

CHICAGO TITLE INSURANCE COMPANY

Policy No. 72156-46568858

GUARANTEE

CHICAGO TITLE INSURANCE COMPANY, a Florida corporation, herein called the Company, guarantees the Assured against actual loss not exceeding the liability amount stated in Schedule A which the Assured shall sustain by reason of any incorrectness in the assurances set forth in Schedule A.

1. No guarantee is given nor liability assumed with respect to the identity of any party named or referred to in Schedule A or with respect to the validity, legal effect or priority of any matter shown therein.
2. The Company's liability hereunder shall be limited to the amount of actual loss sustained by the Assured because of reliance upon the assurance herein set forth, but in no event shall the Company's liability exceed the liability amount set forth in Schedule A.

PLEASE NOTE CAREFULLY THE LIABILITY EXCLUSIONS AND LIMITATIONS AND THE SPECIFIC ASSURANCES AFFORDED BY THIS GUARANTEE. IF YOU WISH ADDITIONAL LIABILITY, OR ASSURANCES OTHER THAN AS CONTAINED HEREIN, PLEASE CONTACT THE COMPANY FOR FURTHER INFORMATION AS TO THE AVAILABILITY AND COST.

Dated: July 13, 2018

Issued by:

AmeriTitle, Inc.

101 W Fifth

Ellensburg, WA 98926

(509)925-1477



Authorized Signer

CHICAGO TITLE INSURANCE COMPANY



By:



President

ATTEST



Secretary

Note: This endorsement shall not be valid or binding until countersigned by an authorized signatory.

Subdivision Guarantee Policy Number: 72156-46568858

AMENDED SUBDIVISION GUARANTEE

Order No.: 249548AM

Guarantee No.: 72156-46568858

Dated: July 13, 2018

Liability: \$1,000.00

Fee: \$350.00

Tax: \$29.05

Assured: Swauk Valley Ranch LLC

The assurances referred to on the face page are:

That, according to those public records with, under the recording laws, impart constructive notice of matters relative to the following described real property:

The North Half of the Northwest Quarter, the Southeast Quarter of the Northwest Quarter, and the Southwest Quarter of the Northeast Quarter of Section 20, Township 19 North, Range 17 East, W.M., in the County of Kittitas, State of Washington;

TOGETHER WITH:

The South 895.00 feet of the West 950.00 feet of the Southwest Quarter of the Southwest Quarter of Section 17, Township 19 North, Range 17 East, W.M., in the County of Kittitas, State of Washington;

EXCEPT:

1. A strip of land 100 feet in width across the Southeast Quarter of the Northwest Quarter of said Section 20, conveyed by M.C. Ballard and Minnie F. Ballard, his wife, to the Chicago, Milwaukee, and St. Paul Railway Company, by deed recorded October 1, 1907 in Book 16 of Deeds, page 222, under Auditor's File No. 19639;

2. That portion of the Southwest Quarter of the Northeast Quarter of said Section 20 contained within the description of Deed recorded June 6, 1923, under Auditor's File No. 69790, Book 39 of Deeds, page 43, conveyed by Marion Moore and Frances Moore to Cascade Lumber Company.

3. That portion within the Southwest Quarter of the Northeast Quarter of said Section 20 conveyed to the United States of America by deed recorded September 16, 1931, in Book 49 of Deeds, page 549, under Auditor's File No. 106652, described as follows:

Beginning at a point within the Southwest Quarter of the northeast Quarter of said Section 20, which point is South 37°38" West, 3348.0 feet from the Northeast corner of said Section 20; thence North 3°40' East, 398.0 feet; thence North 86°20' West, 198.6 feet; thence South 12°20' West, 275.0 feet, thence South 32°03' East, 173.0 feet; thence South 88°43' East, 126.1 feet to the point of beginning.

