

PLAT

S

RECEPTION # 200432811360 DATE 11-23-04

PLAT FILE # 8-1-39 ABST# 1965 PLAT DATE 10-17-04

FEES 15⁵⁰ CODE BTE CONSENT YES

PLAT NAME BITTERROOT ESTATES

ACRES 25.72

SURVEYOR DAWN MAEQUARDT LOTS 21

OWNER HERITAGE HOME & PROPERTIES LLC

DESCRIPTION NW 14-27-24

ASSESSOR # 0663625 0970589

OTHER _____

2004328 11360

Plat Room
Flathead County, Montana
800 S. Main St.
Kalispell, MT 59901
(406) 758-5510

This Form is for Subdivisions & Condominiums Only

updated by 11/1/04

BY: Marquardt

FOR: Heritage Home's Properties LLC DATE 7-22-04

DESCP: Bitterroot Estates PURPOSE Sub
(TRS 1/5H in 14-27-24)

YEARS

ASSESSOR #

2000 THRU 2003

0663625
0970589

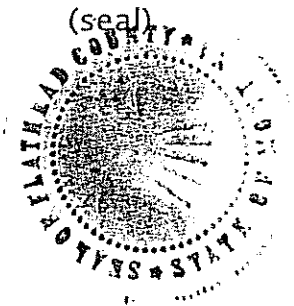
2004 & TO DATE

same

I hereby certify that there are no outstanding taxes on the property assigned the assessor numbers listed above, for the years indicated for each assessor number.

NOV 16 2004

Shelley Stone
Deputy Treasurer



2004328 11360

Health Department Checklist for Survey Attachments

Owner Heritage Home, # Prop. Surveyor Marg.

Legal description Bitterroot Estates

Bitterroot Est

The following document must accompany this survey as required by the Montana Sanitation in Subdivisions Act.

Parcels/Lots 1-21 subject to review. Montana Department of Environmental Quality (MDEQ) Certificate of Subdivision Approval is required.

Municipal Facilities Exclusion Certification from MDEQ indicating that this subdivision is in compliance with the requirements of the Sanitation in Subdivision Act is required.

Boundary Line Adjustment Parcel(s) _____ subject to review. MDEQ Certificate of Subdivision Approval is required.

County Health Department memorandum only required.

Agricultural Use Covenant Documentation from the owner and the County Commissioners indicating the covenant has been removed.

No Health Department documents are required.

Signed Steve Gray Date 7/23/04

2004328 1136 0

STATE OF MONTANA
DEPARTMENT OF ENVIRONMENTAL QUALITY
CERTIFICATE OF SUBDIVISION APPROVAL
(Section 76-4-101 et seq., MCA)

To: Clerk and Recorder
Flathead County
Kalispell, MT

EQ # 04-2199

THIS IS TO CERTIFY THAT the plans and supplemental information relating to the subdivision known as Bitterroot Estates Phase 2 (Lots 1-5 & 18-21) located in the NE1/4NW1/4, Section 14, T27N, R24W, Flathead County, Montana,

consisting of 9 lots have been reviewed by personnel of the Permitting and Compliance Division, and,

THAT the documents and data required by ARM Chapter 17, Section 36, have been submitted and found to be in compliance therewith, and,

THAT approval of the PLAT is made with the understanding that the following conditions shall be met:

THAT each parcel size as indicated on the PLAT to be filed with the County Clerk and Recorder will not be further altered without approval, and,

THAT each parcel shall be used for one single family dwelling, and,

THAT each individual water system will consist of a well drilled to a minimum depth of 25 feet constructed in accordance with the criteria established in Title 17, Chapter 36, Sub-chapters 1, 3 & 6 ARM and the most current standards of the Department of Environmental Quality, and,

THAT data provided indicates an acceptable water source at a depth of approximately 100 feet, and,

THAT each individual sewage treatment system will consist of a septic tank and subsurface drainfield of such size and description as will comply with Flathead City-County Regulations for Sewage Treatment Systems and Title 17, Chapter 36, Sub-chapters 1, 3 & 6 ARM before construction is started, and,

THAT each subsurface drainfield shall have an absorption area of sufficient size to provide 170 square feet per bedroom, and,

THAT the bottom of the drainfield shall be at least four feet above the water table, and,

THAT no sewage treatment system shall be constructed within 100 feet of the maximum high water level of a 100 year flood of any stream, lake, watercourse or irrigation ditch, nor within 100 feet of any domestic water supply source, and,

THAT the water supply, sewage treatment systems and storm drainage systems will be located as shown on the approved plans, and,

2004328 11360

THAT when the existing water supply on Lots 1&2 are in need of extensive repairs or replacement, it shall be replaced by a well drilled to a minimum depth of 25 feet constructed in accordance with the criteria established in Title 17, Chapter 36, Sub-chapters 1, 3 & 6 ARM and the most current standards of the Department of Environmental Quality, and,

THAT when the existing sewage treatment system on Lots 1&2 are in need of extensive repairs or replacement, it shall be replaced by a septic tank and subsurface drainfield of such size and description as will comply with Flathead City-County Regulations for Sewage Treatment Systems and Title 17, Chapter 36, Sub-chapters 1, 3 & 6 ARM before construction is started, and,

THAT all sanitary facilities must be located as shown on the attached lot layout, and,

THAT the developer and/or owner of record shall provide any purchaser of the property with a copy of the PLAT, approved location of water supply and sewage treatment system and a copy of this document, and,

THAT instruments of transfer for this property shall contain reference to these conditions, and,

THAT plans and specifications for any proposed sewage treatment systems will be reviewed and approved by the county health department and will comply with local regulations and ARM, Title 17, Chapter 36, Subchapters 3 and 9, before construction is started.

