 154-L 1 (1982)
ALTA Plain Language Commitment
ORDER NO. 35823

SCHEDULE B - SECTION 1
Requirements

The following requirements must be met:

- (a) Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
- (b) Pay us the premiums, fees and charges for the policy.
- (c) Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded.
- (d) You must tell us in writing the name of anyone not referred to in this Commitment who has an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.

For further information regarding this report please contact:

FIRST AMERICAN TITLE COMPANY
1044 NORTHWEST BOULEVARD
P.O. BOX 816
COEUR D'ALENE, IDAHO 83814

PHONE: (208) 667-0567
ESCROW DEPT. FAX: (208) 765-2050
TITLE DEPT. FAX: (208) 765-1376

TITLE OFFICER: Beverly Spencer

ESCROW OFFICER:

PLEASE ACCEPT OUR SINCERE THANKS FOR ALLOWING US TO BE OF SERVICE TO YOU. WE GREATLY APPRECIATE THE FACT THAT YOU HAVE CHOSEN TO DO BUSINESS WITH US; AND IN RETURN, WE PLEDGE OUR CONTINUING EFFORTS TO OFFER YOU THE BEST SERVICE POSSIBLE.

eh



SCHEDULE B - SECTION 2
Exceptions

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction.

PART 1:

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, interests or claims which are not shown 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. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. Unpatented mining claims: reservations or exceptions in patents or in acts authorizing the issuance thereof: water rights, claims, or title to water.
6. Any lien, or right 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 for the year 1998, a lien in the process of assessment not yet due or payable.

8. Easement:

Granted to: Spokane Valley Land & Water Company
Recorded: February 10, 1912
Book/Page: Book 47, page 195

9. Conditions regarding Water Usage and Payment therefore as set forth in deed recorded February 10, 1912 in Book 47, page 195.

10. Easement:

Granted to: The United States of America
Recorded: July 7, 1973
Instrument No.: 641165



SCHEDULE B - SECTION 2
EXCEPTIONS - continued

11. Mortgage to secure an indebtedness in the principal sum of \$100,000.00, and any other amounts and/or obligations secured thereby:

Recorded: March 28, 1990
Instrument No.: 1177797
Mortgagor: Hayden Pines Water Co., Inc., an Idaho Corporation
Mortgagee: Market Investments, Inc., a Wyoming corporation

12. The Effect of Quitclaim Deed:

Recorded: June 11, 1997
Instrument No.: 1493563

13. The Effect of Deed of Trust to secure an indebtedness in the principal sum of \$2,216,703.54, and any other amounts and/or obligations secured thereby:

Dated: May 19, 1997
Recorded: June 11, 1997
Instrument No.: 1493564
Grantor: Allied Water, Inc., an Idaho corporation
Trustee: Kootenai County Title Company, Inc.
Beneficiary: Hayden Pines Water Company, an Idaho corporation

14. The Effect of Financing Statement:

Recorded: June 16, 1997
Instrument No.: 1494043
Debtor: Allied Water, Inc., an Idaho Corporation
Secured Party: Hayden Pines Water Company, an Idaho corporation

15. Title to vest in the name of a person or persons to be submitted and when so vested will be subject to matters which may be disclosed by a search of the Records against the name of said person or persons.

16. Question of marital status of party herein named on date of acquiring title. If then joining in execution of forthcoming Instrument, recital therein of the fact will be sufficient; otherwise, present ownership of the community interest of spouse on said date must be determined:

Party: Charles A. Ford

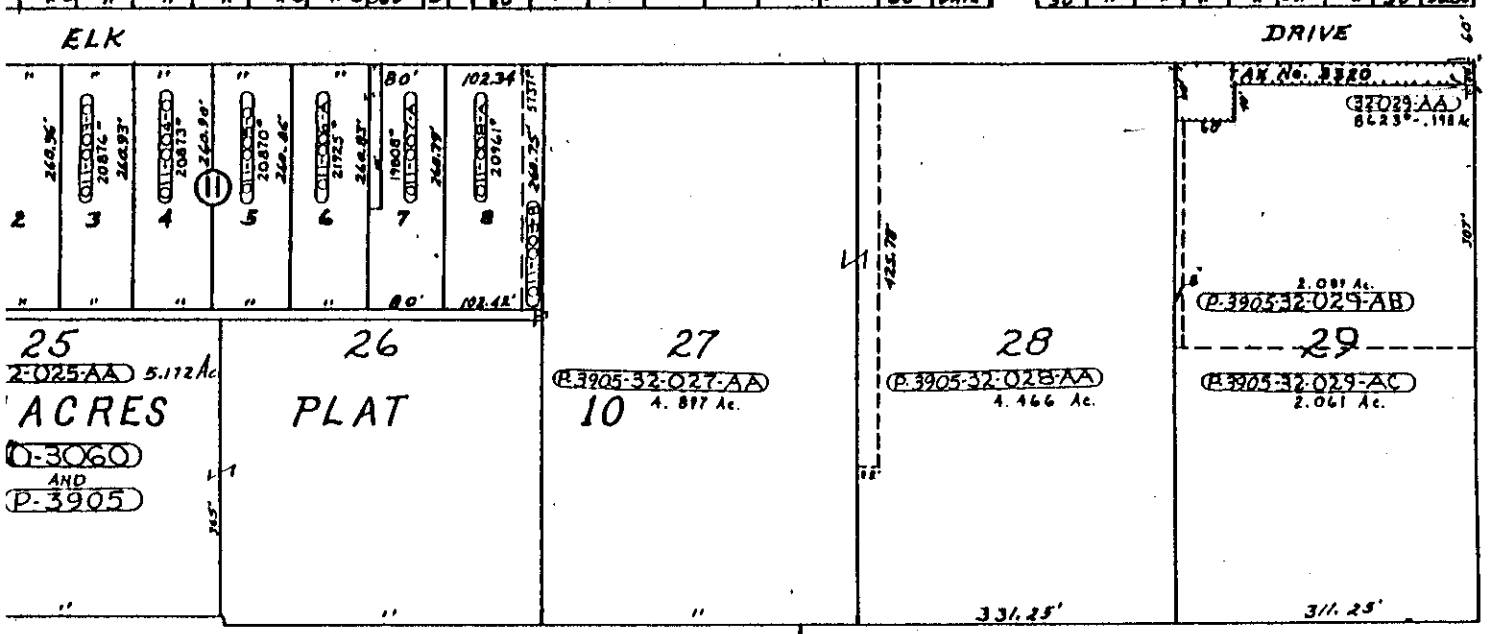
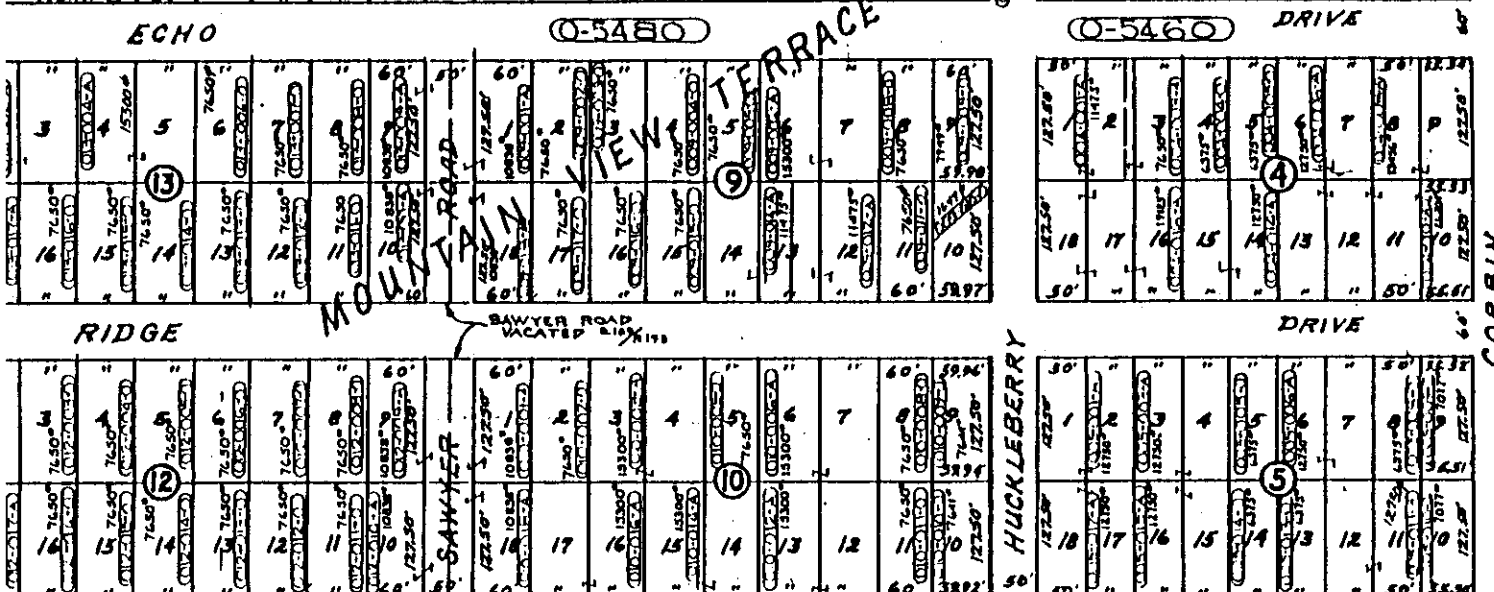