4. Those portions conveyed to the State of Washington for highway by deeds recorded November 16, 1928, October 27, 1930, May 12, 1931, July 10, 1939, and July 13, 1953 in Book 47 of Deeds, page 28, Book 49 of Deeds, page 60, Book 49 of Deeds, page 385, Book 61 of Deeds, page 231, and Book 92 of Deeds, pages 107 and 109, under Auditor's File No. 93163, 102841, 105134, 148158, 238539 and 238542, respectively.

5. Right-of-way for Burlington Northern Railroad.

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6. Any rights-of-way for Kittitas Reclamation District as indicated by acquisition blueprints for the Southwest Quarter of the Northeast Quarter.

Title to said real property is vested in:

Swauk Valley Ranch, LLC, a Washington limited liability company

END OF SCHEDULE A

(SCHEDULE B)

Order No: 249548AM
Policy No: 72156-46568858

Subject to the matters shown below under Exceptions, which Exceptions are not necessarily shown in the order of their priority.

EXCEPTIONS:

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. Unpatented mining claims; reservations or exceptions in the United States Patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
3. Title to any property beyond the lines of the real property expressly described herein, or title to streets, roads, avenues, lanes, ways or waterways on which such real property abuts, or the right to maintain therein vaults, tunnels, ramps, or any other structure or improvement; or any rights or easements therein unless such property, rights or easements are expressly and specifically set forth in said description.
4. Any lien for service, installation, connection, maintenance, tap, capacity or construction or similar charges for sewer, water, electricity, natural gas or other utilities, or for garbage collection and disposal not shown by the Public Records
5. Indian tribal codes or regulations, Indian treaty or aboriginal rights, including easements or equitable servitudes.
6. General Taxes and Assessments – total due may include fire patrol assessment, weed levy assessment and/or irrigation assessment, if any. Taxes noted below do not include any interest or penalties which may be due after delinquency.

Note: Tax year runs January through December with the first half becoming delinquent May 1st and second half delinquent November 1st if not paid. For most current tax information or tax printouts visit: <http://taxsifter.co.kittitas.wa.us> or call their office at (509) 962-7535.

Tax Year: 2018
Tax Type: County
Total Annual Tax: \$291.49
Tax ID #: 207734
Taxing Entity: Kittitas County Treasurer
First Installment: \$145.75
First Installment Status: Paid
First Installment Due/Paid Date: April 30, 2018
Second Installment: \$145.74
Second Installment Status: Paid
Second Installment Due/Paid Date: October 31, 2018
Affects: Portion of said premises

7. Tax Year: 2018
Tax Type: County
Subdivision Guarantee Policy Number: 72156-46568858

Total Annual Tax: \$3,225.24
Tax ID #: 960274
Taxing Entity: Kittitas County Treasurer
First Installment: \$1,612.62
First Installment Status: Paid
First Installment Due/Paid Date: April 30, 2018
Second Installment: \$1,612.62
Second Installment Status: Due
Second Installment Due/Paid Date: October 31, 2018
Affects: Portion of said premises

8. This property is currently classified under the Open Space Taxation Statute R.C.W. 84.34. Sale of this property without notice of compliance to the county Assessor will cause a supplemental assessment, interest, and penalty to be assessed against the seller/transferor.

Note: If it is the intent of the buyer/transferee in this transaction to request a continuance of this classification, please contact the Kittitas County Assessor's Office at (509) 962-7501 for their requirements.

9. Possibility of unpaid assessments levied by the Kittitas Reclamation District, notice of which is given by an amendatory contract recorded in Book 82 of Deeds, page 69, under Kittitas County Auditor's File No. 208267, no search having been made therefore.

To obtain assessment information, please contact the Kittitas Reclamation District: 509-925-6158.