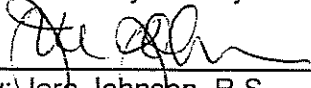
THAT departure from any criteria set forth in the approved plans and specifications and Title 17, Chapter 36, Sub-Chapters 1, 3 & 6 ARM when erecting a structure and appurtenant facilities in said subdivision without Department approval is grounds for injunction by the Department of Environmental Quality.

Pursuant to Section 76-4-122(2)(a), MCA, a person must obtain the approval of both the reviewing authority under Title 76, Chapter 4, MCA, and local Board of Health under section 50-2-116(1)(i), before filing a subdivision plat with the County Clerk and Recorder.

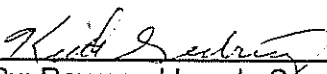
YOU ARE REQUESTED to record this certificate by attaching it to the PLAT filed in your office as required by law.

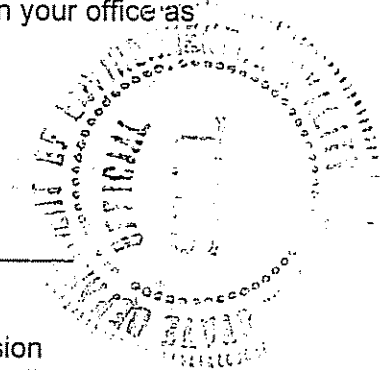
DATED this 27th day of April, 2004

Flathead City-County Health Officer


By: Jere Johnson, R.S.
Environmental Health Specialist

Jan P. Sensibaugh, Director


By: Raymond Lazuk, Supervisor
for Subdivision Review Section
Permitting and Compliance Division
Department of Environmental Quality



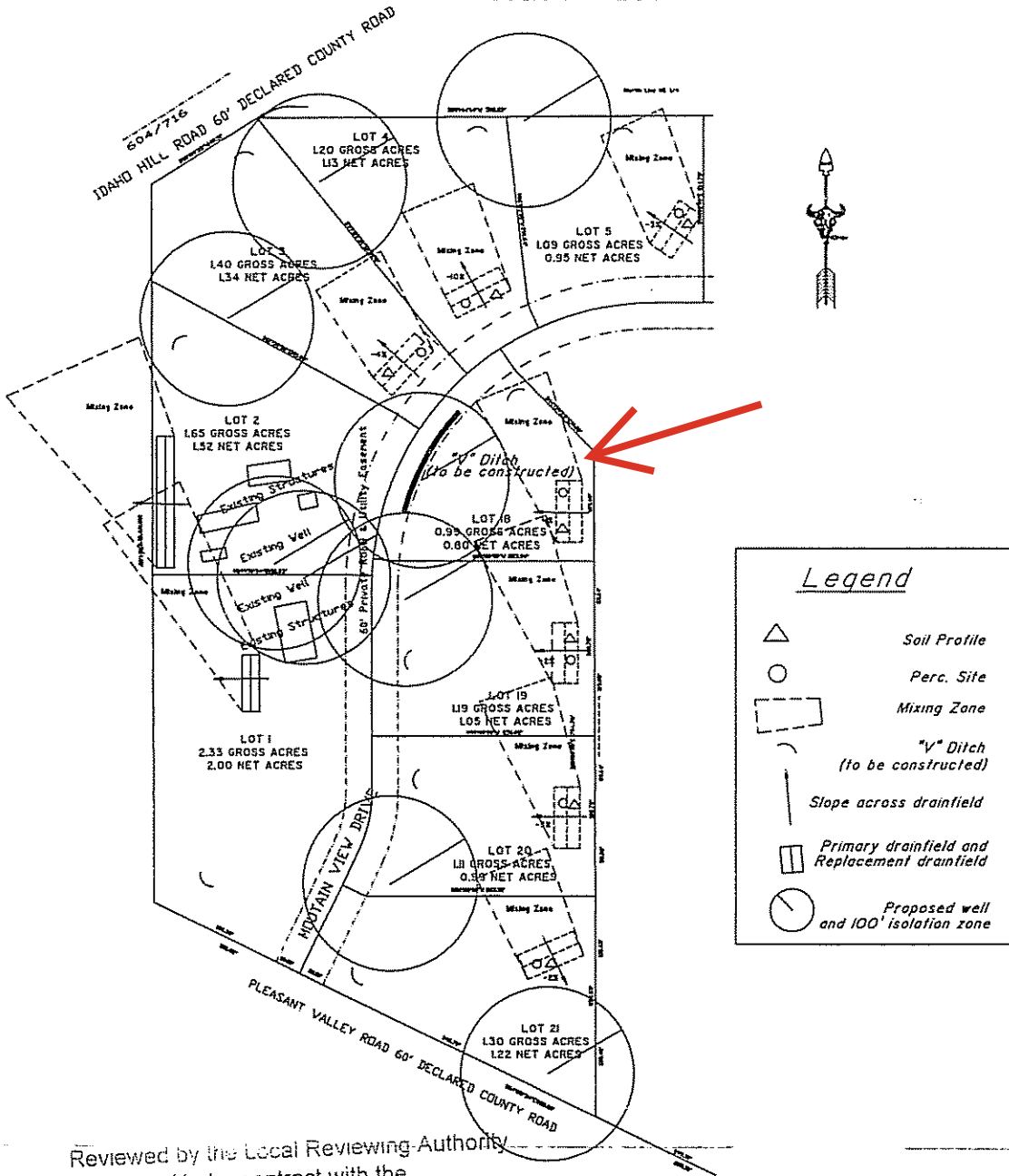
Co. No. 04/94
Owner's Name: Mark Leatzow