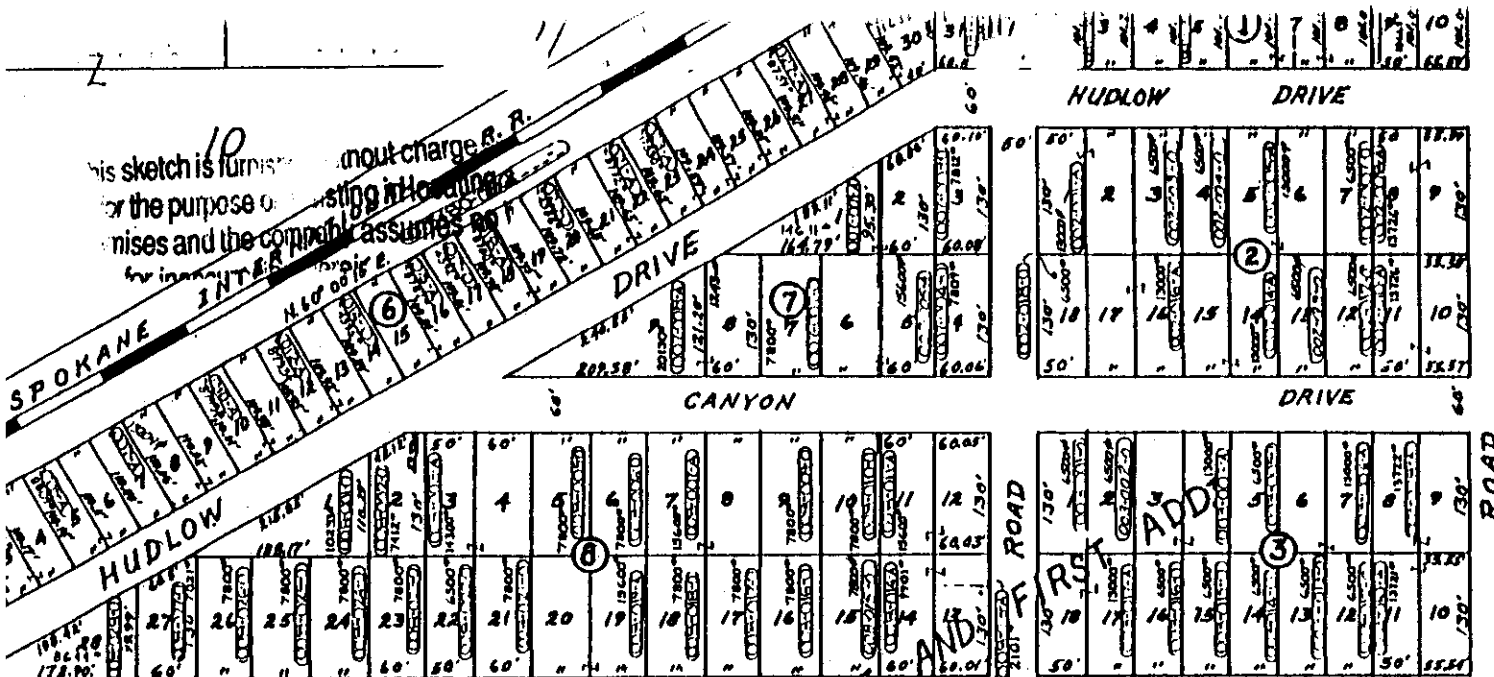
END OF SCHEDULE "B" EXCEPTIONS

