

UNITED STATES BANKRUPTCY COURT

DISTRICT OF MONTANA

In re:

THORCO, INC.,

Debtor.

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THORCO, INC., a Montana corporation,

Plaintiff,

vs.

WHITEFISH CREDIT UNION, a MT credit union; MO SOMERS, LLC, a Montana limited liability company; RUIS GLACIER, LLC, a Montana limited liability company; and DOES 1-10,

Defendants.

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Case No. 22-90119-JMM

Chapter 11  
(Subchapter V)

Adversary No. 22-\_\_\_\_-JMM

**Fourth Affidavit from Katherine Wilson  
Re: Stolen Deposits**

BEFORE ME, the undersigned authority, on this day personally, April 10, 2023, I, Katherine Wilson, agent for Cogburn Enterprises, LLC, being of full age, swore or affirmed to tell the truth and on her oath deposes and says:

1. I am not a party to this case.
2. I am a citizen of the United States, a resident of the State of Montana, and over the age of 18.
3. I have been retained by Dennis and Donna Thornton, to analyze Thorco Inc's 2009 mortgage with Whitefish Credit Union hereafter (WCU), as an expert to determine if attorneys for WCU stole Deeds that were to be deposited. Below are my findings:

During the course of my investigation, I have found that Dennis & Donna Thornton (henceforth, referred to as the Thorntons) did provide Security Deeds to be held as a form of collateral, in Escrow with First American title, but was not done and instead, by the admission of Attorney Frampton, were kept in his office until they were transferred on October 25, 2018.

Thorco Inc., as well as, Dennis and Donna Thornton, became members of WCU in 2009. At that time, WCU established accounts for Thorco Inc., Dennis and Donna Thornton; WCU created a Member Share Account for the Thorntons and a Member Business Loan (MBL) account for Thorco Inc.

Thorco Inc. is a Montana subchapter S corporation and is in good standing. Thorco Inc. took out a Member Business Loan (MBL) in 2009 in the amount of \$3,360,000 with WCU. The loan was personally guaranteed by WCU members Dennis and Donna Thornton. Dennis and Donna Thornton signed a personal guarantee contract for Thorco Inc.'s with WCU. WCU assigned Guarantee No. FT 20120081 to the personal guarantee contract. See personal guarantee.

WCU is considered a Commercial Bank under US Code Title 31 Subtitle B Chapter X Part 1010 Subpart A (D)(6). Thorco Inc.'s and Donna Thornton are considered ESTABLISHED CUSTOMERS under US Code Title 31 Subtitle B Chapter X Part 1010 Subpart A (P)

WCU is a State Chartered Credit Union authorized under the Federal Credit Union Act and is Insured by the National Credit Union Association (NCUA).



WCU's primary regulator or State Supervisory Authority (SSA) is the Montana Division of Banking and Financial Institutions at the direction of Banking Commissioner Melanie Hall located in Helena Montana. WCU's secondary regulator is NCUA Regional Dir. Cherie Freed located in Tempe Arizona.

**Statement of Facts**

Thorco Inc. entered into a mortgage loan security contract that contained a (**WITH FUTURE ADVANCE CLAUSE; 4.b. of 2009 mortgage**) with Whitefish Credit Union (WCU). WCU assigned Loan No. 966428-750 to the contract. Thorco Inc. pledged 500 acres as collateral on the loan security contract creating what is known as a secured debt Security Instrument.

Item 9 to the contract states in part: "This covenant shall run with the Property and shall remain in effect until the **SECURED DEBT** is paid in full and this **SECURITY INSTRUMENT IS RELEASED**".

Item 18 to the contract states in part: "**THIS SECURITY INSTRUMENT SHALL REMAIN IN EFFECT UNTILL RELEASED**".

Item 29 to the contract states in part: "**THIS SECURITY INSTRUMENT SHALL REMAIN IN EFFECT UNTILL RELEASED**". See 2009 Recorded Mortgage

The 2009 mortgage was released on May 12, 2022, by WCU's authorized agent, Title Financial Specialty Services (TFSS), who has the only valid recorded Power of Attorney. It was confirmed through the states auditor's office, Steve Matthews | *Chief Financial Examiner*, that James Kenyon does hold a current license. TFSS recorded a satisfaction of mortgage and quit claim, quit- claiming all rights, title and interest to Thorco Inc. See Satisfaction of Mortgage. See TFSS letter, special power of attorney and MT licensing information

In Sept. 2022, when speaking with TFSS, it was confirmed by them that WCU only had a lien on the property. Additionally, they were very confused as to how WCU could have sold the subject property while there was still the 2009 mortgage in place. See Affidavit of Katherine Wilson

On March 24, 2009, the mortgage loan Security Instrument was recorded against the pledged collateral and personal guarantors with the Flathead County Clerk and Recorder's Office under debt instrument No. 200900007830. The mortgage contains a note and is personally guaranteed by Dennis and Donna Thornton. This mortgage is properly recorded. See 2009 Recorded Mortgage.

This secured transaction was insured Stewart Title. Stewart title insured the recorded document as a Superior document to all others. See Stewart Title

The recorded court documents show WCU foreclosed on the mortgage loan Security Instrument in February 2012 by suing Thorco Inc., and the personal guarantors, Dennis and Donna Thornton, in *lawsuit #1 (DV-12-174B)*.

The recorded court documents show Thorco Inc. and Dennis and Donna Thornton countersued in the amount of \$60 million.

The recorded court documents show WCU received a partial summary judgment of foreclosure and sale on February 23, 2016, in the amount of \$4,348,880 on the **SECURED DEBT** against Thorco Inc. This judgment was also against the pledged property recorded under debt instrument No. 200900007830 and against Dennis and Donna Thornton, the personal guarantors. See Summary Judgment.

The Judgment was appealed to the Montana Supreme Court. The Montana Supreme Court concluded that Thorco's appeal was premature, due to the pendency of its counterclaims and sent it back down to District Court.

Trial was set for mid-March 2016 on Thorco Inc. and the Thornton's counterclaims. Immediately after the hearing for summary judgement, WCU attorney approached Thorco attorney and asked if the Thorntons would consider mediation.

The parties agreed to mediation. Aaron Archer signed an agreement with mediator Benjamin P Hursh, as a SAG Agent for WCU stating he had authority to settle matters for WHITEFISH CREDIT UNION.

Dennis and Donna Thornton signed an agreement with mediator Benjamin P Hursh, as Officers of Thorco Inc., stating they had authority to settle matters for THORCO INC.; they would also be participating in mediation and signing in a personal capacity.

On April 4, 2016, Dennis Thornton having authority for Thorco Inc., signs a Settlement Term Sheet agreement as president of Thorco Inc. agreeing to dismiss the \$60 million counterclaim. In addition, Dennis and Donna Thornton signed the Settlement Term Sheet agreement in a personal capacity. See Settlement Term Sheet

On April 4, 2016 Aaron Archer having authority from WCU signs a Settlement Term Sheet agreement and agrees to vacate the judgment against the debt instrument and cancel \$4,348,880.01 of the **SECURED DEBT** against the pledged property, Thorco Inc. and the personal guarantors, Dennis and Donna Thornton. See Settlement Term Sheet

On June 8, 2016, Dennis and Donna Thornton having authority for Thorco Inc. as officers, sign a new agreement titled Settlement Agreement and Mutual Release for Thorco Inc., agreeing to dismiss the \$60 million counterclaim. In addition, Dennis and Donna Thornton also signed the Settlement Agreement and Mutual Release agreement in a personal capacity. See Settlement Agreement and Mutual Release

On June 7 and 8, 2023, John Amsden, Thorco Inc. and the Thorntons counsel, signs the agreement. Per John Amsdens' instructions, the Thornton's delivered and **DEPOSITED** the Settlement Agreement and Mutual Release with WCU's attorneys at the Morrison and Frampton law firm. This **DEPOSIT** has **DEPOSIT** instructions listed in the SAMR.

The deposit of the SAMR with WCU's attorneys requires the following:

1. The necessary signatures be added by WCU representatives.
2. Crediting Thorco Inc.'s MBL account in the amount of **\$2,948,880**
3. **The release of the 2009 mortgage**
4. **The new mortgage(s) recorded;** One for \$300,000 and one for \$1.4M
5. The releases for the two new mortgages be added and the documents **DEPOSITED** into escrow at First American Title.

On June 8, 2016, Aaron Archer having authority from WCU, again signs the new agreement titled Settlement Agreement and Mutual Release and agrees to vacate the judgment against the debt instrument and cancel \$4,348,880.01 of the **SECURED DEBT** against the pledged property, Thorco Inc., and personal guarantors Dennis and Donna Thornton.

On June 9, 2016, Sean Frampton, WCU's attorney, is the last required signature on the agreement. Since Sean Frampton's was the last signature to the agreement, June 9, 2016, is considered the execution date and the transaction date under US Code Title 31 Subtitle B Chapter X Part 1010 Subpart A (Q) and(Q)(BBB).

(q) **Execution date.** The day on which the receiving financial institution may properly issue a transmittal order in execution of the sender's order. The execution date may be determined by instruction of the sender but cannot be earlier than the day the order is received, and, unless otherwise determined, is the day the order is received. If the sender's instruction states a payment date, the execution date is the payment date or an earlier date on which execution is reasonably necessary to allow payment to the recipient on the payment date.

(bbb) **Transaction.**

(1) Except as provided in paragraph (bbb)(2) of this section, transaction means a purchase, sale, loan, pledge, gift, transfer, delivery, or other disposition, and with respect to a financial institution includes a deposit, withdrawal, transfer between accounts, exchange of currency, loan, extension of credit, purchase or sale of any stock, bond, certificate of deposit, or other monetary instrument, security, contract of sale of a commodity for future delivery, option on any contract of sale of a commodity for future delivery, option on a commodity, purchase or redemption of any money order, payment or order for any money remittance or transfer, purchase or redemption of casino chips or tokens, or other gaming instruments or any other payment, transfer, or delivery by, through, or to a financial institution, by whatever means effected.

The SAMR states that it is the Final Agreement and supersedes all others, but it must be noted that Frampton kept the documents in his office indefinitely and did not complete the required actions as listed above from the SAMR agreement. Sean Frampton did not return a completed, signed copy to

Thorco Inc., the Thorntons or their counsel, John Amsden. See WCU ANSWER in DV-18-336 and Declaration of John Amsden.

Item 14 of the SAMR, states the following:

**Final Agreement**

*This Settlement Agreement and Mutual Release represents the parties' entire agreement with respect to the subject matter of this Agreement and supersedes any and all prior agreements, negotiations, and oral understandings. This Settlement Agreement and Mutual Release may not be modified or amended unless done so in writing and executed by the parties.*

Since the above required items from the SAMR were not completed and the 2009 mortgage was not released, the two new mortgages could not be created; therefore, the 2009 mortgage was still in effect and the Security Instruments that were to be deposited and create the two new mortgages, were stolen from Thorco Inc. and the Thorntons by remaining in the desk of WCU's attorney. Emails from WCU attorney's state that WCU will put these Security Instruments in Escrow, but failed to do so.

Item 3, states the following:

**Deficiency**

*WCU agrees to waive any claim for deficiency under any loan document, note, or guaranty at issue in the above-described civil matter, Cause No. DV-12-174B.*

Item 5, states the following:

**Stipulation to Vacate Judgment and Dismiss with Prejudice**

*The parties agree that they, or their attorneys of record, shall stipulate to vacate the Judgment of Foreclosure and Order of Sale and dismiss with prejudice, **AS FULLY SETTLED UPON THE MERITS**, the above-described civil matter, Cause No. DV-12-174B. Each party shall pay their own respective costs and attorneys' fees.*

The signed agreement contained two security instruments, known as Trust Indenture Mortgages, in the form of escrow security deeds along with the releases for the two new mortgages that were to be **DEPOSITED** into escrow at First American Title. One in the amount of \$300,000 one in the amount of \$1,100,000.

In Montana all real estate transactions must be recorded, including mortgages. Mortgages are considered an assignment for the benefit of a creditor.

*70-21-202. Certain transfers in trust -- mortgages -- when to be recorded. Transfers of property in trust for the benefit of creditors and transfers or liens on property by way of mortgage or abstract of such document **ARE REQUIRED TO BE RECORDED** in the cases specified in Title 31, chapter 2, on the special relation of debtor and creditor and Title 71 on mortgages, respectively.*

It is clear under Montana state law MCA 31-2-217 this is considered an assignment for the benefit of a creditor and must be recorded within 20 days of signing by all parties.

*31-2-217. Effect of failing to record. An assignment for the benefit of creditors **IS VOID** against creditors of the assignor and against purchasers and encumbrances in good faith and for value **UNLESS IT IS RECORDED WITH IN 20 DAYS AFTER THE DATE OF ASSIGNMENT.***

The mortgage must be recorded with a power of attorney.

