



Community Title, LLC

**Agent for  
Old Republic National Title Insurance Company  
COMMITMENT FOR TITLE INSURANCE**

**REPORT # 1**

**Title Officer: Carolyn Carlson  
Schedule A**

1. Effective Date: April 6, 2010 at 8:00 a.m. Commitment No. 20502-JF

2. Policy or policies to be issued:

(a) ALTA Owner's Policy 6/17/2006  
Proposed Insured:

Amount \$To Be Determined  
Premium: \$To Be Determined  
Credit Already Deducted from Premium   
Credit Amount: \$ (if applicable)

To Be Determined

(b) ALTA Loan Policy 6/17/2006  
Proposed Insured:

Amount \$To Be Determined  
Premium: \$To Be Determined  
Credit Already Deducted from Premium   
Credit Amount: \$ (if applicable)  
End: \$ / S.I.: \$75.00

To Be Determined

(c) STD Loan Policy 6/17/2006  
Proposed Insured:

Amount \$  
Premium: \$  
Credit Already Deducted from Premium   
Credit Amount: \$ (if applicable)

3. Title to the fee simple estate or interest in the land described or referred to in this Commitment is at the effective date hereof vested in:

Mountain West Bank

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

A parcel of land located in a portion of Section 30, Township 63 North, Range 2 East, Boise Meridian, Boundary County, Idaho, more particularly described as follows:

Commencing at the standard quarter corner on the West line of said Section 30 (the East quarter corner of said Section 25, Township 63 North, Range 1 East);

Thence along said West line of Section 30 (East line of said Section 25) South 00°10'16" East 852.89 feet to the TRUE POINT OF BEGINNING;

Thence South 83°14'02" East, 290.19 feet;

Thence South 90°00'00" East 408.84 feet to the Mean High Water Line of Smith Lake;

Thence along said Mean High Water line the following two courses:

1. South 00°58'31" East, 132.34 feet;
2. South 09°09'40" West, 87.77 feet to the South line of Government Lot 3 of said Section 30;

Thence along said South line of Government Lot 3 North 89°46'46" West, 684.54 feet to the Southwest corner thereof (S1/16 Corner);

Thence along the West line of Government Lot 3 North 00°10'16" West, 250.52 feet to the TRUE POINT OF BEGINNING.

LESS the County Road Right of Way.

AND

A parcel of land located in a portion of Section 25, Township 63 North, Range 1 East, Boise Meridian, Boundary County, Idaho, more particularly described as follows:

Commencing at the standard quarter corner on the West line of said Section 30 (the East quarter corner of said Section 25, Township 63 North, Range 1 East);

Thence along said West line of Section 30 (East line of said Section 25) South 00°10'16" East 852.89 feet to the TRUE POINT OF BEGINNING.

Thence continuing South 00°10'16" East, 250.52 feet to the South 1/16 corner of said Section 30 (Southwest corner of Government Lot 3);

Thence North 89°46'46" West along a prolongation of the South line of said Government Lot 3, 167.99 feet;

Thence North 89°47'13" West, 332.75 feet;

Thence South 00°00'17" East, 275.77 feet;

Thence North 39°53'47" West, 844.62 feet;

Thence South 83°14'02" East, 1049.01 feet to the TRUE POINT OF BEGINNING.

LESS the County Road Right of Way.

# COMMITMENT FOR TITLE INSURANCE

## Schedule B - Part I (Requirements)

Commitment No. 20502-JF

The following are the requirements to be met:

- A. Pay the agreed amounts for the interest in the land and/or 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 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 will get an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.
- E. NOTE:

IN THE EVENT THAT THIS TRANSACTION FAILS TO CLOSE, A FEE WILL BE CHARGED TO COMPLY WITH THE STATE INSURANCE CODE.

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 AND OTHER POSSIBLE UTILITY SERVICES.

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

- F. GENERAL TAXES FOR THE YEAR 2009 WERE PAID IN THE AMOUNT OF \$418.46, BILLING NO. 9277, RP 63N01E257505 A.
- G. GENERAL TAXES FOR THE YEAR 2009 WERE PAID IN THE AMOUNT OF \$447.78, BILLING NO. 9725, RP 63N02E305705 A.