NOTES SECTION

1. There is no notice of record and therefore no search has been made for any unpaid assessments, charges or fees for sewer, water, garbage, irrigation, waste disposal fees, and other possible utility services.

2. If the proposed insured under the Policy to issue has any questions concerning the coverage or exclusions from coverage, the Company will be pleased to provide an explanation.

3. In the event that this transaction fails to close, a minimum fee of \$100.00 will be charged to comply with the State Insurance Code.





PARCEL 22

Mtn
View Well
No. 1

FIRST AMERICAN TITLE COMPANY
1044 NORTHWEST BOULEVARD
COEUR D'ALENE, IDAHO 83814
(208) 667-0567

NOVEMBER 19, 1998

WELCH COMER & ASSOC
1626 LINCOLN WAY
COEUR D'ALENE, IDAHO 83814

ATTN: DOUGLAS BLACK

ORDER NO. 35822-B

RE: NORTH KOOTENAI WATER
DISTRICT

COMMITMENT ENCLOSED.

THANK YOU FOR CHOOSING
FIRST AMERICAN TITLE!



The Title Insurance Commitment is a legal contract between you and the company. It is issued to show the basis on which we will issue a Title Insurance Policy to you. The Policy will insure you against certain risks to the land title, subject to the limitations shown in the Policy.

The Company will give you a sample of the Policy form, if you ask.

The Commitment is based on the land title as of the Commitment Date. Any changes in the land title or the transaction may affect the Commitment and the Policy.

The Commitment is subject to its Requirements, Exceptions and Conditions.

THIS INFORMATION IS NOT PART OF THE TITLE INSURANCE COMMITMENT.

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AGREEMENT TO ISSUE POLICY	1
SCHEDULE A	
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2. Policies to be Issued, Amounts and Proposed Insureds	2
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SCHEDULE B-2 — Exceptions	4
CONDITIONS	other side of 1

YOU SHOULD READ THE COMMITMENT VERY CAREFULLY.

If you have any questions about the Commitment, please contact the issuing office.

COMMITMENT FOR TITLE INSURANCE

ISSUED BY

First American Title Insurance Company

AGREEMENT TO ISSUE POLICY

We agree to issue a policy to you according to the terms of this Commitment. When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the Commitment Date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under this Commitment is limited by the following:

- The Provisions in Schedule A.
- The Requirements in Schedule B-1.
- The Exceptions in Schedule B-2.
- The Conditions on the other side of this page 1.

This Commitment is not valid without SCHEDULE A and Sections 1 and 2 of SCHEDULE B.



First American Title Insurance Company

BY *Parker S. Kennedy* PRESIDENT

ATTEST *Mark A. Amerson* SECRETARY

BY *Revelly Spencer* COUNTERSIGNED



SCHEDULE A

1. Commitment Date: October 9, 1998
at 8:00 a.m.

Commitment No. 35822-B

2. Policy or Policies to be issued:

Policy Amount Premium

(X) **Owners Policy**
(Form 1402.92, 10-17-92)
Proposed Insured:

\$TBD \$TBD

TO BE DETERMINED

() **Extended Coverage Loan Policy**
(Form 1056.92, 10-17-92)
Proposed Insured:

\$ \$

() **Endorsements:**

\$

() **Recordings:**

\$

() **Extra Chains:**

\$

3. FEE SIMPLE ESTATE in the land described in this Commitment is owned, at the Commitment Date, by:

HAYDEN PINES WATER COMPANY, A DIVISION OF IDAHO CONTRACTORS, INC.

4. The Land referred to in this Commitment is located in Kootenai County, State of Idaho, and described as follows:

Lot 13, LESS the North 35 feet, Block 8, FIRST ADDITION TO MOUNTAIN VIEW TERRACE, according to the plat recorded in Book "D" of Plats, page 178, records of Kootenai County, Idaho.



Form No. 1544-B 1(1982)
ALTA Plain Language Commitment
ORDER NO. 35822

SCHEDULE B - SECTION 1
Requirements

The following requirements must be met:

- (a) Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
- (b) Pay us the premiums, fees and charges for the policy.
- (c) Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded.
- (d) You must tell us in writing the name of anyone not referred to in this Commitment who has an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.
- (e) We require proof of the corporate existence of the Vestee and its right to do business in Idaho.

