

TO: Jim Deusch
Bill Dodd

FROM: Bill Binek

DATE: March 18, 2008

RE: Determination of potentially lienable properties relating to the Williams County Road 9 Phase III AML project based on review of Ownership and Encumbrance Reports Nos. WCAC 1 through 17, prepared by the Williams County Abstract Company. The properties involved are residential lots located in Sections 7 and 8 Township 154 North, Range 100 West of the 5th P.M., Williams County, North Dakota

I have reviewed the Ownership and Encumbrance Reports covering the above described properties. Titles to the properties are vested in the following named parties on the effective dates noted.

WCAC 1

Record Title Owner: Charles A. Dusell (Deceased). Contact Lavina Domagala, Co-Personal Representative, First National Bank and Trust Company of Williston.

Record: TOWNSHIP 154 NORTH OF RANGE 100 WEST OF THE 5TH P.M.

Section 7: Sublot 3, according to the recorded Plat on file in the Office of the County Recorder, recorded as Doc. #558959.

Date title was acquired: July 14, 1982 and March 20, 1983. – Warranty Deeds

Easements: Easements of record to: Williams Rural Water Association for water main and appurtenances; Montana-Dakota Utilities Co. for electric transmission and/or distribution line or system; Northwestern Bell Telephone Company, its successors and assigns, for a communications system; and Williams County for a roadway easement over property lying 75 feet west and adjacent to the east section line road of Section 7.

Mortgages and Liens: None.

Other Encumbrances: None.

Property status: Potentially lienable because property was acquired subsequent to May 2, 1977.

WCAC 2

Record Title Owner: Richard J. Nichols, a/k/a Rick J. Nichols.

Record: TOWNSHIP 154 NORTH OF RANGE 100 WEST OF THE 5TH P.M.

Section 7: A parcel of land located in the S1/2W1/2NE1/4SE1/4 described as follows: Commencing at the Southwest corner of the said S1/2W1/2NE1/4SE1/4, thence South 89 degrees, 57 minutes East a distance of 34.11 feet to the point of beginning; thence North 0 degrees, 03 minutes West a distance of 208.70 feet; thence South 89 degrees, 57 minutes East a distance of 447.40 feet; thence South 0 degrees, 03 minutes East a distance of 180.04 feet; thence North 89 degrees, 57 minutes West a distance of 208.70 feet; thence South 0 degrees, 03 minutes East a distance of 29.21 feet to a point on the South line of said S1/2W1/2NE1/4SE1/4; thence North 89 degrees, 57 minutes West along said South line a distance of 238.70 feet to the point of beginning, containing an

area of 2.00 acres, more or less, including a 30 foot road easement lying West of and adjacent to the East boundary of the above described land.

Date title was acquired: September 7, 1994.

Easements: Easements of record to: Williams Rural Water Association for water main and appurtenances; Montana-Dakota Utilities Co. for electric transmission and/or distribution line or system; and James M. Smithberg granting access to property by a 30 foot strip running east-west to section line. There is also a 30 foot road easement lying West of and adjacent to the East boundary of the described property.

Mortgages and Liens: Mortgage from Richard J. Nichols, as single person, to Gate City Bank in the amount of \$143,200.00.

Other Encumbrances: None

Property status: Potentially lienable because property was acquired subsequent to May 2, 1977.

WCAC 3

Record Title Owner: Jeff L Kihle

Record: TOWNSHIP 154 NORTH OF RANGE 100 WEST OF THE 5TH P.M.

Section 7: Section 7: Commencing at the section corner common to Sections 7, 8, 17 and 18, Township 154 North, Range 100 West, Williams County, North Dakota described as follows: Proceed North 0 degrees 03 minutes West along the Section line 1318.7 feet to the southeast corner of the northeast quarter of the southeast quarter of said section 7; thence North 89 degrees 57 minutes West a distance of 561.84 feet; thence North 0 degrees 03 minutes West a distance of 30 feet to the true point of beginning of the parcel herein described; thence North 89 degrees 57 minutes west 278.14 feet; thence North 0 degrees 03 minutes West 156.50 feet; thence South 89 degrees 57 minutes East 278.14 feet; thence South 0 degrees 03 minutes East 156.50 to the true point of beginning. Said parcel contains 1.00 acres, more or less.