*71-1-102. Power of attorney to execute. A power of attorney to execute a mortgage must be in writing, subscribed, acknowledged or proved, certified, and recorded in like manner as powers of attorney for grants of real property.*

Because of items 9,18, and 29 in the Superior recorded mortgage document states, “**THIS SECURITY INSTRUMENT SHALL REMAIN IN EFFECT UNTILL RELEASED**”, the 2009 mortgage would have had to be released before filing a new assignment of mortgage.

The public record shows no other properly recorded documents were recorded and that the 2009 Superior mortgage remained in place until May 12<sup>th</sup> of 2022, when TFSS filed the Satisfaction of Mortgage.



Because of Montana's statutory timeframe in MCA 31-2-217, the SAMR timed out on July 5, 2016, as far as being able to record and perfect a secured interest against the property.

After June 9, 2016, neither Aaron Archer or Sean Frampton **DEPOSITED** or delivered the agreement to WCU or First American Title. Sean Frampton admits the documents were kept at the Frampton Purdy Law Firm. See, DV-18-336D, Answer.

It is easy to determine that Frampton and Archer were both in possession of the deposit because they were the last two signatures on the document.

At the time of the execution and transaction date June 9, 2016, Thorco Inc.'s 2009 MBL account was not credited the **\$2,948,880**.

The Security Instruments provided in the SAMR were given as "collateral and security" for the two new loans and were to be placed in Escrow at the signing of the SAMR.

Frampton and Archer unlawfully hypothecated the settlement agreement. The Montana code is clear what the penalties are for such actions.

*32-1-471. Penalty for unlawful hypothecation of property received. Any officer or employee of any bank doing business in this state who, except in the manner authorized by law or the contract of the parties, pledges or in any way alienates any notes, stocks, bonds, mortgages, securities, or any other property coming into the officer's or employee's hands or into the possession of the bank as collateral, for safekeeping or in any other manner, and to which the bank has not acquired full title, is guilty of theft and upon conviction shall be punished as for other felonies.*

August 12, 2016, WCU's attorney Johnna Preble drafted signed and circulated to the parties' counsel of record, joint motions. The first one was to vacate WCU's February 23, 2016, Judgment in the amount of \$4,348,880.01. The second was a joint motion was to dismiss the party's lawsuit with prejudice.

On August 16, 2016, District Ct. Judge, Bob Allison, vacated the judgment against the debt instrument and canceled the \$4,348,880.01 in debt against the pledged property, Thorco Inc., Dennis and Donna Thornton.

WCU did not appeal this order. Neither party filed a motion for relief from judgment or order, M.R.C.P. 60(b), or a motion to alter or amend, M.R.C.P. 59(e). The order stated:

“Pursuant to the joint motion filed by the parties, through their respective counsel, IT IS HEREBY ORDERED that the Judgment of Foreclosure and Order of Sale entered by this Court on February 23, 2016 is vacated”.

**The legal effect of this unappealed order vacating that February 23, 2016 judgment is one with prejudice, and is one of the issues in this case.**

August 24, 2016, District Ct. Judge, Bob Allison, dismissed *lawsuit #1 (DV-12-174B)* WITH PREJUDICE.

WCU did not appeal this order. Neither party filed a motion for relief from judgment or order, M.R.C.P. 60(b), or a motion to alter or amend, M.R.C.P. 59(e). The order stated:

“Pursuant to written Stipulation by and between the Parties, through Their Respective Counsel, IT IS HEREBY ORDERED That the Claims between Whitefish Credit Union, Thorco, Inc., Dennis Thornton, and Donna Thornton are hereby **dismissed with prejudice**, each party to bear its own costs and attorney fees”.

**The legal effect of this unappealed order of dismissal with prejudice is also one of the issues in this case.**

With the adjudication of the **MORTGAGE AND DEBT INSTRUMENT**, this is the conclusion of the 2009 mortgage. The **DEBT** is no longer owed and is not collectible under state or federal law.

WCU's 5300 report submitted to the NCUA for the third quarter ending on September 30, 2016 shows, WCU internally, under losses year to date (YTD), did charge off the **\$2,948,880**. They were to credit Thorco Inc.'s MBL account, but did not do so.

August 24, 2016, WCU's attorney Frampton and WCU's SAG agent state in several pleadings and affidavits in DV-18-336D that Thorco Inc. owed more than \$4,500,000. This is evidence that the deposit to Thorco Inc.'s to MBL account was not credited the **\$2,948,880** and has not completed. See Affidavit of Aaron Archer



**Conclusion**

By their own admission, WCU committed the offense of **Unlawful Hypothecation of Property Received** with regards to the SAMR documents, per MCA 32-1-471. This is evident by the fact that the two new mortgages that were never put into escrow, as required by the SAMR, were kept in the office of WCU's attorney and the original 2009 mortgage was still in place until March 12, 2022, which states, "This covenant shall run with the Property and shall remain in effect until the **SECURED DEBT** is paid in full and this **SECURITY INSTRUMENT IS RELEASED**".

Not only did WCU unlawfully hypothecate the SAMR documents, but as well as the theft of the property itself, by selling the property while the original 2009 mortgage was still in place. See Special Warranty Deed

On the March 12, 2022 Satisfaction of Mortgage, it states that Thorco Inc. was still the owner of the property and WCU's lien on the property had been released.

Title 31 Subtitle B Chapter X Part 1010 Subpart A § 1010.100

(p) **Established customer.** A person with an account with the financial institution, including a loan account or deposit or other asset account, or a person with respect to which the financial institution has obtained and maintains on file the person's name and address, as well as taxpayer identification number (e.g., social security or employer identification number) or, if none, alien identification number or passport number and country of issuance, and to which the financial institution provides financial services relying on that information.

(q) **Execution date.** The day on which the receiving financial institution may properly issue a transmittal order in execution of the sender's order. The execution date may be determined by instruction of the sender but cannot be earlier than the day the order is received, and, unless otherwise determined, is the day the order is received. If the sender's instruction states a payment date, the execution date is the payment date or an earlier date on which execution is reasonably necessary to allow payment to the recipient on the payment date.

(bbb) *Transaction.*

(1) Except as provided in paragraph (bbb)(2) of this section, transaction means a purchase, sale, loan, pledge, gift, transfer, delivery, or other disposition, and with respect to a financial institution includes a deposit, withdrawal, transfer between accounts, exchange of currency, loan, extension of credit, purchase or sale of any stock, bond, certificate of deposit, or other monetary instrument, security, contract of sale of a commodity for future delivery, option on any contract of sale of a commodity for future delivery, option on a commodity, purchase or redemption of any money order, payment or order for any money remittance or transfer, purchase or redemption of casino chips or tokens, or other gaming instruments or any other payment, transfer, or delivery by, through, or to a financial institution, by whatever means effected.

This is still an ongoing investigation and I reserve the right to provide supplemental reports that support this affidavit.

I DECLARE UNDER PENALTY OF PERJURY AND UNDER THE LAWS OF THE STATE OF MONTANA THAT THE FOREGOING IS TRUE AND CORRECT.



Katherine Wilson

PSP-PSV-LIC-16378 Process Server

PSP-PI-LIC-16517 Private Investigator

WHITEFISH CREDIT UNION PO BOX 37 WHITEFISH, MT 59937  <b>LENDER'S NAME AND ADDRESS</b>	THORCO, INC. 151 AMATASIA LANE KALISPELL, MT 59901  <b>BORROWER'S NAME AND ADDRESS</b>	LO: DJ Loan Number 966428-750 Date 03-19-2009 Mat. Date 03-15-2011 Loan Amount \$3,360,000.00
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**TRUTH-IN-LENDING DISCLOSURES**

<b>ANNUAL PERCENTAGE RATE</b> The cost of my credit as a yearly rate.  6.492%	<b>FINANCE CHARGE</b> The dollar amount the credit will cost me.  \$ 434,406.52	<b>AMOUNT FINANCED</b> The amount of credit provided to me or on my behalf.  \$ 3,360,000.00	<b>TOTAL OF PAYMENTS</b> The amount I will have paid when I have made all scheduled payments.  \$ 3,794,406.52	I have the right to receive at this time an itemization of the Amount Financed  I _____ do _____ do not want an itemization.
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My Payment Schedule will be:

Number of Payments	Amount of Payments	When Payments Are Due
23	\$ 16,155.62 TO 18,549.04	MONTHLY BEGINNING 04-15-2009
1	\$ 3,376,753.97	ON 03-15-2011
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	

Demand:  This loan has a demand feature.  This loan is payable on demand and all disclosures are based on an assumed maturity of one year.

Variable Rate (Check one)  My loan contains a variable rate feature. Disclosures about the variable rate feature have been provided to me earlier.  
 The annual percentage rate may increase during the term of this transaction if \_\_\_\_\_

\_\_\_\_\_. The rate may not increase more often than once \_\_\_\_\_ and may not increase more than \_\_\_\_\_ % each \_\_\_\_\_. Any increase will take the form of \_\_\_\_\_ . If the rate increases by \_\_\_\_\_ % in \_\_\_\_\_ , the \_\_\_\_\_ will increase to \_\_\_\_\_. The rate will not go above \_\_\_\_\_ %.

Security: I am giving a security interest in:  (brief description of other property) Filing/Recording Fees: \$ 170.00  
 the goods or property being purchased.  
 collateral securing other loans with you may also secure this loan. MORTGAGE ON 300 ACRE PARCEL AND 200 ACRE PARCEL ALONG  
 my deposit accounts and other rights I may have to the payment of money from you. BOON ROAD, SOMERS

Late Charge: If a payment is late I will be charged \$1.00 IF MORE THAN 10 DAYS LATE

Required Deposit: The annual percentage rate does not take into account my required deposit.

Prepayment: If I pay off this loan early, I  may  will not have to pay a penalty.  
 may  will not be entitled to a refund of part of the finance charge.

Assumption: Someone buying my house  may, subject to conditions, be allowed to  cannot assume the remainder of the mortgage on the original terms.

I can see my contract documents for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties. "e" means an estimate.

**CREDIT INSURANCE** - Credit life insurance and credit disability insurance are not required to obtain credit, and will not be provided unless I sign and agree to pay the additional costs.

Type	Premium	Term
Credit Life		
Credit Disability		
I <input type="checkbox"/> do <input checked="" type="checkbox"/> do not want credit life insurance.		
		DOB _____
I <input type="checkbox"/> do <input checked="" type="checkbox"/> do not want credit disability insurance.		
		DOB _____
I <input type="checkbox"/> do <input checked="" type="checkbox"/> do not want joint credit life insurance.		
		DOB <u>DJ</u>
I <input type="checkbox"/> do <input type="checkbox"/> do not want _____ insurance.		
		DOB _____

**PROPERTY INSURANCE** - I may obtain property insurance from anyone I want that is acceptable to you. If I get the insurance from or through you I will pay \$ \_\_\_\_\_ for \_\_\_\_\_ of coverage.

**FLOOD INSURANCE** - Flood insurance  is  is not required. I may obtain flood insurance from anyone I want that is acceptable to you. If I get the insurance from or through you I will pay \_\_\_\_\_ for \_\_\_\_\_ of coverage.

**ITEMIZATION OF AMOUNT FINANCED**

Amount given to me directly	\$ _____
Amount paid on my (loan) account	\$ _____
AMOUNTS PAID TO OTHERS ON MY BEHALF:*	
Insurance Companies	\$ _____
Public Officials	\$ 170.00
STERLING TITLE	\$ 5,044.00
GLACIER BANK LOAN #1756163	\$ 1,350,899.85
GLACIER BANK LOAN #1757431	\$ 150,931.06
UNDISBURSED FUNDS	\$ 1,852,955.09
	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____
(less) PREPAID FINANCE CHARGE(S)	\$ _____
Amount Financed	\$ 3,360,000.00

(Add all items financed and subtract prepaid finance charges.)

\*You may retain or receive a portion of these amounts.

BY SIGNING BELOW - I ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE ON THE DATE INDICATED ABOVE.

X Dennis Thornton X Donna Thornton X \_\_\_\_\_

DENNIS THORNTON DONNA THORNTON

GUARANTY

WHITEFISH, MONTANA (City) (State)

MARCH 19, 2009

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce WHITEFISH CREDIT UNION (herein, with its participants, successors and assigns, called "Lender"), at its option, at any time or from time to time to make loans or extend other accommodations to or for the account of THORCO, INC.