2004328 11360

SITE PLAN
Bitterroot Estates, PH 2
NE 1/4, NW 1/4, SECTION 14, T. 27 N., R. 24 W.
PRINCIPAL MERIDIAN, FLATHEAD COUNTY, MONTANA



Scale 1" = 200'



Reviewed by the Local Reviewing Authority
Under contract with the
Department of Environmental Quality/PCD
Local Reviewer: [Signature] Date: 4/27/04

Accepted under contract
DEQ Representative: [Signature] Date: 5/6/04

RECEIVED

APR 27 2004

MT DEQ PUBLIC WATER & SUBDIVISIONS BUREAU

2004328 11360

STATE OF MONTANA
DEPARTMENT OF ENVIRONMENTAL QUALITY
CERTIFICATE OF SUBDIVISION APPROVAL
(Section 76-4-101 et seq., MCA)

To: Clerk and Recorder
Flathead County
Kalispell, MT

EQ # 04-2200

THIS IS TO CERTIFY THAT the plans and supplemental information relating to the subdivision known as Bitterroot Estates Phase 1 (Lots 6-17) located in the NE1/4NW1/4, Section 14, T27N, R24W, Flathead County, Montana,

consisting of 12 lots have been reviewed by personnel of the Permitting and Compliance Division, and,

THAT the documents and data required by ARM Chapter 17, Section 36, have been submitted and found to be in compliance therewith, and,

THAT approval of the PLAT is made with the understanding that the following conditions shall be met:

THAT each parcel size as indicated on the PLAT to be filed with the County Clerk and Recorder will not be further altered without approval, and,

THAT each parcel shall be used for one single family dwelling, and,

THAT each individual water system will consist of a well drilled to a minimum depth of 25 feet constructed in accordance with the criteria established in Title 17, Chapter 36, Sub-chapters 1, 3 & 6 ARM and the most current standards of the Department of Environmental Quality, and,

THAT data provided indicates an acceptable water source at a depth of approximately 100 feet, and,

THAT each individual sewage treatment system will consist of a septic tank and subsurface drainfield of such size and description as will comply with Flathead City-County Regulations for Sewage Treatment Systems and Title 17, Chapter 36, Sub-chapters 1, 3 & 6 ARM before construction is started, and,

THAT each subsurface drainfield shall have an absorption area of sufficient size to provide 170 square feet per bedroom, and,

THAT the bottom of the drainfield shall be at least four feet above the water table, and,

THAT no sewage treatment system shall be constructed within 100 feet of the maximum high water level of a 100 year flood of any stream, lake, watercourse or irrigation ditch, nor within 100 feet of any domestic water supply source, and,

THAT the water supply, sewage treatment systems and storm drainage systems will be located as shown on the approved plans, and,

2004328 11360

THAT all sanitary facilities must be located as shown on the attached lot layout, and,

THAT the developer and/or owner of record shall provide any purchaser of the property with a copy of the PLAT, approved location of water supply and sewage treatment system and a copy of this document, and,

THAT instruments of transfer for this property shall contain reference to these conditions, and,

THAT plans and specifications for any proposed sewage treatment systems will be reviewed and approved by the county health department and will comply with local regulations and ARM, Title 17, Chapter 36, Subchapters 3 and 9, before construction is started.

THAT departure from any criteria set forth in the approved plans and specifications and Title 17, Chapter 36, Sub-Chapters 1, 3 & 6 ARM when erecting a structure and appurtenant facilities in said subdivision without Department approval is grounds for injunction by the Department of Environmental Quality.

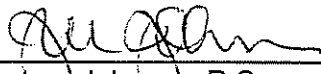
Pursuant to Section 76-4-122(2)(a), MCA, a person must obtain the approval of both the reviewing authority under Title 76, Chapter 4, MCA, and local Board of Health under section 50-2-116(1)(i), before filing a subdivision plat with the County Clerk and Recorder.

YOU ARE REQUESTED to record this certificate by attaching it to the PLAT filed in your office as required by law.

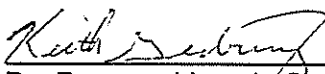
DATED this 27th day of April, 2004

Flathead City-County Health Officer

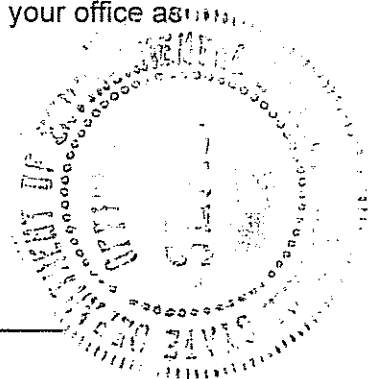
Jan P. Sensibaugh, Director



By: Jere Johnson, R.S.
Environmental Health Specialist



for By: Raymond Lazuk, Supervisor
Subdivision Review Section
Permitting and Compliance Division
Department of Environmental Quality