Date title was acquired: March 1, 1989.

Easements: Easements of record to: Williams Rural Water Association for water main and appurtenances; Montana-Dakota Utilities Co. for electric transmission and/or distribution line or system; Northwestern Bell Telephone Company, its successors and assigns, for a communications system; and James M. Smithberg granting access to property by a 30 foot strip running east-west to section line.

Mortgages and Liens: None

Other Encumbrances: None

Property status: Potentially lienable because property was acquired subsequent to May 2, 1977.

WCAC 4A

Record Title Owner: James A. Kihle

Record: TOWNSHIP 154 NORTH OF RANGE 100 WEST OF THE 5TH P.M.

Section 7: Commencing at the section corner common to Sections 7, 8, 17 and 18, Township 154 North, Range 100 West, Williams County, North Dakota described as follows: Proceed North 0 degrees 03 minutes West along the Section line 1318.7 feet to the southeast corner of the northeast quarter of the southeast quarter of said section 7; thence North 89 degrees 57 minutes West a distance of 561.84 feet; thence North 0 degrees 03 minutes West a distance of 186.50 feet to the true point of beginning of the parcel herein described; thence North 89 degrees 57 minutes west 278.14 feet; thence

North 0 degrees 03 minutes West 156.50 feet; thence South 89 degrees 57 minutes East 278.14 feet; thence South 0 degrees 03 minutes East 156.50 to the true point of beginning. Said parcel contains 1.00 acres, more or less.

Date title was acquired: March 30, 1083.

Easements: Easements of record to: Williams Rural Water Association for water main and appurtenances; Montana-Dakota Utilities Co. for electric transmission and/or distribution line or system; and James M. Smithberg granting access to property by a 30 foot strip running east-west to section line.

Mortgages and Liens: Mortgage from James A. Kihle and Teri L. Kihle, husband and wife, to First National Bank and Trust Company of Williston in the amount of \$10,000.00.

Other Encumbrances: None

Property status: Potentially lienable because property was acquired subsequent to May 2, 1977.

WCAC 4B

Record Title Owner: James Kihle and Teri L. Kihle, as joint tenants.

Record: TOWNSHIP 154 NORTH OF RANGE 100 WEST OF THE 5TH P.M.

Section 7: Sublot 1 located in the N1/2SE1/4 according to the recorded Plat on file in the Office of the County Recorder, recorded as Doc. #628796.

Date title was acquired: November 10, 2005

Easements: Easements of record to: Williams Rural Water Association for water main and appurtenances; Montana-Dakota Utilities Co. for electric transmission and/or distribution line or system; Williams Electric Co-operative, Inc. for an electrical line; and James M. Smithberg granting access to property by a 30 foot strip running east-west to section line.

Mortgages and Liens: None.

Other Encumbrances: None

Property status: Potentially lienable because property was acquired subsequent to May 2, 1977.

WCAC 4C

Record Title Owner: James A. Kihle and Teri L. Kihle, as joint tenants.

Record: TOWNSHIP 154 NORTH OF RANGE 100 WEST OF THE 5TH P.M.

Section 7: A parcel of land located in the W1/2S1/2NE1/4SE1/4 described as follows: Commencing at the Southwest corner of the said W1/2S1/2NE1/4SE1/4; thence proceed along the south line of the said W1/2S1/2NE1/4SE1/4 a distance of 481.51 feet; thence North 00 degrees, 03 minutes West a distance of 208.70 feet to the point of beginning; thence continuing on the same bearing proceed Northerly a distance of 417.40 feet; thence proceed North 89 degrees, 57 minutes West a distance of 208.70 feet; thence proceed South 00 degrees, 03 minutes East a distance of 417.40 feet; thence proceed South 89 degrees, 57 minutes East a distance of 208.70 feet to the point of beginning, containing an area of 2.00 acres, more or less, including a 30 foot road easement lying West of and adjacent to the East boundary.