(herein called "Borrower") or to engage in any other transactions with Borrower, the Undersigned hereby absolutely and unconditionally guarantees to Lender the full and prompt payment when due, whether at maturity or earlier by reason of acceleration or otherwise, of the debts, liabilities and obligations described as follows:

- A. If this [X] is checked, the Undersigned guarantees to Lender the payment and performance of the debt, liability or obligation of Borrower to Lender evidenced by or arising out of the following: WHITEFISH CREDIT UNION LOAN #966428-760 IN THE AMOUNT OF \$3,380,000.00 DATED 3-19-2009 and any extensions, renewals or replacements thereof (hereinafter referred to as the "Indebtedness").
B. If this [ ] is checked, the Undersigned guarantees to Lender the payment and performance of each and every debt, liability and obligation of every type and description which Borrower may now or at any time hereafter owe to Lender (whether such debt, liability or obligation now exists or is hereafter created or incurred, and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, or joint, several, or joint and several; all such debts, liabilities and obligations being hereinafter collectively referred to as the "Indebtedness"). Without limitation, this guaranty includes the following described debt(s):

The Undersigned further acknowledges and agrees with Lender that:

1. No act or thing need occur to establish the liability of the Undersigned hereunder, and no act or thing, except full payment and discharge of all indebtedness, shall in any way exonerate the Undersigned or modify, reduce, limit or release the liability of the Undersigned hereunder.

2. This is an absolute, unconditional and continuing guaranty of payment of the Indebtedness and shall continue to be in force and be binding upon the Undersigned, whether or not all Indebtedness is paid in full, until this guaranty is revoked by written notice actually received by the Lender, and such revocation shall not be effective as to Indebtedness existing or committed for at the time of actual receipt of such notice by the Lender, or as to any renewals, extensions and refinancings thereof. If there be more than one Undersigned, such revocation shall be effective only as to the one so revoking. The death or incompetence of the Undersigned shall not revoke this guaranty, except upon actual receipt of written notice thereof by Lender and then only as to the decedent or the incompetent and only prospectively, as to future transactions, as herein set forth.

3. If the Undersigned shall be dissolved, shall die, or shall be or become insolvent (however defined) or revoke this guaranty, then the Lender shall have the right to declare immediately due and payable, and the Undersigned will forthwith pay to the Lender, the full amount of all Indebtedness, whether due and payable or unmatured. If the Undersigned voluntarily commences or there is commenced involuntarily against the Undersigned a case under the United States Bankruptcy Code, the full amount of all Indebtedness, whether due and payable or unmatured, shall be immediately due and payable without demand or notice thereof.

4. The liability of the Undersigned hereunder shall be limited to a principal amount of \$ 3,380,000.00 (if unlimited or if no amount is stated, the Undersigned shall be liable for all Indebtedness, without any limitation as to amount), plus accrued interest thereon and all other costs, fees, and expenses agreed to be paid under all agreements evidencing the Indebtedness and securing the payment of the Indebtedness, and all attorneys' fees, collection costs and enforcement expenses referable thereto. Indebtedness may be created and continued in any amount, whether or not in excess of such principal amount, without affecting or impairing the liability of the Undersigned hereunder. The Lender may apply any sums received by or available to Lender on account of the Indebtedness from Borrower or any other person (except the Undersigned), from their properties, out of any collateral security or from any other source to payment of the excess. Such application of receipts shall not reduce, affect or impair the liability of the Undersigned hereunder. If the liability of the Undersigned is limited to a stated amount pursuant to this paragraph 4, any payment made by the Undersigned under this guaranty shall be effective to reduce or discharge such liability only if accompanied by a written transmittal document, received by the Lender, advising the Lender that such payment is made under this guaranty for such purpose.

5. The Undersigned will pay or reimburse Lender for all costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by Lender in connection with the protection, defense or enforcement of this guaranty in any litigation or bankruptcy or insolvency proceedings.

This guaranty includes the additional provisions on page 2, all of which are made a part hereof.

This guaranty is [X] unsecured; [ ] secured by a mortgage or security agreement dated ; [ ] secured by

IN WITNESS WHEREOF, this guaranty has been duly executed by the Undersigned the day and year first above written.

Dennis Thornton signature and name DENNIS THORNTON

"Undersigned" shall refer to all persons who sign this guaranty, severally and jointly.

007319

## ADDITIONAL PROVISIONS

6. Whether or not any existing relationship between the Undersigned and Borrower has been changed or ended and whether or not this guaranty has been revoked, Lender may, but shall not be obligated to, enter into transactions resulting in the creation or continuance of Indebtedness, without any consent or approval by the Undersigned and without any notice to the Undersigned. The liability of the Undersigned shall not be affected or impaired by any of the following acts or things (which Lender is expressly authorized to do, omit or suffer from time to time, both before and after revocation of this guaranty, without notice to or approval by the Undersigned): (i) any acceptance of collateral security, guarantors, accommodation parties or sureties for any or all Indebtedness; (ii) any one or more extensions or renewals of Indebtedness (whether or not for longer than the original period) or any modification of the interest rates, maturities or other contractual terms applicable to any Indebtedness; (iii) any waiver, adjustment, forbearance, compromise or indulgence granted to Borrower, any delay or lack of diligence in the enforcement of Indebtedness, or any failure to institute proceedings, file a claim, give any required notices or otherwise protect any Indebtedness; (iv) any full or partial release of, settlement with, or agreement not to sue, Borrower or any other guarantor or other person liable in respect of any Indebtedness; (v) any discharge of any evidence of Indebtedness or the acceptance of any instrument in renewal thereof or substitution therefor; (vi) any failure to obtain collateral security (including rights of setoff) for Indebtedness, or to see to the proper or sufficient creation and perfection thereof, or to establish the priority thereof, or to protect, insure, or enforce any collateral security; or any release, modification, substitution, discharge, impairment, deterioration, waste, or loss of any collateral security; (vii) any foreclosure or enforcement of any collateral security; (viii) any transfer of any Indebtedness or any evidence thereof; (ix) any order of application of any payments or credits upon Indebtedness; (x) any election by the Lender under §1111(b)(2) of the United States Bankruptcy Code.

7. The Undersigned waives any and all defenses, claims and discharges of Borrower, or any other obligor, pertaining to Indebtedness, except the defense of discharge by payment in full. Without limiting the generality of the foregoing, the Undersigned will not assert, plead or enforce against Lender any defense of waiver, release, statute of limitations, res judicata, statute of frauds, fraud, incapacity, minority, usury, illegality or unenforceability which may be available to Borrower or any other person liable in respect of any Indebtedness, or any setoff available against Lender to Borrower or any such other person, whether or not on account of a related transaction. The Undersigned expressly agrees that the Undersigned shall be and remain liable, to the fullest extent permitted by applicable law, for any deficiency remaining after foreclosure of any mortgage or security interest securing Indebtedness, whether or not the liability of Borrower or any other obligor for such deficiency is discharged pursuant to statute or judicial decision. The Undersigned shall remain obligated, to the fullest extent permitted by law, to pay such amounts as though the Borrower's obligations had not been discharged.

8. The Undersigned further agrees that the Undersigned shall be and remain obligated to pay Indebtedness even though any other person obligated to pay Indebtedness, including Borrower, has such obligation discharged in bankruptcy or otherwise discharged by law. "Indebtedness" shall include post-bankruptcy petition interest and attorneys' fees and any other amounts which Borrower is discharged from paying or which do not otherwise accrue to Indebtedness due to Borrower's discharge, and the Undersigned shall remain obligated to pay such amounts as though Borrower's obligations had not been discharged.

9. If any payment applied by Lender to Indebtedness is thereafter set aside, recovered, rescinded or required to be returned for any reason (including, without limitation, the bankruptcy, insolvency or reorganization of Borrower or any other obligor), the Indebtedness to which such payment was applied shall for the purposes of this guaranty be deemed to have continued in existence, notwithstanding such application, and this guaranty shall be enforceable as to such Indebtedness as fully as if such application had never been made.

10. Until the obligations of the Borrower to Lender have been paid in full, the Undersigned waives any claim, remedy or other right which the Undersigned may now have or hereafter acquire against Borrower or any other person obligated to pay Indebtedness arising out of the creation or performance of the Undersigned's obligation under this guaranty, including, without limitation, any right of subrogation, contribution, reimbursement, indemnification, exoneration, and any right to participate in any claim or remedy the Undersigned may have against the Borrower, collateral, or other party obligated for Borrower's debts, whether or not such claim, remedy or right arises in equity, or under contract, statute or common law.

11. The Undersigned waives presentment, demand for payment, notice of dishonor or nonpayment, and protest of any instrument evidencing Indebtedness. Lender shall not be required first to resort for payment of the Indebtedness to Borrower or other persons or their properties, or first to enforce, realize upon or exhaust any collateral security for Indebtedness, before enforcing this guaranty.

12. The liability of the Undersigned under this guaranty is in addition to and shall be cumulative with all other liabilities of the Undersigned to Lender as guarantor or otherwise, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

13. This guaranty shall be enforceable against each person signing this guaranty, even if only one person signs and regardless of any failure of other persons to sign this guaranty. If there be more than one signer, all agreements and promises herein shall be construed to be, and are hereby declared to be, joint and several in each of every particular and shall be fully binding upon and enforceable against either, any or all the Undersigned. This guaranty shall be effective upon delivery to Lender, without further act, condition or acceptance by Lender, shall be binding upon the Undersigned and the heirs, representatives, successors and assigns of the Undersigned and shall inure to the benefit of Lender and its participants, successors and assigns. Any invalidity or unenforceability of any provision or application of this guaranty shall not affect other lawful provisions and application hereof, and to this end the provisions of this guaranty are declared to be severable. Except as authorized by the terms herein, this guaranty may not be waived, modified, amended, terminated, released or otherwise changed except by a writing signed by the Undersigned and Lender. This guaranty shall be governed by the laws of the State in which it is executed. The Undersigned waives notice of Lender's acceptance hereof.

007320



GUARANTY

WHITEFISH, MONTANA (City) (State)

MARCH 19, 2009

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce WHITEFISH CREDIT UNION (herein, with its participants, successors and assigns, called "Lender"), at its option, at any time or from time to time to make loans or extend other accommodations to or for the account of THORCO, INC.

(herein called "Borrower") or to engage in any other transactions with Borrower, the Undersigned hereby absolutely and unconditionally guarantees to Lender the full and prompt payment when due, whether at maturity or earlier by reason of acceleration or otherwise, of the debts, liabilities and obligations described as follows:

- A. If this [X] is checked, the Undersigned guarantees to Lender the payment and performance of the debt, liability or obligation of Borrower to Lender evidenced by or arising out of the following: WHITEFISH CREDIT UNION LOAN #966428-750 IN THE AMOUNT OF \$3,360,000.00 DATED 3-19-2009 and any extensions, renewals or replacements thereof (hereinafter referred to as the "Indebtedness").
B. If this [ ] is checked, the Undersigned guarantees to Lender the payment and performance of each and every debt, liability and obligation of every type and description which Borrower may now or at any time hereafter owe to Lender (whether such debt, liability or obligation now exists or is hereafter created or incurred, and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, or joint, several, or joint and several; all such debts, liabilities and obligations being hereinafter collectively referred to as the "Indebtedness"). Without limitation, this guaranty includes the following described debt(s):

The Undersigned further acknowledges and agrees with Lender that:

- 1. No act or thing need occur to establish the liability of the Undersigned hereunder, and no act or thing, except full payment and discharge of all indebtedness, shall in any way exonerate the Undersigned or modify, reduce, limit or release the liability of the Undersigned hereunder.
2. This is an absolute, unconditional and continuing guaranty of payment of the Indebtedness and shall continue to be in force and be binding upon the Undersigned, whether or not all Indebtedness is paid in full, until this guaranty is revoked by written notice actually received by the Lender, and such revocation shall not be effective as to Indebtedness existing or committed for at the time of actual receipt of such notice by the Lender, or as to any renewals, extensions and refinancings thereof.
3. If the Undersigned shall be dissolved, shall die, or shall be or become insolvent (however defined) or revoke this guaranty, then the Lender shall have the right to declare immediately due and payable, and the Undersigned will forthwith pay to the Lender, the full amount of all Indebtedness, whether due and payable or unmatured.
4. The liability of the Undersigned hereunder shall be limited to a principal amount of \$ 3,360,000.00 (if unlimited or if no amount is stated, the Undersigned shall be liable for all Indebtedness, without any limitation as to amount), plus accrued interest thereon and all other costs, fees, and expenses agreed to be paid under all agreements evidencing the Indebtedness and securing the payment of the Indebtedness, and all attorneys' fees, collection costs and enforcement expenses referable thereto.
5. The Undersigned will pay or reimburse Lender for all costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by Lender in connection with the protection, defense or enforcement of this guaranty in any litigation or bankruptcy or insolvency proceedings.

This guaranty includes the additional provisions on page 2, all of which are made a part hereof.

This guaranty is [X] unsecured; [ ] secured by a mortgage or security agreement dated ; [ ] secured by

IN WITNESS WHEREOF, this guaranty has been duly executed by the Undersigned the day and year first above written.