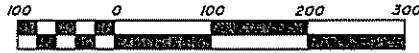


Co. No. 04/93
Owner's Name: Mark Leatzow

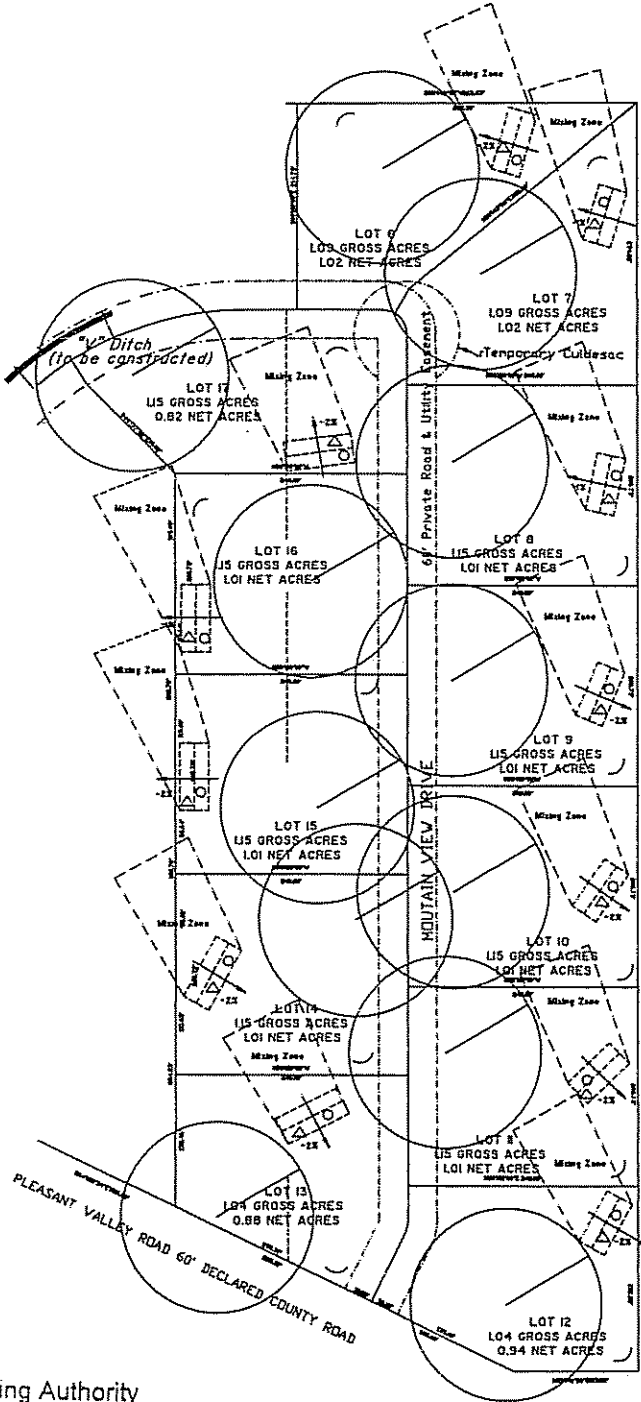
SITE PLAN

Bitterroot Estates, PH 1

NE 1/4, NW 1/4, SECTION 14, T. 27 N., R. 24 W.
PRINCIPAL MERIDIAN, FLATHEAD COUNTY, MONTANA



Scale 1" = 200'



Legend

- Soil Profile
- Perc. Site
- Mixing Zone
- "V" Ditch (to be constructed)
- Slope across drainfield
- Primary drainfield and Replacement drainfield
- Proposed well and 100' isolation zone

Reviewed by the Local Reviewing Authority
Under contract with the
Department of Environmental Quality/PCD
Local Reviewer [Signature] Date 4/27/09

Accepted under contract
DEQ Representative [Signature] Date 5/6/09

RECEIVED

MT DEQ PUBLIC WATER & SUBDIVISIONS BUREAU

2004328 11360

CONSENT TO PLATTING

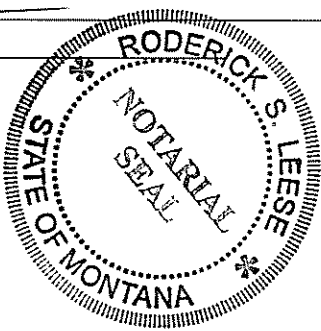
Pursuant to Section 76-3-612, MCA, the undersigned, WEST ONE BANK, Beneficiary as recorded July 2, 2004 as Document No. 2004-184-13120 records of Flathead County, Montana, hereby consent to platting and dedication of land included in the plat of BITTERROOT ESTATES.

IN WITNESS WHEREOF, said parties have caused their names to be subscribed thereto, on this 17th day of August, 2004.

West One Bank

Timothy A. Severson

Title: Co



STATE OF MONTANA)
 : ss.
County of Flathead)

This instrument was acknowledged before me on August 17, 2004
by Timothy A Severson, of West One Bank.

Roderick S. Leese
Notary Public for the State of Montana
Residing at Kalispell
My Commission expires 10/20/2005

2004328 11360

STATE OF MONTANA
COUNTY OF FLATHEAD

FILED Nov 23 2004

Paula Robinson 11:36
CLERK AND RECORDER
Z. M. [Signature] DEPUTY
\$ 15.50 -00 PAID

Abst 1965
8-1-39



CITIZENS TITLE & ESCROW CO.
P.O. Box 1310 (59903-1310)
704 South Main
Kalispell, MT 59901
(406) 752-5388
Fax: (406) 752-9617

Agent For
First American Title Insurance Company

GUARANTEE



First American Title Insurance Company

BY Charles Edmund
Validating Signatory

H 358941

SCHEDULE OF EXCLUSIONS FROM COVERAGE OF THIS GUARANTEE

1. *Except to the extent* that specific assurances are provided in Schedule A of this Guarantee, the Company assumes no liability for loss or damage by reason of the following:
 - (a) Defects, liens, encumbrances, adverse claims or other matters against the title, whether or not shown by the public records.
 - (b) (1) Taxes or assessments of any taxing authority that levies taxes or assessments on real property; or, (2) Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not the matters excluded under (1) or (2) are shown by the records of the taxing authority or by the public records.
 - (c) (1) Unpatented mining claims; (2) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (3) water rights, claims or title to water, whether or not the matters excluded under (1), (2) or (3) are shown by the public records.
2. *Notwithstanding* any specific assurances which are provided in Schedule A of this Guarantee, the Company assumes no liability for loss or damage by reason of the following:
 - (a) Defects, liens, encumbrances, adverse claims or other matters affecting the title to any property beyond the lines of the land expressly described in the description set forth in Schedule (A), (C) or in Part 2 of this Guarantee, or title to streets, roads, avenues, lanes, ways or waterways to which such land abuts, or the right to maintain therein vaults, tunnels, ramps or any structure or improvements; or any rights or easements therein, unless such property, rights or easements are expressly and specifically set forth in said description.
 - (b) Defects, liens, encumbrances, adverse claims or other matters, whether or not shown by the public records; (1) which are created, suffered, assumed or agreed to by one or more of the Assureds; (2) which result in no loss to the Assured; or (3) which do not result in the invalidity or potential invalidity of any judicial or non-judicial proceeding which is within the scope and purpose of the assurances provided.
 - (c) The identity of any party shown or referred to in Schedule A.
 - (d) The validity, legal effect or priority of any matter shown or referred to in this Guarantee.