Date title was acquired: August 25, 2004

Easements: Easements of record to: Williams Rural Water Association for water main and appurtenances; Montana-Dakota Utilities Co. for electric transmission and/or

distribution line or system; and James M. Smithberg granting access to property by a 30 foot strip running east-west to section line.

Mortgages and Liens: Mortgage from James A. Kihle and Teri L. Kihle, husband and wife, to First National Bank and Trust Company of Williston in the amount of \$10,000.00.

Other Encumbrances: None.

Property status: Potentially lienable because property was acquired subsequent to May 2, 1977.

WCAC 4D

Record Title Owner: James A. Kihle and Teri L. Kihle, as joint tenants.

Record: TOWNSHIP 154 NORTH OF RANGE 100 WEST OF THE 5TH P.M.

Section 7: A parcel of land located in the W1/2S1/2NE1/4SE1/4 described as follows: Commencing at the Southwest corner of the said W1/2S1/2NE1/4SE1/4; thence Easterly along the South line of the said W1/2S1/2NE1/4SE1/4 a distance of 481.51 feet; thence North 00 degrees, 03 minutes West a distance of 626.10 feet to the point of beginning; thence continuing on the same bearing proceed Northerly a distance of 208.70 feet; thence proceed North 89 degrees, 57 minutes West a distance of 417.40 feet; thence proceed South 00 degrees, 03 minutes East a distance of 208.7 feet; thence proceed South 89 degrees, 57 minutes East a distance of 417.40 feet to the point of beginning, containing an area of 2.00 acres, more or less, including a 30 foot road easement lying West of and adjacent to the East boundary of the above described land.

Date title was acquired: August 25, 2004.

Easements: Easements of record to: Williams Rural Water Association for water main and appurtenances; Montana-Dakota Utilities Co. for electric transmission and/or distribution line or system; and James M. Smithberg granting access to property by a 30 foot strip running east-west to section line.

Mortgages and Liens: Mortgage from James A. Kihle and Teri L. Kihle, husband and wife, to First National Bank and Trust Company of Williston in the amount of \$10,000.00.

Other Encumbrances: None.

Property status: Potentially lienable because property was acquired subsequent to May 2, 1977.

WCAC 5

Record Title Owner: Lynden Skaare and Meri B. Skaare, as joint tenants.

Record: TOWNSHIP 154 NORTH OF RANGE 100 WEST OF THE 5TH P.M.

Section 7: A parcel of land located in the NE1/4SE1/4 described as follows: Commencing at the Southeast corner of the said Section 7; thence North 0 degrees, 03 minutes West along East section line 1661.70 feet a point; thence North 89 degrees 57 minutes West 283.70 feet to the true point of beginning of parcel herein described; thence 89 degrees 57 minutes west 208.70 feet to a point; thence North 00 degrees 03 minutes West 313.00 feet to a point; thence South 89 degrees 57 minutes East 208.70 feet to a point; thence South 00 degrees 03 minutes East 313.00 feet to the true point of beginning, containing 1.50 acres, more or less.

Date title was acquired: February 20, 2006

Easements: Easements of record to: Williams Rural Water Association for water main and appurtenances; Montana-Dakota Utilities Co. for electric transmission and/or distribution line or system; and James M. Smithberg granting access to property by a 30 foot strip running east-west to section line.

Mortgages and Liens: None.

Other Encumbrances: None

Property status: Potentially lienable because property was acquired subsequent to May 2, 1977.

WCAC 6

Record Title Owner: Lonny D. Hiatt and Elaine J. Hiatt, as joint tenants.

Record: TOWNSHIP 154 NORTH OF RANGE 100 WEST OF THE 5TH P.M.

Section 7: A parcel of land located in the NE1/4SE1/4 described as follows: Commencing at the Southeast corner of the said NE1/4SE1/4; thence westerly along the South line of said NE1/4SE1/4 a distance of 840.38 feet; thence North 00 degrees, 03 minutes West a distance of 656.00 feet to the true point of beginning; thence continuing North 00 degrees, 03 minutes West 313.00 feet to a point; thence South 89 degrees, 57 minutes East a distance of 139.17 feet to a point; thence South 00 degrees, 03 minutes East a distance of 313.00 feet to a point; thence North 89 degrees, 57 minutes West a distance of 139.17 to the true point of beginning, containing 1.00 acres, more or less, including a 30 foot road easement lying East of and adjacent to the West line of the herein described real property.