Handwritten signature of Donna Thornton and printed name DONNA THORNTON

"Undersigned" shall refer to all persons who sign this guaranty, severally and jointly.

007321

## ADDITIONAL PROVISIONS

6. Whether or not any existing relationship between the Undersigned and Borrower has been changed or ended and whether or not this guaranty has been revoked, Lender may, but shall not be obligated to, enter into transactions resulting in the creation or continuance of Indebtedness, without any consent or approval by the Undersigned and without any notice to the Undersigned. The liability of the Undersigned shall not be affected or impaired by any of the following acts or things (which Lender is expressly authorized to do, omit or suffer from time to time, both before and after revocation of this guaranty, without notice to or approval by the Undersigned): (i) any acceptance of collateral security, guarantors, accommodation parties or sureties for any or all Indebtedness; (ii) any one or more extensions or renewals of Indebtedness (whether or not for longer than the original period) or any modification of the interest rates, maturities or other contractual terms applicable to any Indebtedness; (iii) any waiver, adjustment, forbearance, compromise or indulgence granted to Borrower, any delay or lack of diligence in the enforcement of Indebtedness, or any failure to institute proceedings, file a claim, give any required notices or otherwise protect any Indebtedness; (iv) any full or partial release of, settlement with, or agreement not to sue, Borrower or any other guarantor or other person liable in respect of any Indebtedness; (v) any discharge of any evidence of Indebtedness or the acceptance of any instrument in renewal thereof or substitution therefor; (vi) any failure to obtain collateral security (including rights of setoff) for Indebtedness; or to see to the proper or sufficient creation and perfection thereof, or to establish the priority thereof, or to protect, insure, or enforce any collateral security; or any release, modification, substitution, discharge, impairment, deterioration, waste, or loss of any collateral security; (vii) any foreclosure or enforcement of any collateral security; (viii) any transfer of any Indebtedness or any evidence thereof; (ix) any order of application of any payments or credits upon Indebtedness; (x) any election by the Lender under §1111(b)(2) of the United States Bankruptcy Code.

7. The Undersigned waives any and all defenses, claims and discharges of Borrower, or any other obligor, pertaining to Indebtedness, except the defense of discharge by payment in full. Without limiting the generality of the foregoing, the Undersigned will not assert, plead or enforce against Lender any defense of waiver, release, statute of limitations, res judicata, statute of frauds, fraud, incapacity, minority, usury, illegality or unenforceability which may be available to Borrower or any other person liable in respect of any Indebtedness, or any setoff available against Lender to Borrower or any such other person, whether or not on account of a related transaction. The Undersigned expressly agrees that the Undersigned shall be and remain liable, to the fullest extent permitted by applicable law, for any deficiency remaining after foreclosure of any mortgage or security interest securing Indebtedness, whether or not the liability of Borrower or any other obligor for such deficiency is discharged pursuant to statute or judicial decision. The Undersigned shall remain obligated, to the fullest extent permitted by law, to pay such amounts as though the Borrower's obligations had not been discharged.

8. The Undersigned further agrees that the Undersigned shall be and remain obligated to pay Indebtedness even though any other person obligated to pay Indebtedness, including Borrower, has such obligation discharged in bankruptcy or otherwise discharged by law. "Indebtedness" shall include post-bankruptcy petition interest and attorneys' fees and any other amounts which Borrower is discharged from paying or which do not otherwise accrue to Indebtedness due to Borrower's discharge, and the Undersigned shall remain obligated to pay such amounts as though Borrower's obligations had not been discharged.

9. If any payment applied by Lender to Indebtedness is thereafter set aside, recovered, rescinded or required to be returned for any reason (including, without limitation, the bankruptcy, insolvency or reorganization of Borrower or any other obligor), the Indebtedness to which such payment was applied shall for the purposes of this guaranty be deemed to have continued in existence, notwithstanding such application, and this guaranty shall be enforceable as to such Indebtedness as fully as if such application had never been made.

10. Until the obligations of the Borrower to Lender have been paid in full, the Undersigned waives any claim, remedy or other right which the Undersigned may now have or hereafter acquire against Borrower or any other person obligated to pay Indebtedness arising out of the creation or performance of the Undersigned's obligation under this guaranty, including, without limitation, any right of subrogation, contribution, reimbursement, indemnification, exoneration, and any right to participate in any claim or remedy the Undersigned may have against the Borrower, collateral, or other party obligated for Borrower's debts, whether or not such claim, remedy or right arises in equity, or under contract, statute or common law.

11. The Undersigned waives presentment, demand for payment, notice of dishonor or nonpayment, and protest of any instrument evidencing Indebtedness. Lender shall not be required first to resort for payment of the Indebtedness to Borrower or other persons or their properties, or first to enforce, realize upon or exhaust any collateral security for Indebtedness, before enforcing this guaranty.

12. The liability of the Undersigned under this guaranty is in addition to and shall be cumulative with all other liabilities of the Undersigned to Lender as guarantor or otherwise, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

13. This guaranty shall be enforceable against each person signing this guaranty, even if only one person signs and regardless of any failure of other persons to sign this guaranty. If there be more than one signer, all agreements and promises herein shall be construed to be, and are hereby declared to be, joint and several in each of every particular and shall be fully binding upon and enforceable against either, any or all the Undersigned. This guaranty shall be effective upon delivery to Lender, without further act, condition or acceptance by Lender, shall be binding upon the Undersigned and the heirs, representatives, successors and assigns of the Undersigned and shall inure to the benefit of Lender and its participants, successors and assigns. Any invalidity or unenforceability of any provision or application of this guaranty shall not affect other lawful provisions and application hereof, and to this end the provisions of this guaranty are declared to be severable. Except as authorized by the terms herein, this guaranty may not be waived, modified, amended, terminated, released or otherwise changed except by a writing signed by the Undersigned and Lender. This guaranty shall be governed by the laws of the State in which it is executed. The Undersigned waives notice of Lender's acceptance hereof.

007322







GUARANTY

WHITEFISH (City), MONTANA (State)

MARCH 19, 2009

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce WHITEFISH CREDIT UNION (herein, with its participants, successors and assigns, called "Lender"), at its option, at any time or from time to time to make loans or extend other accommodations to or for the account of THORCO, INC.

(herein called "Borrower") or to engage in any other transactions with Borrower, the Undersigned hereby absolutely and unconditionally guarantees to Lender the full and prompt payment when due, whether at maturity or earlier by reason of acceleration or otherwise, of the debts, liabilities and obligations described as follows:

- A. If this [X] is checked, the Undersigned guarantees to Lender the payment and performance of the debt, liability or obligation of Borrower to Lender evidenced by or arising out of the following: WHITEFISH CREDIT UNION LOAN #966428-750 IN THE AMOUNT OF \$3,360,000.00 DATED 3-19-2009 and any extensions, renewals or replacements thereof (hereinafter referred to as the "Indebtedness").
B. If this [ ] is checked, the Undersigned guarantees to Lender the payment and performance of each and every debt, liability and obligation of every type and description which Borrower may now or at any time hereafter owe to Lender (whether such debt, liability or obligation now exists or is hereafter created or incurred, and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, or joint, several, or joint and several; all such debts, liabilities and obligations being hereinafter collectively referred to as the "Indebtedness"). Without limitation, this guaranty includes the following described debt(s):

The Undersigned further acknowledges and agrees with Lender that:

1. No act or thing need occur to establish the liability of the Undersigned hereunder, and no act or thing, except full payment and discharge of all indebtedness, shall in any way exonerate the Undersigned or modify, reduce, limit or release the liability of the Undersigned hereunder.

2. This is an absolute, unconditional and continuing guaranty of payment of the Indebtedness and shall continue to be in force and be binding upon the Undersigned, whether or not all Indebtedness is paid in full, until this guaranty is revoked by written notice actually received by the Lender, and such revocation shall not be effective as to Indebtedness existing or committed for at the time of actual receipt of such notice by the Lender, or as to any renewals, extensions and refinancings thereof. If there be more than one Undersigned, such revocation shall be effective only as to the one so revoking. The death or incompetence of the Undersigned shall not revoke this guaranty, except upon actual receipt of written notice thereof by Lender and then only as to the decedent or the incompetent and only prospectively, as to future transactions, as herein set forth.

3. If the Undersigned shall be dissolved, shall die, or shall be or become insolvent (however defined) or revoke this guaranty, then the Lender shall have the right to declare immediately due and payable, and the Undersigned will forthwith pay to the Lender, the full amount of all Indebtedness, whether due and payable or unmatured. If the Undersigned voluntarily commences or there is commenced involuntarily against the Undersigned a case under the United States Bankruptcy Code, the full amount of all Indebtedness, whether due and payable or unmatured, shall be immediately due and payable without demand or notice thereof.

4. The liability of the Undersigned hereunder shall be limited to a principal amount of \$ 3,360,000.00 (if unlimited or if no amount is stated, the Undersigned shall be liable for all Indebtedness, without any limitation as to amount), plus accrued interest thereon and all other costs, fees, and expenses agreed to be paid under all agreements evidencing the Indebtedness and securing the payment of the Indebtedness, and all attorneys' fees, collection costs and enforcement expenses referable thereto. Indebtedness may be created and continued in any amount, whether or not in excess of such principal amount, without affecting or impairing the liability of the Undersigned hereunder. The Lender may apply any sums received by or available to Lender on account of the Indebtedness from Borrower or any other person (except the Undersigned), from their properties, out of any collateral security or from any other source to payment of the excess. Such application of receipts shall not reduce, affect or impair the liability of the Undersigned hereunder. If the liability of the Undersigned is limited to a stated amount pursuant to this paragraph 4, any payment made by the Undersigned under this guaranty shall be effective to reduce or discharge such liability only if accompanied by a written transmittal document, received by the Lender, advising the Lender that such payment is made under this guaranty for such purpose.

5. The Undersigned will pay or reimburse Lender for all costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by Lender in connection with the protection, defense or enforcement of this guaranty in any litigation or bankruptcy or insolvency proceedings.

This guaranty includes the additional provisions on page 2, all of which are made a part hereof.

This guaranty is [X] unsecured; [ ] secured by a mortgage or security agreement dated \_\_\_\_\_; [ ] secured by \_\_\_\_\_.

IN WITNESS WHEREOF, this guaranty has been duly executed by the Undersigned the day and year first above written.

Dennis Thornton signature and name DENNIS THORNTON

"Undersigned" shall refer to all persons who sign this guaranty, severally and jointly.

007325

## ADDITIONAL PROVISIONS

6. Whether or not any existing relationship between the Undersigned and Borrower has been changed or ended and whether or not this guaranty has been revoked, Lender may, but shall not be obligated to, enter into transactions resulting in the creation or continuance of Indebtedness, without any consent or approval by the Undersigned and without any notice to the Undersigned. The liability of the Undersigned shall not be affected or impaired by any of the following acts or things (which Lender is expressly authorized to do, omit or suffer from time to time, both before and after revocation of this guaranty, without notice to or approval by the Undersigned): (i) any acceptance of collateral security, guarantors, accommodation parties or sureties for any or all Indebtedness; (ii) any one or more extensions or renewals of Indebtedness (whether or not for longer than the original period) or any modification of the interest rates, maturities or other contractual terms applicable to any Indebtedness; (iii) any waiver, adjustment, forbearance, compromise or indulgence granted to Borrower, any delay or lack of diligence in the enforcement of Indebtedness, or any failure to institute proceedings, file a claim, give any required notices or otherwise protect any Indebtedness; (iv) any full or partial release of, settlement with, or agreement not to sue, Borrower or any other guarantor or other person liable in respect of any Indebtedness; (v) any discharge of any evidence of Indebtedness or the acceptance of any instrument in renewal thereof or substitution therefor; (vi) any failure to obtain collateral security (including rights of setoff) for Indebtedness, or to see to the proper or sufficient creation and perfection thereof, or to establish the priority thereof, or to protect, insure, or enforce any collateral security; or any release, modification, substitution, discharge, impairment, deterioration, waste, or loss of any collateral security; (vii) any foreclosure or enforcement of any collateral security; (viii) any transfer of any Indebtedness or any evidence thereof; (ix) any order of application of any payments or credits upon Indebtedness; (x) any election by the Lender under §1111(b)(2) of the United States Bankruptcy Code.