GUARANTEE CONDITIONS AND STIPULATIONS**1. Definition of Terms.**

The following terms when used in the Guarantee mean:

- (a) the "Assured": the party or parties named as the Assured in this Guarantee, or on a supplemental writing executed by the Company.
- (b) "land": the land described or referred to in Schedule (A)(C) or in Part 2, and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule (A)(C) or in Part 2, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways.
- (c) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.
- (d) "public records": records established under state statutes at Date of Guarantee for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge.
- (e) "date": the effective date.

2. Notice of Claim to be Given by Assured Claimant.

An Assured shall notify the Company promptly in writing in case knowledge shall come to an Assured hereunder of any claim of title or interest which is adverse to the title to the estate or interest, as stated herein, and which might cause loss or damage for which the Company may be liable by virtue of this Guarantee. If prompt notice shall not be given to the Company, then all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any Assured under this Guarantee unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

3. No Duty to Defend or Prosecute.

The Company shall have no duty to defend or prosecute any action or proceeding to which the Assured is a party, notwithstanding the nature of any allegation in such action or proceeding.

4. Company's Option to Defend or Prosecute Actions; Duty of Assured Claimant to Cooperate.

Even though the Company has no duty to defend or prosecute as set forth in Paragraph 3 above:

- (a) The Company shall have the right, at its sole option and cost, to institute and prosecute any action or proceeding, interpose a defense, as limited in (b), or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest as stated herein, or to establish the lien rights of the Assured, or to prevent or reduce loss or damage to the Assured. The Company may take any appropriate action under the terms of this Guarantee, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this Guarantee. If the Company shall exercise its rights under this paragraph, it shall do so diligently.

(b) If the Company elects to exercise its options as stated in Paragraph 4(a) the Company shall have the right to select counsel of its choice (subject to the right of such Assured to object for reasonable cause) to represent the Assured and shall not be liable for and will not pay the fees of any other counsel, nor will the Company pay any fees, costs or expenses incurred by an Assured in the defense of those causes of action which allege matters not covered by this Guarantee.

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

(d) In all cases where this Guarantee permits the Company to prosecute or provide for the defense of any action or proceeding, an Assured shall secure to the Company the right to so prosecute or provide for the defense of any action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of such Assured for this purpose. Whenever requested by the Company, an Assured, at the Company's expense, shall give the Company all reasonable aid in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or lawful act which, in the opinion of the Company

may be necessary or desirable to establish the title to the estate or interest as stated herein, or to establish the lien rights of the Assured. If the Company is prejudiced by the failure of the Assured to furnish the required cooperation, the Company's obligations to the Assured under the Guarantee shall terminate.

5. Proof of Loss or Damage.

In addition to and after the notices required under Section 2 of these Conditions and Stipulations have been provided to the Company, a proof of loss or damage signed and sworn to by the Assured shall be furnished to the Company within ninety (90) days after the Assured shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the matters covered by this Guarantee which constitute the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of the Assured to provide the required proof of loss or damage, the Company's obligation to such Assured under the Guarantee shall terminate. In addition, the Assured may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Guarantee, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Assured shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the Assured provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Assured to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required

FILE NO.: CT-81914

2004328 11360

CT-81914
H 358941

FEE: \$125.00

SUBDIVISION OR PROPOSED SUBDIVISION: Bitterroot Estates

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE LIMITS OF LIABILITY, AND OTHER PROVISIONS OF THE CONDITIONS AND STIPULATIONS HERETO ANNEXED AND MADE A PART OF THIS GUARANTEE, FIRST AMERICAN TITLE INSURANCE COMPANY, A CORPORATION, HEREIN CALLED THE COMPANY GUARANTEES:

Marquardt & Marquardt Surveying

FOR THE PURPOSE OF AIDING ITS COMPLIANCE WITH FLATHEAD COUNTY SUBDIVISION REGULATIONS, IN A SUM NOT EXCEEDING \$5,000.00.

THAT according to those public records which, under the recording laws of the State of Montana, impart constructive notice of matters affecting the title to the lands described as follows:

That portion of the Northeast 1/4 of the Northwest 1/4, Section 14, Township 27 North, Range 24 West, P.M.M., Flathead County, Montana described as follows:

Beginning at the Northeast corner of Tract 2 as shown on Certificate of Survey No. 6224, which point is on the North line of the Northwest 1/4, Section 14; thence along said North line South 89°46'52" West 363.43 feet and South 89°44'14" West 502.29 feet to the Southeasterly line of Idaho Hill Road; thence along the Southeasterly line of the road South 58°09'33" West 143.51 feet to the West line of the Northeast 1/4 of the Northwest 1/4; thence along the West line of the Northeast 1/4 of the Northwest 1/4 South 00°09'51" East 824.86 feet to the Northerly line of Pleasant Valley Road; thence along the Northerly line of the road South 64°05'34" East 955.80 feet to the South line of the Northeast 1/4 of the Northwest 1/4; thence along said South line North 89°41'56" East 129.91 feet; thence North 00°11'26" West 1321.20 feet to the Point of Beginning.