# COMMITMENT FOR TITLE INSURANCE

## Schedule B - Part II (Exceptions)

Commitment No. 20502-JF

Schedule B of the policy or policies to be issued will contain the 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 for value of record the estate or interest or mortgage thereon covered by this Commitment.
2. Taxes or assessments which are not now payable or 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 notice of such proceedings, whether or not shown by the records of such agency or the public record.
3. Any facts, rights, interest 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, or claiming to be in possession thereof.
4. Easements, liens, encumbrances, or claims of easements, liens or encumbrances, which are not shown by the public records.
5. 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.
6. Unpatented mining claims, reservations or exceptions in patents or in acts authorizing the issuance thereof; Indian treaty or aboriginal rights, including but not limited to, easements or equitable servitudes, water rights, or claims or title to water.
7. 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.
8. Any service, installation, connection, maintenance, or construction charges for sewer, water, electricity or garbage.
9. GENERAL TAXES FOR THE YEAR 2010, A LIEN IN THE PROCESS OF ASSESSMENT, NOT YET DUE OR PAYABLE.
10. EASEMENT AND CONDITIONS THEREOF RESERVED BY INSTRUMENT:  
IN FAVOR OF: NORTHERN PACIFIC RAILWAY COMPANY  
FOR: PUBLIC ROADS  
AFFECTS: SECTION 25  
RECORDED: SEPTEMBER 9, 1905  
INSTRUMENT NO.: 14237  
BOOK/PAGE: 10 OF DEEDS/PAGE 549
11. EASEMENT AND CONDITIONS CONTAINED THEREIN:  
RECORDED: MARCH 7, 1950  
INSTRUMENT NO.: 55839  
BOOK/PAGE: 27 OF DEEDS/PAGE 233  
IN FAVOR OF: CHARLES THURMON  
FOR: ROAD PURPOSES  
AFFECTS: SECTION 25

12. MATTERS SET FORTH ON THE RECORD OF SURVEY RECORDED JULY 23, 1985, AS INSTRUMENT NO. 147775, IN BOOK 1 OF SURVEYS, PAGE 281, RECORDS OF BOUNDARY COUNTY, IDAHO.
13. MATTERS SET FORTH ON THE RECORD OF SURVEY RECORDED JANUARY 12, 1999, AS INSTRUMENT NO. 192304, IN BOOK 4 OF SURVEYS, PAGE 46, RECORDS OF BOUNDARY COUNTY, IDAHO.
14. RESERVATIONS AND/OR EXCEPTIONS CONTAINED IN INSTRUMENT:  
RECORDED: JULY 8, 2005  
DISCLOSED BY: DEED  
INSTRUMENT NO.: 221394  
AFFECTS: SUBJECT PROPERTY  
FOR: WATER STORAGE AND WATER RIGHTS OF THE SELLER, NIXON, INC., AN IDAHO CORPORATION, LOCATED ON SMITH LAKE, AND DOWNSTREAM RESERVOIR LOCATED PRIMARILY IN THE SECTION 36 PARCEL ABOVE.
15. EASEMENT AND CONDITIONS THEREOF RESERVED BY INSTRUMENT:  
IN FAVOR OF: ROBERT J. NIXON, ETAL  
FOR: INGRESS, EGRESS FOR MAINTENANCE, OPERATION AND REPAIR OF WATER COURSE, INCLUDING PIPES FROM SMITH LAKE AND TO WATERWAYS  
AFFECTS: SUBJECT PROPERTY  
RECORDED: JULY 8, 2005  
INSTRUMENT NO.: 221395
16. COVENANTS, CONDITIONS, RESERVATIONS AND/OR EXCEPTIONS UNDER THE TERMS AND PROVISIONS SET FORTH THEREIN:  
DISCLOSED BY: DEED  
RECORDED: JULY 8, 2005  
INSTRUMENT NO.: 221395  
AS FOLLOWS: SELLER OR ASSIGNEE RESERVE THE WATER RIGHTS FROM SMITH LAKE AND THE DOWN STREAM MAN MADE LAKE, COMMONLY KNOWN AS DEER LAKE SWAMP, HISTORICALLY OBTAINED BY NIXON, INC.
17. EASEMENT AND CONDITIONS CONTAINED THEREIN:  
RECORDED: AUGUST 2, 2006  
INSTRUMENT NO.: 227761  
IN FAVOR OF: JOHN T. MARSHALL  
FOR: INGRESS, EGRESS AND UTILITIES 60 FEET IN WIDTH  
  
RE-RECORDED AS INSTRUMENT NO. 227947, AUGUST 15, 2006
18. MATTERS SET FORTH ON THE RECORD OF SURVEY RECORDED AUGUST 2, 2006, AS INSTRUMENT NO. 227763, RECORDS OF BOUNDARY COUNTY, IDAHO.  
  