7. The Undersigned waives any and all defenses, claims and discharges of Borrower, or any other obligor, pertaining to Indebtedness, except the defense of discharge by payment in full. Without limiting the generality of the foregoing, the Undersigned will not assert, plead or enforce against Lender any defense of waiver, release, statute of limitations, res judicata, statute of frauds, fraud, incapacity, minority, usury, illegality or unenforceability which may be available to Borrower or any other person liable in respect of any Indebtedness, or any setoff available against Lender to Borrower or any such other person, whether or not on account of a related transaction. The Undersigned expressly agrees that the Undersigned shall be and remain liable, to the fullest extent permitted by applicable law, for any deficiency remaining after foreclosure of any mortgage or security interest securing Indebtedness, whether or not the liability of Borrower or any other obligor for such deficiency is discharged pursuant to statute or judicial decision. The Undersigned shall remain obligated, to the fullest extent permitted by law, to pay such amounts as though the Borrower's obligations had not been discharged.

8. The Undersigned further agrees that the Undersigned shall be and remain obligated to pay Indebtedness even though any other person obligated to pay Indebtedness, including Borrower, has such obligation discharged in bankruptcy or otherwise discharged by law. "Indebtedness" shall include post-bankruptcy petition interest and attorneys' fees and any other amounts which Borrower is discharged from paying or which do not otherwise accrue to Indebtedness due to Borrower's discharge, and the Undersigned shall remain obligated to pay such amounts as though Borrower's obligations had not been discharged.

9. If any payment applied by Lender to Indebtedness is thereafter set aside, recovered, rescinded or required to be returned for any reason (including, without limitation, the bankruptcy, insolvency or reorganization of Borrower or any other obligor), the Indebtedness to which such payment was applied shall for the purposes of this guaranty be deemed to have continued in existence, notwithstanding such application, and this guaranty shall be enforceable as to such Indebtedness as fully as if such application had never been made.

10. Until the obligations of the Borrower to Lender have been paid in full, the Undersigned waives any claim, remedy or other right which the Undersigned may now have or hereafter acquire against Borrower or any other person obligated to pay Indebtedness arising out of the creation or performance of the Undersigned's obligation under this guaranty, including, without limitation, any right of subrogation, contribution, reimbursement, indemnification, exoneration, and any right to participate in any claim or remedy the Undersigned may have against the Borrower, collateral, or other party obligated for Borrower's debts, whether or not such claim, remedy or right arises in equity, or under contract, statute or common law.

11. The Undersigned waives presentment, demand for payment, notice of dishonor or nonpayment, and protest of any instrument evidencing Indebtedness. Lender shall not be required first to resort for payment of the Indebtedness to Borrower or other persons or their properties, or first to enforce, realize upon or exhaust any collateral security for Indebtedness, before enforcing this guaranty.

12. The liability of the Undersigned under this guaranty is in addition to and shall be cumulative with all other liabilities of the Undersigned to Lender as guarantor or otherwise, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

13. This guaranty shall be enforceable against each person signing this guaranty, even if only one person signs and regardless of any failure of other persons to sign this guaranty. If there be more than one signer, all agreements and promises herein shall be construed to be, and are hereby declared to be, joint and several in each of every particular and shall be fully binding upon and enforceable against either, any or all the Undersigned. This guaranty shall be effective upon delivery to Lender, without further act, condition or acceptance by Lender, shall be binding upon the Undersigned and the heirs, representatives, successors and assigns of the Undersigned and shall inure to the benefit of Lender and its participants, successors and assigns. Any invalidity or unenforceability of any provision or application of this guaranty shall not affect other lawful provisions and application hereof, and to this end the provisions of this guaranty are declared to be severable. Except as authorized by the terms herein, this guaranty may not be waived, modified, amended, terminated, released or otherwise changed except by a writing signed by the Undersigned and Lender. This guaranty shall be governed by the laws of the State in which it is executed. The Undersigned waives notice of Lender's acceptance hereof.

007326

GUARANTY

WHITEFISH, MONTANA (City) (State)

MARCH 19, 2009

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce WHITEFISH CREDIT UNION (herein, with its participants, successors and assigns, called "Lender"), at its option, at any time or from time to time to make loans or extend other accommodations to or for the account of THORCO, INC.

(herein called "Borrower") or to engage in any other transactions with Borrower, the Undersigned hereby absolutely and unconditionally guarantees to Lender the full and prompt payment when due, whether at maturity or earlier by reason of acceleration or otherwise, of the debts, liabilities and obligations described as follows:

- A. If this [X] is checked, the Undersigned guarantees to Lender the payment and performance of the debt, liability or obligation of Borrower to Lender evidenced by or arising out of the following: WHITEFISH CREDIT UNION LOAN #966428-750 IN THE AMOUNT OF \$3,360,000.00 DATED 3-19-2009 and any extensions, renewals or replacements thereof (hereinafter referred to as the "Indebtedness").
B. If this [ ] is checked, the Undersigned guarantees to Lender the payment and performance of each and every debt, liability and obligation of every type and description which Borrower may now or at any time hereafter owe to Lender (whether such debt, liability or obligation now exists or is hereafter created or incurred, and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, or joint, several, or joint and several; all such debts, liabilities and obligations being hereinafter collectively referred to as the "Indebtedness"). Without limitation, this guaranty includes the following described debt(s):

The Undersigned further acknowledges and agrees with Lender that:

1. No act or thing need occur to establish the liability of the Undersigned hereunder, and no act or thing, except full payment and discharge of all indebtedness, shall in any way exonerate the Undersigned or modify, reduce, limit or release the liability of the Undersigned hereunder.

2. This is an absolute, unconditional and continuing guaranty of payment of the Indebtedness and shall continue to be in force and be binding upon the Undersigned, whether or not all Indebtedness is paid in full, until this guaranty is revoked by written notice actually received by the Lender, and such revocation shall not be effective as to Indebtedness existing or committed for at the time of actual receipt of such notice by the Lender, or as to any renewals, extensions and refinancings thereof. If there be more than one Undersigned, such revocation shall be effective only as to the one so revoking. The death or incompetence of the Undersigned shall not revoke this guaranty, except upon actual receipt of written notice thereof by Lender and then only as to the decedent or the incompetent and only prospectively, as to future transactions, as herein set forth.

3. If the Undersigned shall be dissolved, shall die, or shall be or become insolvent (however defined) or revoke this guaranty, then the Lender shall have the right to declare immediately due and payable, and the Undersigned will forthwith pay to the Lender, the full amount of all Indebtedness, whether due and payable or unmatured. If the Undersigned voluntarily commences or there is commenced involuntarily against the Undersigned a case under the United States Bankruptcy Code, the full amount of all Indebtedness, whether due and payable or unmatured, shall be immediately due and payable without demand or notice thereof.

4. The liability of the Undersigned hereunder shall be limited to a principal amount of \$ 3,360,000.00 (if unlimited or if no amount is stated, the Undersigned shall be liable for all Indebtedness, without any limitation as to amount), plus accrued interest thereon and all other costs, fees, and expenses agreed to be paid under all agreements evidencing the Indebtedness and securing the payment of the Indebtedness, and all attorneys' fees, collection costs and enforcement expenses referable thereto. Indebtedness may be created and continued in any amount, whether or not in excess of such principal amount, without affecting or impairing the liability of the Undersigned hereunder. The Lender may apply any sums received by or available to Lender on account of the Indebtedness from Borrower or any other person (except the Undersigned), from their properties, out of any collateral security or from any other source to payment of the excess. Such application of receipts shall not reduce, affect or impair the liability of the Undersigned hereunder. If the liability of the Undersigned is limited to a stated amount pursuant to this paragraph 4, any payment made by the Undersigned under this guaranty shall be effective to reduce or discharge such liability only if accompanied by a written transmittal document, received by the Lender, advising the Lender that such payment is made under this guaranty for such purpose.

5. The Undersigned will pay or reimburse Lender for all costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by Lender in connection with the protection, defense or enforcement of this guaranty in any litigation or bankruptcy or insolvency proceedings.

This guaranty includes the additional provisions on page 2, all of which are made a part hereof.

This guaranty is [X] unsecured; [ ] secured by a mortgage or security agreement dated ; [ ] secured by

IN WITNESS WHEREOF, this guaranty has been duly executed by the Undersigned the day and year first above written.

Handwritten signature of Donna Thornton and printed name DONNA THORNTON

"Undersigned" shall refer to all persons who sign this guaranty, severally and jointly.

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## ADDITIONAL PROVISIONS

6. Whether or not any existing relationship between the Undersigned and Borrower has been changed or ended and whether or not this guaranty has been revoked, Lender may, but shall not be obligated to, enter into transactions resulting in the creation or continuance of Indebtedness, without any consent or approval by the Undersigned and without any notice to the Undersigned. The liability of the Undersigned shall not be affected or impaired by any of the following acts or things (which Lender is expressly authorized to do, omit or suffer from time to time, both before and after revocation of this guaranty, without notice to or approval by the Undersigned): (i) any acceptance of collateral security, guarantors, accommodation parties or sureties for any or all Indebtedness; (ii) any one or more extensions or renewals of Indebtedness (whether or not for longer than the original period) or any modification of the interest rates, maturities or other contractual terms applicable to any Indebtedness; (iii) any waiver, adjustment, forbearance, compromise or indulgence granted to Borrower, any delay or lack of diligence in the enforcement of Indebtedness, or any failure to institute proceedings, file a claim, give any required notices or otherwise protect any Indebtedness; (iv) any full or partial release of, settlement with, or agreement not to sue, Borrower or any other guarantor or other person liable in respect of any Indebtedness; (v) any discharge of any evidence of Indebtedness or the acceptance of any instrument in renewal thereof or substitution therefor; (vi) any failure to obtain collateral security (including rights of setoff) for Indebtedness; or to see to the proper or sufficient creation and perfection thereof, or to establish the priority thereof, or to protect, insure, or enforce any collateral security; or any release, modification, substitution, discharge, impairment, deterioration, waste, or loss of any collateral security; (vii) any foreclosure or enforcement of any collateral security; (viii) any transfer of any Indebtedness or any evidence thereof; (ix) any order of application of any payments or credits upon Indebtedness; (x) any election by the Lender under §1111(b)(2) of the United States Bankruptcy Code.

7. The Undersigned waives any and all defenses, claims and discharges of Borrower, or any other obligor, pertaining to Indebtedness, except the defense of discharge by payment in full. Without limiting the generality of the foregoing, the Undersigned will not assert, plead or enforce against Lender any defense of waiver, release, statute of limitations, res judicata, statute of frauds, fraud, incapacity, minority, usury, illegality or unenforceability which may be available to Borrower or any other person liable in respect of any Indebtedness, or any setoff available against Lender to Borrower or any such other person, whether or not on account of a related transaction. The Undersigned expressly agrees that the Undersigned shall be and remain liable, to the fullest extent permitted by applicable law, for any deficiency remaining after foreclosure of any mortgage or security interest securing Indebtedness, whether or not the liability of Borrower or any other obligor for such deficiency is discharged pursuant to statute or judicial decision. The Undersigned shall remain obligated, to the fullest extent permitted by law, to pay such amounts as though the Borrower's obligations had not been discharged.

8. The Undersigned further agrees that the Undersigned shall be and remain obligated to pay Indebtedness even though any other person obligated to pay Indebtedness, including Borrower, has such obligation discharged in bankruptcy or otherwise discharged by law. "Indebtedness" shall include post-bankruptcy petition interest and attorneys' fees and any other amounts which Borrower is discharged from paying or which do not otherwise accrue to Indebtedness due to Borrower's discharge, and the Undersigned shall remain obligated to pay such amounts as though Borrower's obligations had not been discharged.

9. If any payment applied by Lender to Indebtedness is thereafter set aside, recovered, rescinded or required to be returned for any reason (including, without limitation, the bankruptcy, insolvency or reorganization of Borrower or any other obligor), the Indebtedness to which such payment was applied shall for the purposes of this guaranty be deemed to have continued in existence, notwithstanding such application, and this guaranty shall be enforceable as to such Indebtedness as fully as if such application had never been made.

10. Until the obligations of the Borrower to Lender have been paid in full, the Undersigned waives any claim, remedy or other right which the Undersigned may now have or hereafter acquire against Borrower or any other person obligated to pay Indebtedness arising out of the creation or performance of the Undersigned's obligation under this guaranty, including, without limitation, any right of subrogation, contribution, reimbursement, indemnification, exoneration, and any right to participate in any claim or remedy the Undersigned may have against the Borrower, collateral, or other party obligated for Borrower's debts, whether or not such claim, remedy or right arises in equity, or under contract, statute or common law.

11. The Undersigned waives presentment, demand for payment, notice of dishonor or nonpayment, and protest of any instrument evidencing Indebtedness. Lender shall not be required first to resort for payment of the Indebtedness to Borrower or other persons or their properties, or first to enforce, realize upon or exhaust any collateral security for Indebtedness, before enforcing this guaranty.