THE ABOVE DESCRIBED TRACT OF LAND IS TO BE KNOWN AND DESIGNATED AS:

Bitterroot Estates

Continued...

(1) Parties having record title interest in said lands whose signatures are necessary under the requirements of Flathead County Subdivision Regulations on the certificates consenting to the recordation of Plats and offering for dedication any streets, roads, avenues and other easements offered for dedication by said Plat are:

Heritage Home and Properties, LLC - Vested Party
West One Bank - Beneficiary

(2) Parties holding liens or encumbrances on the title to said lands are:

1. General and special county taxes for the year 2004, a lien not yet payable.

NOTE: General and special county taxes for the year 2003 and all prior years have been paid in full.

(3) Easements, claims of easements and restrictions agreement of record are:

1. Possible easement created by Notice of appropriation of Water Right recorded August 20, 1902, in Book 71, Page 17, records of Flathead County, Montana to divert the waters of a certain creek by means of a dam and ditch.

2. Abandoned Burlington Railroad right-of-way along the Southerly portion of insured premises, as disclosed by available county maps.

3. Easement for electric transmission and distribution line granted to Flathead Electric Cooperative, Inc., recorded August 10, 1981, in Book 722, Page 503, as Doc. No. 10957, records of Flathead County, Montana.

4. The effect of restrictions contained in Certificate of Subdivision Plat Approval recorded with Certificate of Survey No. 6224, records of Flathead County, Montana.

5. Easement to place, construct, operate, repair, maintain, relocate and replace an electric transmission or distribution line or system granted to Flathead Electric Cooperative, Inc., recorded March 26, 2002, in Book as Doc. No. 2002-085-13530, records of Flathead County, Montana. (AFFECTS: Tract 1)

6. County road rights-of-way not recorded and indexed as a conveyance in the office of the Clerk and Recorder pursuant to title 70, chapter 21, M.C.A.

7. 60' declared County Road (Pleasant Valley Road) as disclosed on the proposed Plat of Bitterroot Estates.

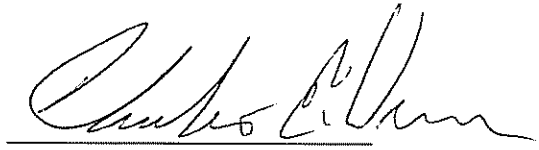
Continued...

2004328 1136 0

- 8. Plat Notes as disclosed on the proposed Plat of Bitterroot Estates.
- 9. 60' private road and utility easement as disclosed on the proposed Plat of Bitterroot Estates.
- 10. 60' declared County Road (Idaho Hill Road) as disclosed on the proposed Plat of Bitterroot Estates, records of Flathead County, Montana.
- 11. Construction Mortgage dated June 23, 2004 to secure an indebtedness in the principal sum of
 AMOUNT : \$400,000.00, and any other amounts and/or obligations secured thereby.
 RECORDED : July 2, 2004, as Doc. No. 2004-184-13120, records of Flathead County, Montana.
 MORTGAGOR : Heritage Homes And Properties, LLC
 MORTGAGEE : West One Bank

The above described property is located within and subject to the jurisdiction of the Marion Fire District.

DATED: September 16, 2004 at 8:00 A.M.