10. Waiver of damages affecting said Section 20, contained in deed from M.C. Ballard and Minnie F. Ballard, his wife, to Chicago, Milwaukee, and St. Paul Railway Company, dated May 31, 1907, and recorded October 1, 1907, in Book 16 of Deeds, page 222, under Auditor's File No. 19639, as follows:

"Said grantors hereby release all damages and claims thereto to all their other lands, by reason of or occasioned by the location, construction, maintenance and operation of a railway over and upon the premises hereby conveyed. And said grantors covenant and agree that said grants are upon no other consideration than that named herein, that neither said Railway Company nor its agents have made any agreement, promise, or condition, verbal or written, for or relating to any crossing, passageway, or other privilege over, across or under said railway and that the right thereto shall be only that conferred by statute, or by an instrument in writing under the corporate seal of said railway company."

Affects: Portion of said premises

11. Easement, and the terms and conditions thereof, affecting a portion of said premises and for the purposes hereinafter stated, as conveyed by instrument recorded on May 17, 1913, in Book 25 of Deeds, Page 596, under Kittitas County Auditor's File No. 34941.

In favor of: Northern Pacific Railway Company, a corporation

For: A spur track or siding

Affects: A strip of land 16 feet in width, being 8 feet on each side of the center line of the certain spur track or siding which is now located or may be located and constructed across the Southwest Quarter of the Northeast Quarter of said Section 20 together with the right to enter upon the lands of the grantor adjoining said premises for the purpose of constructing, maintaining and operating said track or tracks.

Said easement further provides "that should the grantee cease to use said premises for railway purposes, and remove its rails therefrom, the same shall revert to the grantor."

12. Easement, and the terms and conditions thereof, affecting a portion of said premises and for the purposes hereinafter stated, as conveyed by instrument recorded on February 13, 1914, in Book 26 of Deeds, Page 385, under Kittitas County Auditor's File No. 36920.

In favor of: Northern Pacific Railway Company, a corporation

Subdivision Guarantee Policy Number: 72156-46568858

For: A spur track or siding across part of Section 20

Affects: A strip of land 16 feet in width, being 8 feet on each side of the center line of the certain spur track or siding which is now located or may be located and constructed across the Southwest Quarter of the Northeast Quarter of said Section 20, together with the right to enter upon the lands of the grantor adjoining said premises for the purpose of constructing, maintaining and operating said track or tracks.

Said easement further provides "that should the grantee cease to use said premises for railway purposes, and remove its rails therefrom, the same shall revert to the grantor."

13. An easement including the terms and provisions thereof for the purpose shown below and rights incidental thereto as set forth in instrument:
Granted To: United States of America
Purpose: An access road
Recorded: October 7, 1958
Instrument No.: 272507
Book 103 of Deeds, Page 145
Affects: The West Half of Section 17 and the Northeast Quarter of the Northwest Quarter and the Southwest Quarter of the Northeast Quarter of Section 20 and other land
14. An easement including the terms and provisions thereof for the purpose shown below and rights incidental thereto as set forth in instrument:
Granted To: United States of America
Purpose: Maintenance, repair and rebuilding of a roadway
Recorded: August 1, 1958
Instrument No.: 271474
Book 102, Page 545
Affects: 14 foot strip of land in the Southwest Quarter of the Southwest Quarter of Section 17 and a portion of the North Half of the Northwest Quarter of Section 20
15. Pendency of Yakima County Superior Court Cause No. 77-2-01484-5, State of Washington, Department of Ecology, Plaintiff, vs. James J. Acquavella, et al, Defendants; notice of which is given by Lis Pendens recorded on October 14, 1977, in Volume 90, page 589, under Kittitas County recording number 417302, and supplemental notice of Lis Pendens recorded June 4, 1980, in Volume 131, page 63, under Auditor's File No. 442263; being an action for the determination of the rights to divert, withdraw, or otherwise make use of the surface waters of the Yakima River Drainage Basin, in accordance with the provisions of Chapters 90.03 and 90.44 Revised Code of Washington.