12. The liability of the Undersigned under this guaranty is in addition to and shall be cumulative with all other liabilities of the Undersigned to Lender as guarantor or otherwise, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

13. This guaranty shall be enforceable against each person signing this guaranty, even if only one person signs and regardless of any failure of other persons to sign this guaranty. If there be more than one signer, all agreements and promises herein shall be construed to be, and are hereby declared to be, joint and several in each of every particular and shall be fully binding upon and enforceable against either, any or all the Undersigned. This guaranty shall be effective upon delivery to Lender, without further act, condition or acceptance by Lender, shall be binding upon the Undersigned and the heirs, representatives, successors and assigns of the Undersigned and shall inure to the benefit of Lender and its participants, successors and assigns. Any invalidity or unenforceability of any provision or application of this guaranty shall not affect other lawful provisions and application hereof, and to this end the provisions of this guaranty are declared to be severable. Except as authorized by the terms herein, this guaranty may not be waived, modified, amended, terminated, released or otherwise changed except by a writing signed by the Undersigned and Lender. This guaranty shall be governed by the laws of the State in which it is executed. The Undersigned waives notice of Lender's acceptance hereof.

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Return To:  
WHITEFISH CREDIT UNION  
PO BOX 37  
WHITEFISH, MT 59937



Paula Robinson, Flathead County MT by NC

200900007830

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Fees: \$84.00

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Prepared By:  
WHITEFISH CREDIT UNION  
PO BOX 37  
WHITEFISH, MT 59937

02/29/09  
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State of Montana \_\_\_\_\_ Space Above This Line For Recording Data \_\_\_\_\_

CG-49765  
[3]

**REAL ESTATE MORTGAGE**  
(With Future Advance Clause)

1. **DATE AND PARTIES.** The date of this Mortgage (Security Instrument) is 03-19-2009  
and the parties, their addresses and tax identification numbers, if required, are as follows:

MORTGAGOR: THORCO, INC.  
151 AMATASIA LANE  
KALISPELL, MT 59901

If checked, refer to the attached Addendum incorporated herein, for additional  
Mortgagors, their signatures and acknowledgments.

MORTGAGEE:  
("Lender") WHITEFISH CREDIT UNION  
PO BOX 37  
WHITEFISH, MT 59937

2. **CONVEYANCE.** For good and valuable consideration, the receipt and sufficiency of which  
is acknowledged, and to secure the Secured Debt (defined below) and Mortgagor's  
performance under this Security Instrument, Mortgagor grants, bargains, conveys, sells  
and mortgages to Lender, with power of sale, the following described property:  
SEE SCHEDULE "C"

Parcel ID Number:

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MONTANA - AGRICULTURAL/COMMERCIAL REAL ESTATE SECURITY INSTRUMENT MORTGAGE  
(NOT FOR FNMA, FHLMC, FHA OR VA USE, AND NOT FOR CONSUMER PURPOSES)

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Paula Robinson, Flathead County MT by NC

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The property is located in FLATHEAD at NHN BOON ROAD  
(County)  
SOMERS, Montana 59932  
(Address) (City) (Zip Code)

Together with all rights, easements, appurtenances, royalties, mineral rights, oil and gas rights, crops, timber, all diversion payments or third party payments made to crop producers, all water and riparian rights, wells, ditches, reservoirs, and water stock and all existing and future improvements, structures, fixtures, and replacements that may now, or at any time in the future, be part of the real estate described above (all referred to as "Property").

3. **MAXIMUM OBLIGATION LIMIT.** The total principal amount secured by this Security Instrument at any one time, including any sums advanced for the insurance, protection, and preservation of the Property or Lender's interest therein, shall not exceed \$ 3,360,000.00, provided, however, that nothing contained in this Security Instrument shall constitute a commitment to make additional or future loans or advances, beyond those defined as "Secured Debt" below, in any amounts. Any such commitment must be agreed to in a separate writing.

4. **SECURED DEBT AND FUTURE ADVANCES.** The term "Secured Debt" is defined as follows:

A. Debt incurred under the terms of all promissory note(s), contract(s), guaranty(ies) or other evidence of debt described below and all their extensions, renewals, modifications or substitutions. *(When referencing the debts below it is suggested that you include items such as borrowers' names, note amounts, interest rates, maturity dates, etc.)*

BORROWER: THORCO, INC.  
NOTE AMOUNT: \$3,360,000.00  
NOTE DATE: 3-19-2009  
MATURITY DATE: 3-15-2011  
INTEREST RATE: 6.50%

B. All future advances from Lender to Mortgagor or other future obligations of Mortgagor to Lender under any promissory note, contract, guaranty, or other evidence of debt existing now or executed after this Security Instrument whether or not this Security Instrument is specifically referenced. If more than one person signs this Security Instrument, each Mortgagor agrees that this Security Instrument will secure all future advances and future obligations that are given to or incurred by any one or more Mortgagor, or any one or more Mortgagor and others. All future advances and other future obligations are secured by this Security Instrument even though all or part may not yet be advanced. All future advances and other future obligations are secured as if made on the date of this Security Instrument. Nothing in this Security Instrument shall constitute a commitment to make additional or future loans or advances in any amount. Any such commitment must be agreed to in a separate writing.

C. All obligations Mortgagor owes to Lender, which now exist or may later arise, to the extent not prohibited by law, including, but not limited to, liabilities for overdrafts relating to any deposit account agreement between Mortgagor and Lender.

D. All additional sums advanced and expenses incurred by Lender for insuring, preserving or otherwise protecting the Property and its value and any other sums advanced and expenses incurred by Lender under the terms of this Security Instrument.

This Security Instrument will not secure any other debt if Lender fails to give any required notice of the right of rescission.

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5. **PAYMENTS.** Mortgagor agrees that all payments under the Secured Debt will be paid when due and in accordance with the terms of the Secured Debt and this Security Instrument.
6. **WARRANTY OF TITLE.** Mortgagor warrants that Mortgagor is or will be lawfully seized of the estate conveyed by this Security Instrument and has the right to grant, bargain, convey, sell, and mortgage the Property, with power of sale. Mortgagor also warrants that the Property is unencumbered, except for encumbrances of record.
7. **PRIOR SECURITY INTERESTS.** With regard to any other mortgage, deed of trust, security agreement or other lien document that created a prior security interest or encumbrance on the Property, Mortgagor agrees:
- A. To make all payments when due and to perform or comply with all covenants.
  - B. To promptly deliver to Lender any notices that Mortgagor receives from the holder.
  - C. Not to allow any modification or extension of any note or agreement secured by the lien document without Lender's prior written consent.
  - D. To restrict lien priority of any prior security interest allowing future advances by recording a notice of limitation as provided in M.C.A. 71-1-206(3).
8. **CLAIMS AGAINST TITLE.** Mortgagor will pay all taxes, assessments, liens, encumbrances, lease payments, ground rents, utilities, and other charges relating to the Property when due. Lender may require Mortgagor to provide to Lender copies of all notices that such amounts are due and the receipts evidencing Mortgagor's payment. Mortgagor will defend title to the Property against any claims that would impair the lien of this Security Instrument. Mortgagor agrees to assign to Lender, as requested by Lender, any rights, claims or defenses Mortgagor may have against parties who supply labor or materials to maintain or improve the Property.
9. **DUE ON SALE OR ENCUMBRANCE.** Lender may, at its option, declare the entire balance of the Secured Debt to be immediately due and payable upon the creation of, or contract for the creation of, any lien, encumbrance, transfer or sale of all or any part of the Property. This right is subject to the restrictions imposed by federal law (12 C.F.R. 591), as applicable. This covenant shall run with the Property and shall remain in effect until the Secured Debt is paid in full and this Security Instrument is released.
10. **TRANSFER OF AN INTEREST IN THE MORTGAGOR.** If Mortgagor is an entity other than a natural person (such as a corporation or other organization), Lender may demand immediate payment if:
- A. A beneficial interest in Mortgagor is sold or transferred.
  - B. There is a change in either the identity or number of members of a partnership or similar entity.
  - C. There is a change in ownership of more than 25 percent of the voting stock of a corporation or similar entity.
- However, Lender may not demand payment in the above situations if it is prohibited by law as of the date of this Security Instrument.
11. **ENTITY WARRANTIES AND REPRESENTATIONS.** If Mortgagor is an entity other than a natural person (such as a corporation or other organization), Mortgagor makes to Lender the following warranties and representations which shall continue as long as the Secured Debt remains outstanding:
- A. Mortgagor is duly organized and validly existing in Mortgagor's state of incorporation or organization. Mortgagor is in good standing in all states in which Mortgagor transacts business. Mortgagor has the power and authority to own the Property and to carry on its business as now being conducted and, as applicable, is qualified to do so in each state in which Mortgagor operates.
  - B. The execution, delivery and performance of this Security Instrument by Mortgagor and the obligations evidenced by the Secured Debt are within the power of Mortgagor, have been duly authorized, have received all necessary governmental approval, and will not violate any provision of law, or order of court or governmental agency.

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Paula Robinson, Flathead County MT by NC

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Fees: \$84.00  
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C. Other than previously disclosed in writing to Lender, Mortgagor has not changed its name within the last ten years and has not used any other trade or fictitious name. Without Lender's prior written consent, Mortgagor does not and will not use any other name and will preserve its existing name, trade names and franchises until the Secured Debt is satisfied.

12. **PROPERTY CONDITION, ALTERATIONS AND INSPECTION.** Mortgagor will keep the Property in good condition and make all repairs that are reasonably necessary. Mortgagor shall not commit or allow any waste, impairment, or deterioration of the Property. Mortgagor will keep the Property free of noxious weeds and grasses. Mortgagor agrees that the nature of the occupancy and use will not substantially change without Lender's prior written consent. Mortgagor will not permit any change in any license, restrictive covenant or easement without Lender's prior written consent. Mortgagor will notify Lender of all demands, proceedings, claims, and actions against Mortgagor, and of any loss or damage to the Property.

No portion of the Property will be removed, demolished or materially altered without Lender's prior written consent except that Mortgagor has the right to remove items of personal property comprising a part of the Property that become worn or obsolete, provided that such personal property is replaced with other personal property at least equal in value to the replaced personal property, free from any title retention device, security agreement or other encumbrance. Such replacement of personal property will be deemed subject to the security interest created by this Security Instrument. Mortgagor shall not partition or subdivide the Property without Lender's prior written consent.

Lender or Lender's agents may, at Lender's option, enter the Property at any reasonable time for the purpose of inspecting the Property. Lender shall give Mortgagor notice at the time of or before an inspection specifying a reasonable purpose for the inspection. Any inspection of the Property shall be entirely for Lender's benefit and Mortgagor will in no way rely on Lender's inspection.

13. **AUTHORITY TO PERFORM.** If Mortgagor fails to perform any duty or any of the covenants contained in this Security Instrument, Lender may, without notice, perform or cause them to be performed. Mortgagor appoints Lender as attorney in fact to sign Mortgagor's name or pay any amount necessary for performance. Lender's right to perform for Mortgagor shall not create an obligation to perform, and Lender's failure to perform will not preclude Lender from exercising any of Lender's other rights under the law or this Security Instrument. If any construction on the Property is discontinued or not carried on in a reasonable manner, Lender may take all steps necessary to protect Lender's security interest in the Property, including completion of the construction.

14. **ASSIGNMENT OF LEASES AND RENTS.** Mortgagor assigns, grants, bargains, conveys and mortgages to Lender as additional security all the right, title and interest in the following (Property).

A. Existing or future leases, subleases, licenses, guaranties and any other written or verbal agreements for the use and occupancy of the Property, including but not limited to, any extensions, renewals, modifications or replacements (Leases).

B. Rents, issues and profits, including but not limited to, security deposits, minimum rents, percentage rents, additional rents, common area maintenance charges, parking charges, real estate taxes, other applicable taxes, insurance premium contributions, liquidated damages following default, cancellation premiums, "loss of rents" insurance, guest receipts, revenues, royalties, proceeds, bonuses, accounts, contract rights, general intangibles, and all rights and claims which Mortgagor may have that in any way pertain to or are on account of the use or occupancy of the whole or any part of the Property (Rents).

In the event any item listed as Leases or Rents is determined to be personal property, this Assignment will also be regarded as a security agreement.

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Mortgagor will promptly provide Lender with copies of the Leases and will certify these Leases are true and correct copies. The existing Leases will be provided on execution of the Assignment, and all future Leases and any other information with respect to these Leases will be provided immediately after they are executed. Mortgagor may collect, receive, enjoy and use the Rents so long as Mortgagor is not in default. Mortgagor will not collect in advance any Rents due in future lease periods, unless Mortgagor first obtains Lender's written consent. Upon default, Mortgagor will receive any Rents in trust for Lender and Mortgagor will not commingle the Rents with any other funds. When Lender so directs, Mortgagor will endorse and deliver any payments of Rents from the Property to Lender. Amounts collected will be applied at Lender's discretion to the Secured Debts, the costs of managing, protecting and preserving the Property, and other necessary expenses. Mortgagor agrees that this Security Instrument is immediately effective between Mortgagor and Lender. This Security Instrument will remain effective during any statutory redemption period until the Secured Debts are satisfied. Unless otherwise prohibited or prescribed by state law, Mortgagor agrees that Lender may take actual possession of the Property without the necessity of commencing any legal action or proceeding. Mortgagor agrees that actual possession of the Property is deemed to occur when Lender notifies Mortgagor of Mortgagor's default and demands that Mortgagor and Mortgagor's tenants pay all Rents due or to become due directly to Lender. Immediately after Lender gives Mortgagor the notice of default, Mortgagor agrees that either Lender or Mortgagor may immediately notify the tenants and demand that all future Rents be paid directly to Lender.