For further information regarding this report please contact:

FIRST AMERICAN TITLE COMPANY
1044 NORTHWEST BOULEVARD
P.O. BOX 816
COEUR D'ALENE, IDAHO 83814

PHONE: (208) 667-0567
ESCROW DEPT. FAX: (208) 765-2050
TITLE DEPT. FAX: (208) 765-1376

TITLE OFFICER: Beverly Spencer

ESCROW OFFICER:

PLEASE ACCEPT OUR SINCERE THANKS FOR ALLOWING US TO BE OF SERVICE TO YOU. WE GREATLY APPRECIATE THE FACT THAT YOU HAVE CHOSEN TO DO BUSINESS WITH US; AND IN RETURN, WE PLEDGE OUR CONTINUING EFFORTS TO OFFER YOU THE BEST SERVICE POSSIBLE.

eh



SCHEDULE B - SECTION 2
Exceptions

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction.

PART 1:

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, interests or claims which are not shown 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. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other facts which a correct survey would disclose, and which are not shown by the public records.

5. Unpatented mining claims: reservations or exceptions in patents or in acts authorizing the issuance thereof: water rights, claims, or title to water.

6. Any lien, or right 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 for the year 1998, a lien in the process of assessment not yet due or payable.

8. Covenants, conditions, restrictions and easements contained in the recorded Plat of said subdivision, 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).

9. Electric Line - Right of Way Easement:

Granted to: Kootenai Electric Cooperative, Inc.:
Recorded: February 5, 1963
Book/Page: Book 191, Page 655

10. Easement:

Granted to: The Washington Water Power Company
Recorded: March 12, 1965
Book/Page: Book 200 of Deeds, Page 256



SCHEDULE B - SECTION 2
EXCEPTIONS - continued

11. The Effect of Quitclaim Deed:

Recorded: November 20, 1997
Instrument No.: 1514259

12. The Effect of Quitclaim Deed:

Recorded: June 11, 1997
Instrument No.: 1493563

13. The Effect of Deed of Trust to secure an indebtedness in the principal sum of \$2,216,703.54, and any other amounts and/or obligations secured thereby:

Dated: May 19, 1997
Recorded: June 11, 1997
Instrument No.: 1493564
Grantor: Allied Water, Inc., an Idaho corporation
Trustee: Kootenai County Title Company, Inc.
Beneficiary: Hayden Pines Water Company, an Idaho corporation

14. The Effect of Financing Statement:

Recorded: June 16, 1997
Instrument No.: 1494043
Debtor: Allied Water, Inc., an Idaho Corporation
Secured Party: Hayden Pines Water Company, an Idaho corporation

15. Title to vest in the name of a person or persons to be submitted and when so vested will be subject to matters which may be disclosed by a search of the Records against the name of said person or persons.

16. Question of marital status of party herein named on date of acquiring title. If then joining in execution of forthcoming Instrument, recital therein of the fact will be sufficient; otherwise, present ownership of the community interest of spouse on said date must be determined:

Party: Charles A. Ford

17. Matters as shown on survey:

Instrument No.: 1407271, Book 17, page 168

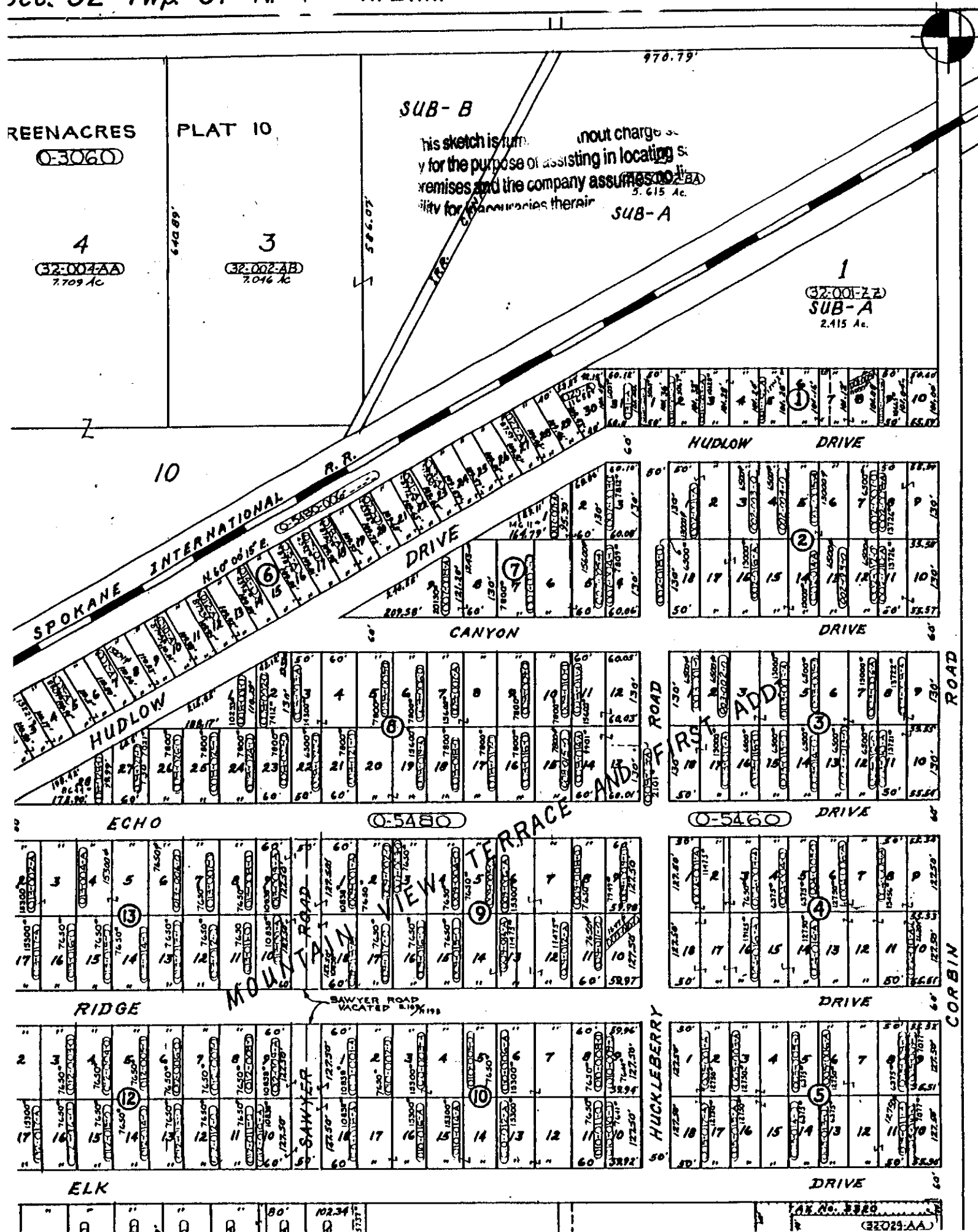
END OF SCHEDULE "B" EXCEPTIONS



ORDER NO. 35822
PAGE NO. 3

NOTES SECTION

1. There is no notice of record and therefore no search has been made for any unpaid assessments, charges or fees for sewer, water, garbage, irrigation, waste disposal fees, and other possible utility services.
2. If the proposed insured under the Policy to issue has any questions concerning the coverage or exclusions from coverage, the Company will be pleased to provide an explanation.
3. In the event that this transaction fails to close, a minimum fee of \$100.00 will be charged to comply with the State Insurance Code.
4. Liens and assessments of the following district and the rights and powers thereof as provided by law, for which we find no delinquencies of record:
District: Greenacres Irrigation District



WATER

RECORD OF REAL ESTATE OWNERSHIP — STATE OF IDAHO

Company Hayden Pines Water Company
(Name)
Seller The Washington Water Power Company
(Name)
County Kootenai
(Name)
Date of Purchase March 29, 1979
Tax Code Area Number 56 Company Map Number C-20766
Company Reference Name Mountain View Terrace Water System
Statement of Intended Use Same as above.

FOR TAX COMMISSION USE

T.C. Ref. No. TCO-28-04-115-1
CLASSIFICATION OF PROPERTY

☒ Operating☐ Non-operating

LEGAL DESCRIPTION OF PROPERTY: (Limit to single section per page where practical)

Lot 13, Block 8, less N 35', Mountain View Terrace,
1st Addition.

Sec.	Twp.	Rge.
32	51	5 W

~~Cancel TCO-28-04-225-1~~

COPY