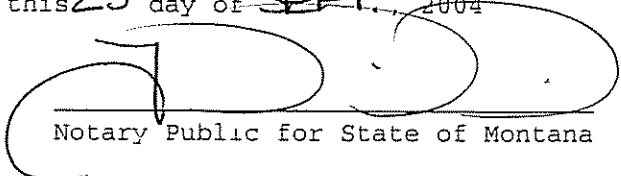


Subscribed and sworn to before me this 23RD day of SEPT., 2004

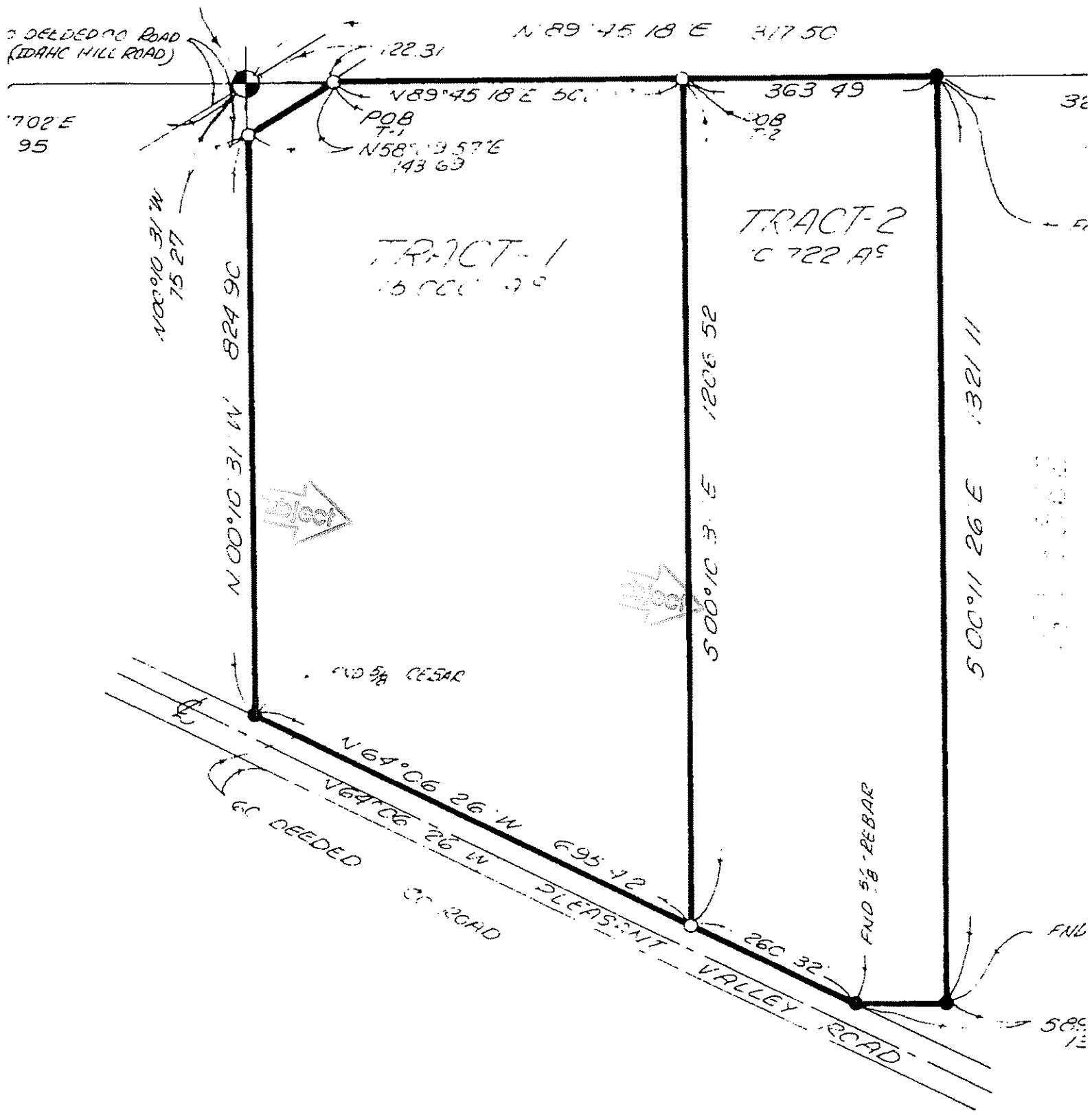


T. W. GIGRICH
NOTARY PUBLIC-MONTANA
Residing at Kalispell, Montana

My Comm. Expires July 25, 2008 THE END


Notary Public for State of Montana

2004328 11360



COS 6224

2004328 11360

IDAHO HILL RD 60' DECL

2D+ Subject

5H Subject

5E 604/716

604/717

577/613

68' DECLARED

DENVER

TOP OF THE HILL

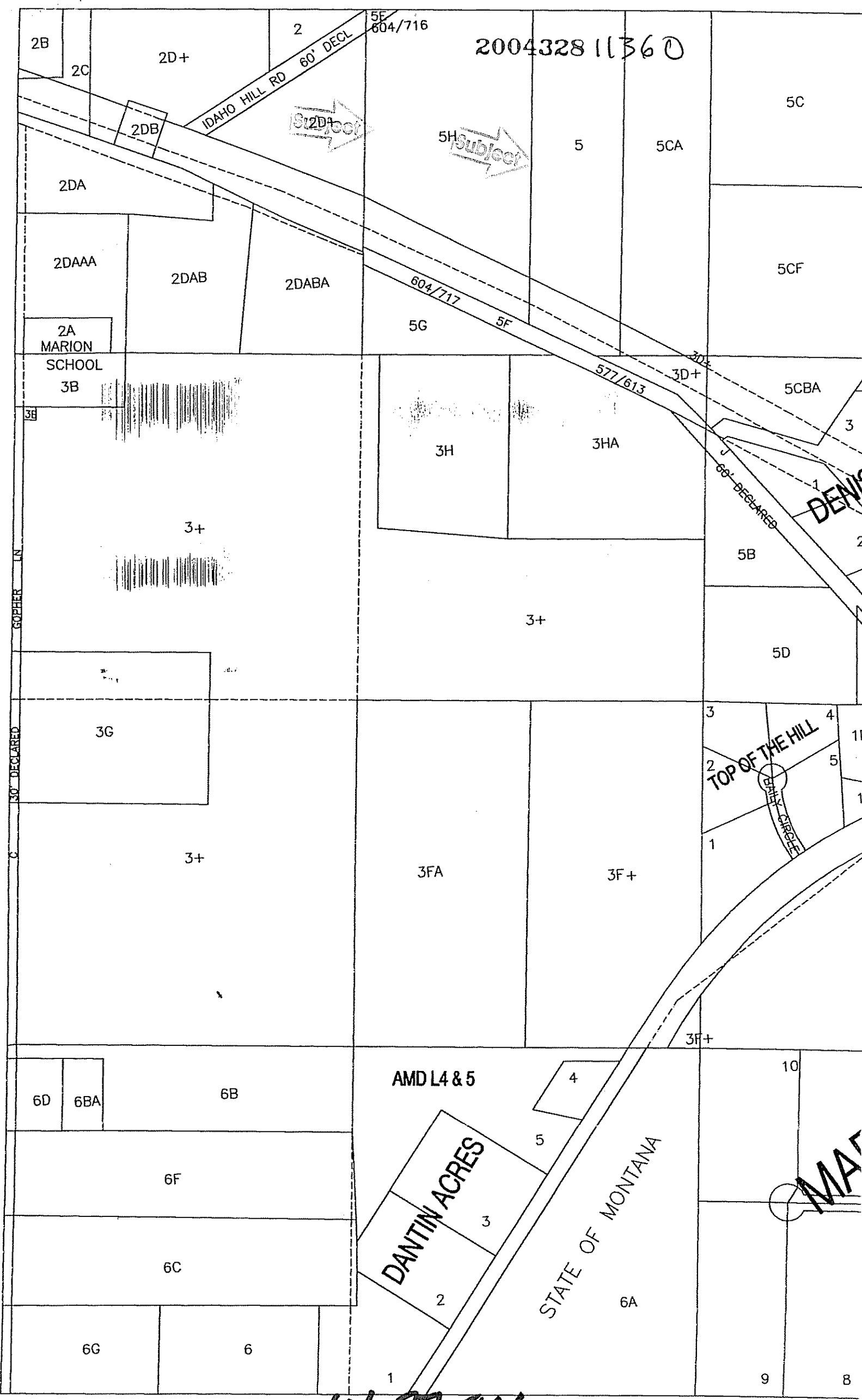
MAP

AMD L4 & 5

DANTIN ACRES

STATE OF MONTANA

14-27-24



to the Assured shall not exceed the least of:

(a) the amount of liability stated in Schedule A or in Part 2;

(b) the amount of the unpaid principal indebtedness secured by the mortgage of an Assured mortgagee, as limited or provided under Section 6 of these Conditions and Stipulations or as reduced under Section 9 of these Conditions and Stipulations, at the time the loss or damage assured against by this Guarantee occurs, together with interest thereon; or

(c) the difference between the value of the estate or interest covered hereby as stated herein and the value of the estate or interest subject to any defect, lien or encumbrance assured against by this Guarantee.

8. Limitation of Liability.

(a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures any other matter assured against by this Guarantee in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.

(b) In the event of any litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title, as stated herein.

(c) The Company shall not be liable for loss or damage to any Assured for liability voluntarily assumed by the Assured in settling any claim or suit without the prior written consent of the Company.

9. Reduction of Liability or Termination of Liability.

All payments under this Guarantee, except payments made for costs, attorneys' fees and expenses pursuant to Paragraph 4 shall reduce the amount of liability pro tanto.

10. Payment of Loss.

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

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

11. Subrogation Upon Payment or Settlement.

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

The Company shall be subrogated to and be entitled to all rights and remedies which the Assured would have had against any person or property in respect to the claim had this Guarantee not been issued. If requested by the Company, the Assured shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The Assured shall permit the Company to sue, compromise or settle in the name of the Assured and to use the name of the Assured in any transaction or litigation involving these rights or remedies.

(5 continued).

in the above paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this Guarantee to the Assured for that claim.

6. Options to Pay or Otherwise Settle Claims: Termination of Liability.

In case of a claim under this Guarantee, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Liability or to Purchase the Indebtedness.

The Company shall have the option to pay or settle or compromise for or in the name of the Assured any claim which could result in loss to the Assured within the coverage of this Guarantee, or to pay the full amount of this Guarantee or, if this Guarantee is issued for the benefit of a holder of a mortgage or a lienholder, the Company shall have the option to purchase the indebtedness secured by said mortgage or said lien for the amount owing thereon, together with any costs, reasonable attorneys' fees and expenses incurred by the Assured claimant which were authorized by the Company up to the time of purchase.

Such purchase, payment or tender of payment of the full amount of the Guarantee shall terminate all liability of the Company hereunder. In the event after notice of claim has been given to the Company by the Assured the Company offers to purchase said indebtedness, the owner of such indebtedness shall transfer and assign said indebtedness, together with any collateral security, to the Company upon payment of the purchase price.

Upon the exercise by the Company of the option provided for in Paragraph (a) the Company's obligation to the Assured under this Guarantee for the claimed loss or damage, other than to make the payment required in that paragraph, shall terminate, including any obligation to continue the defense or prosecution of any litigation for which the Company has exercised its options under Paragraph 4, and the Guarantee shall be surrendered to the Company for cancellation.

(b) To Pay or Otherwise Settle With Parties Other Than the Assured or With the Assured Claimant.

To pay or otherwise settle with other parties for or in the name of an Assured claimant any claim assured against under this Guarantee, together with any costs, attorneys' fees and expenses incurred by the Assured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of the option provided for in Paragraph (b) the Company's obligation to the Assured under this Guarantee for the claimed loss or damage, other than to make the payment required in that paragraph, shall terminate, including any obligation to continue the defense or prosecution of any litigation for which the Company has exercised its options under Paragraph 4.

7. Determination and Extent of Liability.

This Guarantee is a contract of Indemnity against actual monetary loss or damage sustained or incurred by the Assured claimant who has suffered loss or damage by reason of reliance upon the assurances set forth in this Guarantee and only to the extent herein described, and subject to the Exclusions From Coverage of This Guarantee.

The liability of the Company under this Guarantee

If a payment on account of a claim does not fully cover the loss of the Assured the Company shall be subrogated to all rights and remedies of the Assured after the Assured shall have recovered its principal, interest, and costs of collection.

12. Arbitration.

Unless prohibited by applicable law, either the Company or the Assured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Assured arising out of or relating to this Guarantee, any service of the Company in connection with its issuance or the breach of a Guarantee provision or other obligation. All arbitrable matters when the Amount of Liability is \$1,000,000 or less shall be arbitrated at the option of either the Company or the Assured. All arbitrable matters when the amount of liability is in excess of \$1,000,000 shall be arbitrated only when agreed to by both the Company and the Assured. The Rules in effect at Date of Guarantee shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permits a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

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

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

13. Liability Limited to This Guarantee; Guarantee Entire Contract.

(a) This Guarantee together with all endorsements, if any, attached hereto by the Company is the entire Guarantee and contract between the Assured and the Company. In interpreting any provision of this Guarantee, this Guarantee shall be construed as a whole.

(b) Any claim of loss or damage, whether or not based on negligence, or any action asserting such claim, shall be restricted to this Guarantee.

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

14. Notices, Where Sent.

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this Guarantee and shall be addressed to the Company at 114 East Fifth Street, Santa Ana, California 92701.