As long as this Assignment is in effect, Mortgagor warrants and represents that no default exists under the Leases, and the parties subject to the Leases have not violated any applicable law on leases, licenses and landlords and tenants. Mortgagor, at its sole cost and expense, will keep, observe and perform, and require all other parties to the Leases to comply with the Leases and any applicable law. If Mortgagor or any party to the Lease defaults or fails to observe any applicable law, Mortgagor will promptly notify Lender. If Mortgagor neglects or refuses to enforce compliance with the terms of the Leases, then Lender may, at Lender's option, enforce compliance.

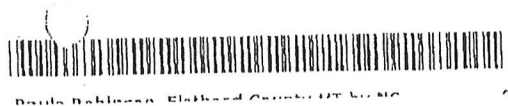
Mortgagor will not sublet, modify, extend, cancel, or otherwise alter the Leases, or accept the surrender of the Property covered by the Leases (unless the Leases so require) without Lender's consent. Mortgagor will not assign, compromise, subordinate or encumber the Leases and Rents without Lender's prior written consent. Lender does not assume or become liable for the Property's maintenance, depreciation, or other losses or damages when Lender acts to manage, protect or preserve the Property, except for losses and damages due to Lender's gross negligence or intentional torts to the extent permitted by law. Otherwise, Mortgagor will indemnify Lender and hold Lender harmless for all liability, loss or damage that Lender may incur when Lender opts to exercise any of its remedies against any party obligated under the Leases.

**15. LEASEHOLDS; CONDOMINIUMS; PLANNED UNIT DEVELOPMENTS.** Mortgagor agrees to comply with the provisions of any lease if this Security Instrument is on a leasehold. If the Property includes a unit in a condominium or a planned unit development, Mortgagor will perform all of Mortgagor's duties under the covenants, by-laws, or regulations of the condominium or planned unit development.

**16. DEFAULT.** Mortgagor will be in default if any of the following occur:  
A. Any party obligated on the Secured Debt fails to make payment when due;  
B. A breach of any term or covenant in this Security Instrument or any other document executed for the purpose of creating, securing or guarantying the Secured Debt;  
C. The making or furnishing of any verbal or written representation, statement or warranty to Lender that is false or incorrect in any material respect by Mortgagor or any person or entity obligated on the Secured Debt;  
D. The death, dissolution, or insolvency of, appointment of a receiver for, or application of any debtor relief law to, Mortgagor or any other person or entity obligated on the Secured Debt;

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- E. A good faith belief by Lender at any time that Lender is insecure with respect to any person or entity obligated on the Secured Debt or that the prospect of any payment is impaired or the value of the Property is impaired;
- F. A material adverse change in Mortgagor's business including ownership, management, and financial conditions, which Lender in its opinion believes impairs the value of the Property or repayment of the Secured Debt; or
- G. Any loan proceeds are used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, as further explained in 7 C.F.R. Part 1940, Subpart G, Exhibit M.

**17. REMEDIES ON DEFAULT.** In some instances, federal and state law will require Lender to provide Mortgagor with notice of the right to cure or other notices and may establish time schedules for foreclosure actions. Subject to these limitations, if any, Lender may accelerate the Secured Debt and foreclose this Security Instrument in a manner provided by law if Mortgagor is in default.

At the option of Lender, all or any part of the agreed fees and charges, accrued interest and principal shall become immediately due and payable, after giving notice if required by law, upon the occurrence of a default or anytime thereafter. In addition, Lender shall be entitled to all the remedies provided by law, the terms of the Secured Debt, this Security Instrument and any related documents. In addition, Lender shall be entitled to all the remedies provided by law, the terms of the Secured Debt, this Security Instrument and any related documents, including without limitation, the power to sell the Property.

If there is a default, Lender may, in addition to any other permitted remedy, advertise and sell the Property as a whole or in separate parcels at public auction to the highest bidder for cash and convey absolute title free and clear of all right, title and interest of Mortgagor at such time and place as Lender designates. If Lender invokes the power of sale, Lender shall give notice of the sale including the time, terms, and place of sale and a description of the property to be sold as required by the applicable law in effect at the time of the proposed sale. Lender or its designee may purchase the Property at any sale.

Upon sale of the Property and to the extent not prohibited by law, Lender shall make and deliver a deed to the Property sold which conveys absolute title to the purchaser. Lender shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable attorneys' fees; (b) to all sums secured by this Mortgage; and (c) any excess to the person or persons legally entitled to it. The recitals in any deed of conveyance shall be prima facie evidence of the facts set forth therein.

All remedies are distinct, cumulative and not exclusive, and the Lender is entitled to all remedies provided at law or equity, whether or not expressly set forth. The acceptance by Lender of any sum in payment or partial payment on the Secured Debt after the balance is due or is accelerated or after foreclosure proceedings are filed shall not constitute a waiver of Lender's right to require complete cure of any existing default. By not exercising any remedy on Mortgagor's default, Lender does not waive Lender's right to later consider the event a default if it continues or happens again.

**18. EXPENSES; ADVANCES ON COVENANTS; ATTORNEYS' FEES; COLLECTION COSTS.** Except when prohibited by law, Mortgagor agrees to pay all of Lender's expenses if Mortgagor breaches any covenant in this Security Instrument. Mortgagor will also pay on demand any amount incurred by Lender for insuring, inspecting, preserving or otherwise protecting the Property and Lender's security interest. These expenses will bear interest from the date of the payment until paid in full at the highest interest rate in effect as provided in the terms of the Secured Debt. Mortgagor agrees to pay all costs and expenses incurred by Lender in collecting, enforcing or protecting Lender's rights and remedies under this Security Instrument. This amount may include, but is not limited to, attorneys' fees, court costs, and other legal expenses. This Security Instrument shall remain in effect until released. Mortgagor agrees to pay for any recordation costs of such release.

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19. ENVIRONMENTAL LAWS AND HAZARDOUS SUBSTANCES. As used in this section, (1) Environmental Law means, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, 42 U.S.C. 9601 et seq.), all other federal, state and local laws, regulations, ordinances, court orders, attorney general opinions or interpretive letters concerning the public health, safety, welfare, environment or a hazardous substance; and (2) Hazardous Substance means any toxic, radioactive or hazardous material, waste, pollutant or contaminant which has characteristics which render the substance dangerous or potentially dangerous to the public health, safety, welfare or environment. The term includes, without limitation, any substances defined as "hazardous material," "toxic substances," "hazardous waste" or "hazardous substance" under any Environmental Law.

Mortgagor represents, warrants and agrees that:

- A. Except as previously disclosed and acknowledged in writing to Lender, no Hazardous Substance has been, is, or will be located, transported, manufactured, treated, refined, or handled by any person on, under or about the Property, except in the ordinary course of business and in strict compliance with all applicable Environmental Law.
- B. Except as previously disclosed and acknowledged in writing to Lender, Mortgagor has not and will not cause, contribute to, or permit the release of any Hazardous Substance on the Property.
- C. Mortgagor will immediately notify Lender if (1) a release or threatened release of Hazardous Substance occurs on, under or about the Property or migrates or threatens to migrate from nearby property; or (2) there is a violation of any Environmental Law concerning the Property. In such an event, Mortgagor will take all necessary remedial action in accordance with Environmental Law.
- D. Except as previously disclosed and acknowledged in writing to Lender, Mortgagor has no knowledge of or reason to believe there is any pending or threatened investigation, claim, or proceeding of any kind relating to (1) any Hazardous Substance located on, under or about the Property; or (2) any violation by Mortgagor or any tenant of any Environmental Law. Mortgagor will immediately notify Lender in writing as soon as Mortgagor has reason to believe there is any such pending or threatened investigation, claim, or proceeding. In such an event, Lender has the right, but not the obligation, to participate in any such proceeding including the right to receive copies of any documents relating to such proceedings.
- E. Except as previously disclosed and acknowledged in writing to Lender, Mortgagor and every tenant have been, are and shall remain in full compliance with any applicable Environmental Law.
- F. Except as previously disclosed and acknowledged in writing to Lender, there are no underground storage tanks, private dumps or open wells located on or under the Property and no such tank, dump or well will be added unless Lender first consents in writing.
- G. Mortgagor will regularly inspect the Property, monitor the activities and operations on the Property, and confirm that all permits, licenses or approvals required by any applicable Environmental Law are obtained and complied with.
- H. Mortgagor will permit, or cause any tenant to permit, Lender or Lender's agent to enter and inspect the Property and review all records at any reasonable time to determine (1) the existence, location and nature of any Hazardous Substance on, under or about the Property; (2) the existence, location, nature, and magnitude of any Hazardous Substance that has been released on, under or about the Property; or (3) whether or not Mortgagor and any tenant are in compliance with applicable Environmental Law.
- I. Upon Lender's request and at any time, Mortgagor agrees, at Mortgagor's expense, to engage a qualified environmental engineer to prepare an environmental audit of the Property and to submit the results of such audit to Lender. The choice of the environmental engineer who will perform such audit is subject to Lender's approval.

(page 7 of 11)





Paula Robinson, Flathead County MT by NC

- J. Lender has the right, but not the obligation, to perform any of Mortgagor's obligations under this section at Mortgagor's expense.
  - K. As a consequence of any breach of any representation, warranty or promise made in this section, (1) Mortgagor will indemnify and hold Lender and Lender's successors or assigns harmless from and against all losses, claims, demands, liabilities, damages, cleanup, response and remediation costs, penalties and expenses, including without limitation all costs of litigation and attorneys' fees, which Lender and Lender's successors or assigns may sustain; and (2) at Lender's discretion, Lender may release this Security Instrument and in return Mortgagor will provide Lender with collateral of at least equal value to the Property secured by this Security Instrument without prejudice to any of Lender's rights under this Security Instrument.
  - L. Notwithstanding any of the language contained in this Security Instrument to the contrary, the terms of this section shall survive any foreclosure or satisfaction of this Security Instrument regardless of any passage of title to Lender or any disposition by Lender of any or all of the Property. Any claims and defenses to the contrary are hereby waived.
20. **CONDEMNATION.** Mortgagor will give Lender prompt notice of any pending or threatened action, by private or public entities to purchase or take any or all of the Property through condemnation, eminent domain, or any other means. Mortgagor authorizes Lender to intervene in Mortgagor's name in any of the above described actions or claims. Mortgagor assigns to Lender the proceeds of any award or claim for damages connected with a condemnation or other taking of all or any part of the Property. Such proceeds shall be considered payments and will be applied as provided in this Security Instrument. This assignment of proceeds is subject to the terms of any prior mortgage, deed of trust, security agreement or other lien document.
21. **INSURANCE.** Mortgagor agrees to maintain insurance as follows:
- A. Mortgagor shall keep the Property insured against loss by fire, flood, theft and other hazards and risks reasonably associated with the Property due to its type and location. This insurance shall be maintained in the amounts and for the periods that Lender requires. What Lender requires pursuant to the preceding two sentences can change during the term of the Secured Debt. The insurance carrier providing the insurance shall be chosen by Mortgagor subject to Lender's approval, which shall not be unreasonably withheld. If Mortgagor fails to maintain the coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property according to the terms of this Security Instrument.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard "mortgage clause" and, where applicable, "loss payee clause." Mortgagor shall immediately notify Lender of cancellation or termination of the insurance. Lender shall have the right to hold the policies and renewals. If Lender requires, Mortgagor shall immediately give to Lender all receipts of paid premiums and renewal notices. Upon loss, Mortgagor shall give immediate notice to the insurance carrier and Lender. Lender may make proof of loss if not made immediately by Mortgagor.

Unless otherwise agreed in writing, all insurance proceeds shall be applied to restoration or repair of the Property or to the Secured Debt, whether or not then due, at Lender's option. Any application of proceeds to principal shall not extend or postpone the due date of scheduled payment nor change the amount of any payment. Any excess will be paid to the Mortgagor. If the Property is acquired by Lender, Mortgagor's right to any insurance policies and proceeds resulting from damage to the Property before the acquisition shall pass to Lender to the extent of the Secured Debt immediately before the acquisition.