Date title was acquired: May 25, 1994.

Easements: Easements of record to: Williams Rural Water Association for water main and appurtenances; Montana-Dakota Utilities Co. for electric transmission and/or distribution line or system; and James M. Smithberg granting access to property by a 30 foot strip running east-west to section line.

Mortgages and Liens: None.

Other Encumbrances: None

Property status: Potentially lienable because property was acquired subsequent to May 2, 1977.

WCAC 7

Record Title Owner: Williams County, North Dakota, subject to Contract for Deed to Scott Shackelford. **Note: Williams County and Scott Shackelford have ownership interests in this property. Therefore right of entry will need to be secured from both entities.**

Record: TOWNSHIP 154 NORTH OF RANGE 100 WEST OF THE 5TH P.M.

Section 7: A parcel of land located in the W1/2NE1/4SE1/4 described as follows: Commencing at the Southwest corner of the said W1/2NE1/4SE1/4; thence Easterly along the South line of the said W1/2NE1/4SE1/4 a distance of 481.51 feet; thence North 00 degrees, 03 minutes West a distance of 834.80 feet to the point of beginning; thence continuing on the same bearing proceed Northerly a distance of 208.70 feet; thence proceed North 89 degrees, 57 minutes West a distance of 417.40 feet; thence proceed South 00 degrees, 03 minutes East a distance of 208.7 feet; thence proceed South 89 degrees, 57 minutes East a distance of 417.40 feet to the point of beginning, containing an area of 2.00 acres, more or less, including a 30 foot road easement lying West of and adjacent to the East boundary of the above described land.

Date title was acquired: October 4, 2001.

Easements: Easements of record to: Williams Rural Water Association for water main and appurtenances; Montana-Dakota Utilities Co. for electric transmission and/or distribution line or system; and James M. Smithberg granting access to property by a 30 foot strip running east-west to section line.

Mortgages and Liens: Contract for Deed from Williams County, North Dakota to Scott Shackelford in the amount of \$10,000.00.

Other Encumbrances: Real estate taxes for the year 2007 are unpaid.

Property status: Potentially lienable because property was acquired subsequent to May 2, 1977.

WCAC 8

Record Title Owner: First National Bank and Trust Company of Williston, as Trustee of the Gordon E. Ellis Residuary Trust.

Record: TOWNSHIP 154 NORTH OF RANGE 100 WEST OF THE 5TH P.M.

Section 7: Lots 6 and 7 of Olson/Ellis Subdivision to Williams County, North Dakota, according to the recorded Plat on file in the Office of the County Recorder, recorded as Doc. #613508.

Date title was acquired: February 19, 1979.

Easements: Easements of record to: Williams Rural Water Association for water main and appurtenances; Montana-Dakota Utilities Co. for electric transmission and/or distribution line or system; and Stoney Creek Township conveying 75 feet west of the East section line, less the 33 feet of section line, in the S1/2SE14 of Section 7 for a roadway.

Mortgages and Liens: None

Other Encumbrances: None

Property status: Potentially lienable because property was acquired subsequent to May 2, 1977.

WCAC 9

Record Title Owner: Carl S. Shackelford and Carol M. Shackelford, as joint tenants.

Record: TOWNSHIP 154 NORTH OF RANGE 100 WEST OF THE 5TH P.M.

Section 7: Lots 8, 9 and 10 of Olson/Ellis Subdivision to Williams County, North Dakota, according to the recorded Plat on file in the Office of the County Recorder, recorded as Doc. #613508

Date title was acquired: Lot 9 on February 4, 1998, and Lots 8 and 10 on July 22, 2004.

Easements: Easements of record to: Williams Rural Water Association for water main and appurtenances.