(Attorney for Plaintiff: Charles B. Roe, Jr., Senior Assistant Attorney General)
NOTE: The policy/policies to be issued include(s) as one of the printed exceptions to coverage: "Water rights, claims or title to water" as set forth as Paragraph 6C, or 5C if Homeowner's Policy, in the general exceptions which are printed on Schedule B herein. The pending action involves such water rights and therefore, will not be set forth as a separate exception in said policy/policies
16. Declaration of Protective Well Covenant, and the terms and conditions thereof, executed by Swauk Valley Ranches, LLC, dated September 20, 2010, recorded October 7, 2010, under Auditor's File No. 201010070003.
Affects: Section 17
17. Restrictive Covenant for protection of well and water works, and the terms and conditions thereof, dated September 20, 2010, recorded October 7, 2010, under Auditor's File No. 201010070004.
Affects: Section 17
18. An easement including the terms and provisions thereof for the purpose shown below and rights incidental thereto as set forth in instrument:
Granted To: Puget Sound Energy, Inc., a Washington corporation
Purpose: To construct, operate, maintain, repair, replace, improve, remove, and enlarge one or more utility systems

Recorded: October 30, 2012
Instrument No.: 201210300011
Affects: Section 20

19. Any rights, interests, or claims which may exist or arise by reason of the following matters(s) disclosed by survey,
Recorded: August 16, 2017
Book: 41 of Surveys, Pages: 7 through 9
Instrument No.: 201708160048
Matters shown:
a) Notes contained thereon
20. Rights of the State of Washington in and to that portion of said premises, if any, lying in the bed or former bed of the Swauk Creek, if it is navigable.
21. Any question of location, boundary or area related to the Swauk Creek, including, but not limited to, any past or future changes in it.
22. Rights of the State of Washington in and to that portion of said premises, if any, lying in the bed or former bed of the Yakima River, if it is navigable.
23. Any question of location, boundary or area related to the Yakima River, including, but not limited to, any past or future changes in it.
24. Any prohibition or limitation on the use, occupancy, or improvements of the Land resulting from the rights of the public, appropriators, or riparian owners to use any waters, which may now cover the Land or to use any portion of the Land which is now or may formerly have been covered by water.

END OF EXCEPTIONS

Notes:

Any map or sketch enclosed as an attachment herewith is furnished for information purposes only to assist in property location with reference to streets and other parcels. No representation is made as to accuracy and the company assumes no liability for any loss occurring by reason of reliance