AND REVISED AUGUST 15, 2006 AS INSTRUMENT NO. 227948 IN BOOK 6 OF SURVEYS, PAGE 88.
19. MATTERS SET FORTH ON THE RECORD OF SURVEY RECORDED AUGUST 2, 2006, AS INSTRUMENT NO. 227764, RECORDS OF BOUNDARY COUNTY, IDAHO.  
  
AND REVISED AUGUST 15, 2006, AS INSTRUMENT NO. 227949 IN BOOK 6 OF SURVEYS, PAGE 89
20. MATTERS SET FORTH ON THE RECORD OF SURVEY RECORDED JANUARY 24, 2007, AS INSTRUMENT NO. 230523, RECORDS OF BOUNDARY COUNTY, IDAHO.
21. COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS AND/OR EXCEPTIONS CONTAINED IN INSTRUMENT, BUT OMITTING ANY COVENANT, CONDITION OR RESTRICTION, IF ANY, BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS OR NATIONAL ORIGIN UNLESS AND ONLY TO THE EXTENT THAT THE COVENANT, CONDITIONS OR RESTRICTIONS (a) IS EXEMPT UNDER

TITLE 42 OF THE UNITED STATES CODE, OR (b) RELATES TO HANDICAP, BUT DOES NOT DISCRIMINATE AGAINST HANDICAPPED PERSONS:

DISCLOSED BY: DEED

RECORDED: AUGUST 18, 2006

INSTRUMENT NO.: 227993

AS FOLLOWS: IT IS THE INTENT OF THE FOLLOWING DESCRIPTION TO REPRESENT A SINGLE PARCEL. THESE DESCRIPTIONS ARE SEPARATED FOR TAX PARCEL NUMBERS ONLY.

AFFECTS: SUBJECT PROPERTY

22. QUESTION OF LOCATION OF LATERAL BOUNDARIES OF SAID SMITH LAKE.
23. RIGHT OF THE STATE OF IDAHO IN AND TO THAT PORTION, IF ANY, OF THE PROPERTY HEREIN DESCRIBED, WHICH LIES BELOW THE LINE OF ORDINARY HIGH WATER OF SMITH LAKE.
24. RIGHT IN THE GENERAL PUBLIC TO THE UNRESTRICTED USE OF ALL THE WATERS OF A NAVIGABLE BODY OF WATER NOT ONLY FOR THE PRIMARY PURPOSE OF NAVIGATION, BUT ALSO FOR COROLLARY PURPOSES; INCLUDING BUT NOT LIMITED TO FISHING, BOATING, BATHING, SWIMMING, WATER SKIING AND OTHER RELATED RECREATIONAL PURPOSES, AS THOSE WATERS MAY AFFECT THE SHORELAND OR ADJOINING UPLANDS AND WHETHER THE LEVEL OF THE WATER HAS BEEN RAISED NATURALLY OR ARTIFICIALLY TO A MAINTAINED OR FLUCTUATING LEVEL, ALL AS FURTHER DEFINED BY THE DECISIONAL LAW OF THIS STATE. (AFFECTS ALL OF THE PREMISES SUBJECT TO SUCH SUBMERGENCE)
25. THE REQUIREMENT THAT SATISFACTORY EVIDENCE BE PROVIDED TO THIS COMPANY PRIOR TO THE CLOSE OF ESCROW TO SUBSTANTIATE THE AUTHORIZATION OF THE SIGNATORIES TO EXECUTE DOCUMENTS IN CONNECTION WITH THIS TRANSACTION OF BEHALF OF MOUNTAIN WEST BANK.

This commitment is not an abstract, examination, report or representation of fact or title and does not create and shall not be the basis of any claim for negligence, negligent misrepresentation or other tort claim or action. The sole liability of company and its title insurance agent shall arise under and be governed by Paragraph 3 of the conditions.

NOTE: The policy of insurance may contain a clause permitting arbitration of claims at the request of either the Insured or the Company. Upon request, the Company will provide a copy of this clause and the accompanying arbitration rules prior to the closing of the transaction.

**END OF SCHEDULE B**

**Typist Initials: CAC**

**Title Officer Initials: CC**