Mortgages and Liens: Mortgage from Carl S. Shackelford and Carol M. Shackelford, husband and wife, to American State Bank and Trust Company of Williston in the amount of \$50,500.00. The mortgage has been assigned to the Bank of North Dakota.

Other Encumbrances: None.

Property status: Potentially lienable because property was acquired subsequent to May 2, 1977.

WCAC 10

Record Title Owner: Michael R. Hansen and Donna M. Hansen, as joint tenants

Record: TOWNSHIP 154 NORTH OF RANGE 100 WEST OF THE 5TH P.M.

Section 7: Lots 12, 13 and 14 of Dolman Second Subdivision to Williams County, North Dakota, according to the recorded Plat on file in the Office of the County Recorder, recorded in Book 163 of Deeds at page 635 as Doc. #332573.

Date title was acquired: January 12, 2004.

Easements: Easements of record to: Williams Rural Water Association for various rights and obligations for the furnishing of rural water to the property; Montana-Dakota Utilities Co. for electric transmission line and/or distribution system; and Northwestern Bell Telephone Company for a telephone and communications line.

Mortgages and Liens: Mortgage, as modified, from Michael R. Hanson to Wells Fargo Home Mortgage, Inc. in the amount of \$136,000.00.

Line of Credit Mortgage from Michael R. Hanson and Donna M. Hanson, husband and wife, to Wells Fargo Bank, N.A. in the amount of \$75,000.00.

Other Encumbrances: None.

Property status: Potentially lienable because property was acquired subsequent to May 2, 1977.

WCAC 11

Record Title Owner: Ida M. Beckett

Record: TOWNSHIP 154 NORTH OF RANGE 100 WEST OF THE 5TH P.M.

Section 8: SW1/4NW1/4NW1/4.

Date title was acquired: June 11, 1993

Easements: Easements of record to: Stoney Creek Township covering the South 50 feet of the NW1/4NW1/4 for use as a public highway; Williams County covering the West 50 feet of NW1/4NW1/4 for use as a public highway; and Williams Electric Co-operative, Inc. covering the NW1/4NW1/4 for an electric line.

Mortgages and Liens: Mortgage from Jeff D. Johnson and Ida M. Beckett, individuals, to First International Bank & Trust in the amount of \$39,550.00. The Mortgage has been assigned to the Industrial Commission of North Dakota acting as the North Dakota Housing Finance Agency.

Other Encumbrances: None.

Property status: Potentially lienable because property was acquired subsequent to May 2, 1977.

WCAC 12

Record Title Owner: Rory Koch and Marti Koch, as joint tenants.

Record: TOWNSHIP 154 NORTH OF RANGE 100 WEST OF THE 5TH P.M.

Section 7: Lots 1 and 2 of Dolman Second Subdivision to Williams County, North Dakota, according to the recorded Plat on file in the Office of the County Recorder, recorded in Book 163 of Deeds at page 635 as Doc. #332573.

Date title was acquired: January 15, 2001.

Easements: Easements of record to: Montana-Dakota Utilities Co. for electric transmission line and/or distribution system; and Northwestern Bell Telephone Company for a telephone and communications line.

Mortgages and Liens: Mortgage from Rory L. Koch and Marti M. Koch, husband and wife, to Valley Mortgage, Inc. The mortgage has been assigned to Wells Fargo Home Mortgage, Inc.

Other Encumbrances: None.

Property status: Potentially lienable because property was acquired subsequent to May 2, 1977.

WCAC 13

Record Title Owner: David Stepler and Kristal Stepler, as joint tenants.

Record: TOWNSHIP 154 NORTH OF RANGE 100 WEST OF THE 5TH P.M.
Section 8: SE1/4NW1/4NW1/4.

Date title was acquired: October 4, 2007.

Easements: Easements of record to: Stoney Creek Township covering the South 50 feet of the NW1/4NW1/4 for use as a public highway; and Northwestern Bell Telephone Company for a telephone and communications line.

Mortgages and Liens: Mortgage from David J. Stepler and Kristal J. Stepler, husband and wife, to Wells Fargo Bank, N.A. in the amount of \$173,000.00.

Other Encumbrances: None.