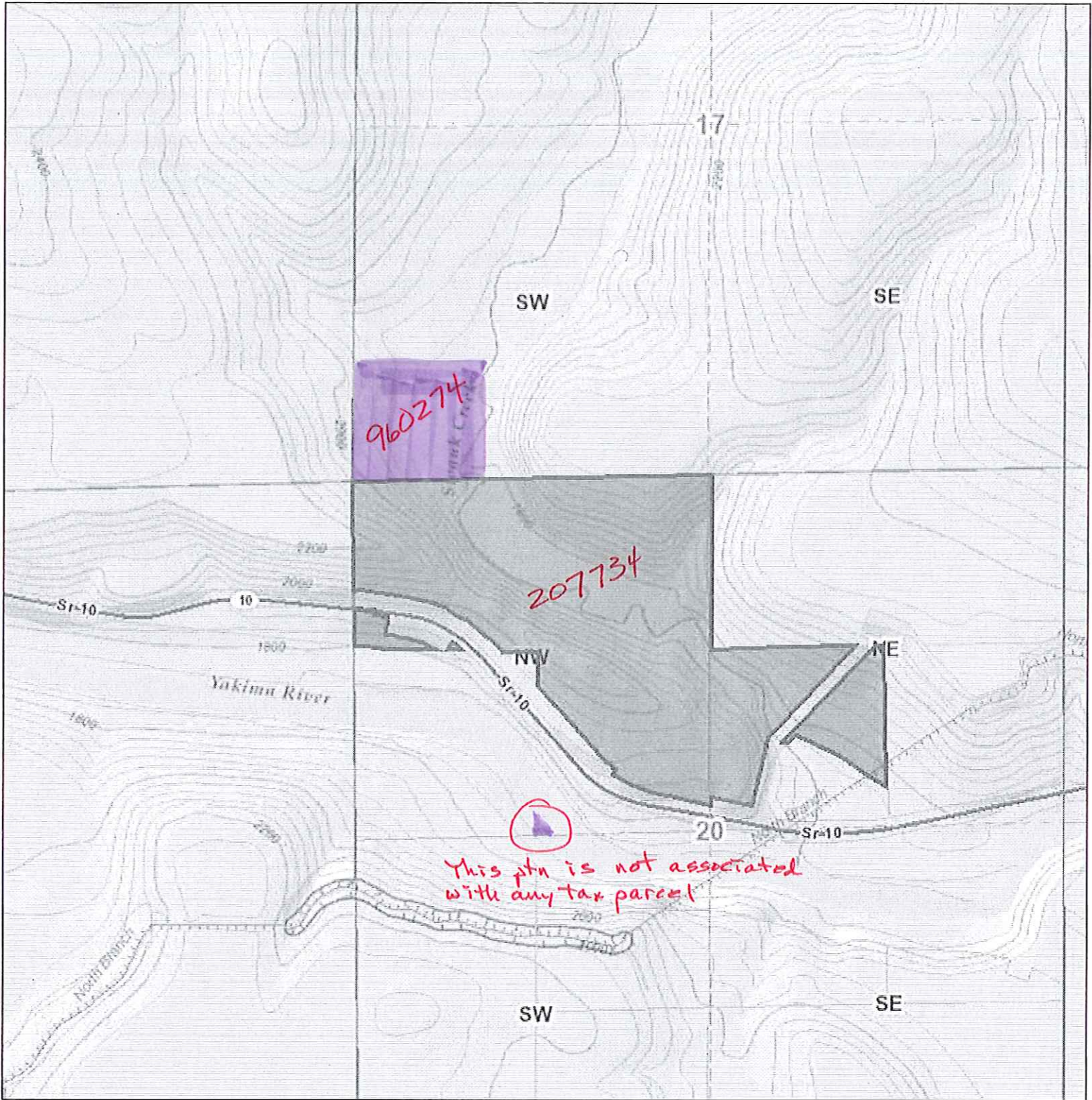
thereon.

All documents recorded in Washington State must include an abbreviated legal description and tax parcel number on the first page of the document. The abbreviated description for this property is: Ptn SE Quarter of the NW Quarter of Section 20, Township 19N, Range 17E, W.M. and Tracts 1 and 2, Book 41 of Surveys, pgs 7-9, under ptns Sections 17 and 20, Township 19N, Range 17E, W.M.

NOTE: In the event any contracts, liens, mortgages, judgments, etc. which may be set forth herein are not paid off and released in full, prior to or immediately following the recording of the forthcoming plat (short plat), this Company will require any parties holding the beneficial interest in any such matters to join in on the platting and dedication provisions of the said plat (short plat) to guarantee the insurability of any lots or parcels created thereon. We are unwilling to assume the risk involved created by the possibility that any matters dedicated to the public, or the plat (short plat) in its entirety, could be rendered void by a foreclosure action of any such underlying matter if said beneficial party has not joined in on the plat (short plat).

END OF GUARANTEE

Kittitas County COMPAS Map



Date: 7/24/2018

1 inch = 1,505 feet
Relative Scale 1:18,056

Disclaimer:

Kittitas County makes every effort to produce and publish the most current and accurate information possible. No warranties, expressed or implied, are provided for the data, its use, or its interpretation. Kittitas County does not guarantee the accuracy of the material contained herein and is not responsible for any use, misuse or representations by others regarding this information or its derivatives.