Property status: Potentially lienable because property was acquired subsequent to May 2, 1977.

WCAC 14

Record Title Owner: Neal Falk and Louise Falk, as joint tenants.

Record: TOWNSHIP 154 NORTH OF RANGE 100 WEST OF THE 5TH P.M.

Section 8: A tract of land located in the N1/2NW1/4NW1/4, more particularly described as follows; Beginning at the northwest corner of said Section 8; thence N89 degrees 54 minutes 00 seconds E along the north line of said Section 8 a distance of 1318.80 feet; thence S 0 degrees 06 minutes 50 seconds E a distance of 659.24 feet; thence S 89 degrees 53 minutes 40 seconds W a distance of 1318.86 feet; thence N 0 degrees 06 minutes 30 seconds W along the west line of said Section 8 a distance of 659.36 feet to the point of beginning. The above described tract of land contains 19.96 acres, more or less, including existing 75.00 foot wide county road right-of-way.

Date title was acquired: February 28, 1989.

Easements: Easements of record to: Stoney Creek Township covering the South 50 feet of the NW1/4NW1/4 for use as a public highway; and Williams Electric Co-operative, Inc. for an electric line.

Mortgages and Liens: Mortgage from Neal Falk and Louise Falk, husband and wife, to Administrator of Small Business Administration in the amount of \$16,300.00.

Other Encumbrances: None.

Property status: Potentially lienable because property was acquired subsequent to May 2, 1977.

WCAC 15

Record Title Owner: Donald E. Reinholdt and Diane F. Reinholdt, as joint tenants.

Record: TOWNSHIP 154 NORTH OF RANGE 100 WEST OF THE 5TH P.M.

Section 7: Lots 1 and 2 of Olson/Ellis Subdivision to Williams County, North Dakota, according to the recorded Plat on file in the Office of the County Recorder, recorded as Doc. #613508.

Date title was acquired: September 22, 1999.

Easements: Easements of record to: Williams Rural Water Association for water main and appurtenances and providing rights and obligations for furnishing rural water to the

subject property; Montana-Dakota Utilities Co. for electric transmission and/or distribution line or system; and USA/FmHA for waterline.

Mortgages and Liens: Mortgage from Donald E. Reinholdt and Diane F. Reinholdt, husband and wife, to Gate City Bank in the amount of \$220,000.00.

Other Encumbrances: None

Property status: Potentially lienable because property was acquired subsequent to May 2, 1977.

WCAC 16

Record Title Owner: Cynthia McCalla

Record: TOWNSHIP 154 NORTH OF RANGE 100 WEST OF THE 5TH P.M.

Section 7: Lot 4 of Olson/Ellis Subdivision to Williams County, North Dakota, according to the recorded Plat on file in the Office of the County Recorder, recorded as Doc. #613508.

Date title was acquired: July 31, 2002.

Easements: Easements of record to: Williams Rural Water Association for water main and appurtenances; and Montana-Dakota Utilities Co. for electric transmission and/or distribution line or system.

Mortgages and Liens: Mortgage from Cynthia McCalla and Leonard Winter, her husband, to Gate City Bank in the amount of \$80,000.00

Other Encumbrances:

Property status: Potentially lienable because property was acquired subsequent to May 2, 1977.

WCAC 17

Record Title Owner: First National Bank and Trust Company of Williston, Trustee of the Gordon E. Ellis Residuary Trust.

Record: TOWNSHIP 154 NORTH OF RANGE 100 WEST OF THE 5TH P.M.

Section 7: Lot 3 of Olson/Ellis Subdivision to Williams County, North Dakota, according to the recorded Plat on file in the Office of the County Recorder, recorded as Doc. #613508

Date title was acquired: May 15, 2004 (1/2 interest) and September 29, 2004 (1/2 interest).

Easements: Easements of record to: Williams Rural Water Association for water main and appurtenances; and Montana-Dakota Utilities Co. for electric transmission and/or distribution line or system.

Mortgages and Liens: None.

Other Encumbrances: None.

Property status: Potentially lienable because property was acquired subsequent to May 2, 1977.