DT  (page 8 of 11)



Paula Robinson, Flathead County MT by NC

- B. Mortgagor agrees to maintain comprehensive general liability insurance naming Lender as an additional insured in an amount acceptable to Lender, insuring against claims arising from any accident or occurrence in or on the Property.
- C. Mortgagor agrees to maintain rental loss or business interruption insurance, as required by Lender, in an amount equal to at least coverage of one year's debt service, and required escrow account deposits (if agreed to separately in writing), under a form of policy acceptable to Lender.

22. **ESCROW FOR TAXES AND INSURANCE.** Unless otherwise provided in a separate agreement, Mortgagor will not be required to pay to Lender funds for taxes and insurance in escrow.

23. **FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS.** Mortgagor will provide to Lender upon request, any financial statement or information Lender may deem reasonably necessary. Mortgagor agrees to sign, deliver, and file any additional documents or certifications that Lender may consider necessary to perfect, continue, and preserve Mortgagor's obligations under this Security Instrument and Lender's lien status on the Property.

24. **JOINT AND INDIVIDUAL LIABILITY; CO-SIGNERS; SUCCESSORS AND ASSIGNS BOUND.** All duties under this Security Instrument are joint and individual. If Mortgagor signs this Security Instrument but does not sign an evidence of debt, Mortgagor does so only to mortgage Mortgagor's interest in the Property to secure payment of the Secured Debt and Mortgagor does not agree to be personally liable on the Secured Debt. If this Security Instrument secures a guaranty between Lender and Mortgagor, Mortgagor agrees to waive any rights that may prevent Lender from bringing any action or claim against Mortgagor or any party indebted under the obligation. These rights may include, but are not limited to, any anti-deficiency or one-action laws. Mortgagor agrees that Lender and any party to this Security Instrument may extend, modify or make any change in the terms of this Security Instrument or any evidence of debt without Mortgagor's consent. Such a change will not release Mortgagor from the terms of this Security Instrument. The duties and benefits of this Security Instrument shall bind and benefit the successors and assigns of Mortgagor and Lender.

25. **APPLICABLE LAW; SEVERABILITY; INTERPRETATION.** This Security Instrument is governed by the laws of the jurisdiction in which Lender is located, except to the extent otherwise required by the laws of the jurisdiction where the Property is located. This Security Instrument is complete and fully integrated. This Security Instrument may not be amended or modified by oral agreement. Any section in this Security Instrument, attachments, or any agreement related to the Secured Debt that conflicts with applicable law will not be effective, unless that law expressly or impliedly permits the variations by written agreement. If any section of this Security Instrument cannot be enforced according to its terms, that section will be severed and will not affect the enforceability of the remainder of this Security Instrument. Whenever used, the singular shall include the plural and the plural the singular. The captions and headings of the sections of this Security Instrument are for convenience only and are not to be used to interpret or define the terms of this Security Instrument. Time is of the essence in this Security Instrument.

26. **NOTICE.** Unless otherwise required by law, any notice shall be given by delivering it or by mailing it by first class mail to the appropriate party's address on page 1 of this Security Instrument, or to any other address designated in writing. Notice to one mortgagor will be deemed to be notice to all mortgagors.

27. **WAIVERS.** Except to the extent prohibited by law, Mortgagor waives all appraisal and homestead exemption rights relating to the Property.

*DT* *DT* \_\_\_\_\_ (page 9 of 10)



Paula Robinson, Flathead County MT by NC

28. U.C.C. PROVISIONS. If checked, the following are applicable to, but do not limit, this Security Instrument:

- Construction Loan.** This Security Instrument secures an obligation incurred for the construction of an improvement on the Property.
- Fixture Filing.** Mortgagor grants to Lender a security interest in all goods that Mortgagor owns now or in the future and that are or will become fixtures related to the Property.
- Crops; Timber; Minerals; Rents, Issues and Profits.** Mortgagor grants to Lender a security interest in all crops, timber and minerals located on the Property as well as all rents, issues and profits of them including, but not limited to, all Conservation Reserve Program (CRP) and Payment in Kind (PIK) payments and similar governmental programs (all of which shall also be included in the term "Property").
- Personal Property.** Mortgagor grants to Lender a security interest in all personal property located on or connected with the Property, including all farm products, inventory, equipment, accounts, documents, instruments, chattel paper, general intangibles, and all other items of personal property Mortgagor owns now or in the future and that are used or useful in the construction, ownership, operation, management, or maintenance of the Property (all of which shall also be included in the term "Property"). The term "personal property" specifically excludes that property described as "household goods" secured in connection with a "consumer" loan as those terms are defined in applicable federal regulations governing unfair and deceptive credit practices.
- Filing As Financing Statement.** Mortgagor agrees and acknowledges that this Security Instrument also suffices as a financing statement and any carbon, photographic or other reproduction may be filed of record for purposes of Article 9 of the Uniform Commercial Code.

29. OTHER TERMS. If checked, the following are applicable to this Security Instrument:

- Line of Credit.** The Secured Debt includes a revolving line of credit provision. Although the Secured Debt may be reduced to a zero balance, this Security Instrument will remain in effect until released.
- Agricultural Property.** Mortgagor covenants and warrants that the Property will be used principally for agricultural or farming purposes and that Mortgagor is an individual or entity allowed to own agricultural land as specified by law.
- Separate Assignment.** The Mortgagor has executed or will execute a separate assignment of leases and rents. If the separate assignment of leases and rents is properly executed and recorded, then the separate assignment will supersede this Security Instrument's "Assignment of Leases and Rents" section.
- Additional Terms.**

*DT* *DA* \_\_\_\_\_ (page 10 of 11)



**SIGNATURES:** By signing below, Mortgagor agrees to the terms and covenants contained in this Security Instrument and in any attachments. Mortgagor also acknowledges receipt of a copy of this Security Instrument on the date stated on page 1.

Entity Name: THORCO, INC.

*Dennis Thornton*  
(Signature) DENNIS THORNTON, PRESIDENT (Date)

*Donna Thornton*  
(Signature) DONNA THORNTON, SECRETARY/TREASURER

(Signature) (Date)

(Signature) (Date)

**ACKNOWLEDGMENT:**

(Individual) STATE OF \_\_\_\_\_, COUNTY OF \_\_\_\_\_ } ss.  
This instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_  
by \_\_\_\_\_

\_\_\_\_\_  
(Signature of Notarial Officer)

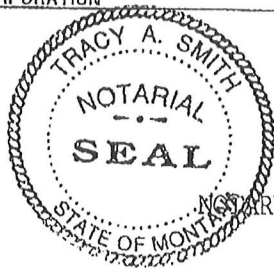
\_\_\_\_\_  
(Name - typed, stamped, or printed)

\_\_\_\_\_  
(Title and Rank)

\_\_\_\_\_  
(Residing at)

My Commission Expires: \_\_\_\_\_

(Business or Entity Acknowledgment) STATE OF MONTANA, COUNTY OF FLATHEAD } ss.  
This instrument was acknowledged before me this 19TH day of MARCH, 2009  
by DENNIS THORNTON, PRESIDENT; DONNA THORNTON, SECRETARY/TREASURER  
\_\_\_\_\_  
(Title(s))  
of THORCO, INC. (Name of Business or Entity)  
a MONTANA CORPORATION on behalf of the business or entity.



*Tracy A Smith*  
(Signature of Notarial Officer)

TRACY A SMITH  
(Name - typed, stamped, or printed)

NOTARY PUBLIC FOR THE STATE OF MONTANA  
(Title and Rank)

COLUMBIA FALLS  
(Residing at)

My Commission Expires: OCT 13, 2012





Paula Robinson, Flathead County MT by NC

SCHEDULE C  
PROPERTY DESCRIPTION

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

The North Half of the Northwest Quarter of the Northwest Quarter (N $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ ); the South Half of the Northwest Quarter of the Northwest Quarter (S $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ ); the North Half of the Northeast Quarter of the Northwest Quarter (N $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ ); the South Half of the Northeast Quarter of the Northwest Quarter (S $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ ); the North Half of the Southeast Quarter of the Northwest Quarter (N $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ ); the South Half of the Southeast Quarter of the Northwest Quarter (S $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ ); the North Half of the Southwest Quarter of the Northwest Quarter (N $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ ); the South Half of the Southwest Quarter of the Northwest Quarter (S $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ ), all in Section 28, Township 27 North, Range 21 West, M.P.M., Flathead County, Montana.

1A  
1B  
3BA  
3BB  
3BC  
3B  
1C  
1D

AND

The North Half of the Northwest Quarter of the Southwest Quarter (N $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ ) and the South Half of the Northwest Quarter of the Southwest Quarter (S $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ ) of Section 28, Township 27 North, Range 21 West, M.P.M., Flathead County, Montana.

1E  
1

AND

The North Half of the Southwest Quarter of the Northwest Quarter (N $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ ); the South Half of the Southwest Quarter of the Northwest Quarter (S $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ ); the North Half of the Northwest Quarter of the Southwest Quarter (N $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ ); the South Half of the Northwest Quarter of the Southwest Quarter (S $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ ); the North Half of the Southwest Quarter of the Southwest Quarter (N $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ ) all in Section 27, Township 27 North, Range 21 West, M.P.M., Flathead County, Montana.

1B5A  
1B6  
1B5  
1BFA  
1BFB

AND

The North Half of the Northeast Quarter of the Southwest Quarter (N $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ ); the South Half of the Northeast Quarter of the Southwest Quarter (S $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ ); the North Half of the Southeast Quarter of the Southwest Quarter (N $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ ); the South Half of the Southeast Quarter of the Southwest Quarter (S $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ ); the North Half of the Northwest Quarter of the Southeast Quarter (N $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ ); the South Half of the Northwest Quarter of the Southeast Quarter (S $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ ); the North Half of the Southwest Quarter of the Southeast Quarter (N $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ ) and the South Half of the Southwest Quarter of the Southeast Quarter (S $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ ) all in Section 27, Township 27 North, Range 21 West, M.P.M., Flathead County, Montana.

1BFE  
1BFF  
1B  
1Bm

AND

The Southeast Quarter of the Northwest Quarter (SE $\frac{1}{4}$ NW $\frac{1}{4}$ ) of Section 27, Township 27 North, Range 21 West, M.P.M., Flathead County, Montana.

1BFD

EXCEPTING THEREFROM that portion deeded to Flathead County for road purposes, by instrument recorded June 26, 1937 under Recorder's Fee #2028, in Book 223, page 614, records of Flathead County, Montana.

1BFG  
1BFF

GUARANTY

WHITEFISH, MONTANA (City) (State)

MARCH 19, 2009

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce WHITEFISH CREDIT UNION (herein, with its participants, successors and assigns, called "Lender"), at its option, at any time or from time to time to make loans or extend other accommodations to or for the account of THORCO, INC.

(herein called "Borrower") or to engage in any other transactions with Borrower, the Undersigned hereby absolutely and unconditionally guarantees to Lender the full and prompt payment when due, whether at maturity or earlier by reason of acceleration or otherwise, of the debts, liabilities and obligations described as follows:

- A. If this [X] is checked, the Undersigned guarantees to Lender the payment and performance of the debt, liability or obligation of Borrower to Lender evidenced by or arising out of the following: WHITEFISH CREDIT UNION LOAN #966428-750 IN THE AMOUNT OF \$3,360,000.00 DATED 3-19-2009 and any extensions, renewals or replacements thereof (hereinafter referred to as the "Indebtedness").
B. If this [ ] is checked, the Undersigned guarantees to Lender the payment and performance of each and every debt, liability and obligation of every type and description which Borrower may now or at any time hereafter owe to Lender (whether such debt, liability or obligation now exists or is hereafter created or incurred, and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, or joint, several, or joint and several; all such debts, liabilities and obligations being hereinafter collectively referred to as the "Indebtedness"). Without limitation, this guaranty includes the following described debt(s):

The Undersigned further acknowledges and agrees with Lender that:

1. No act or thing need occur to establish the liability of the Undersigned hereunder, and no act or thing, except full payment and discharge of all indebtedness, shall in any way exonerate the Undersigned or modify, reduce, limit or release the liability of the Undersigned hereunder.

2. This is an absolute, unconditional and continuing guaranty of payment of the Indebtedness and shall continue to be in force and be binding upon the Undersigned, whether or not all Indebtedness is paid in full, until this guaranty is revoked by written notice actually received by the Lender, and such revocation shall not be effective as to Indebtedness existing or committed for at the time of actual receipt of such notice by the Lender, or as to any renewals, extensions and refinancings thereof. If there be more than one Undersigned, such revocation shall be effective only as to the one so revoking. The death or incompetence of the Undersigned shall not revoke this guaranty, except upon actual receipt of written notice thereof by Lender and then only as to the decedent or the incompetent and only prospectively, as to future transactions, as herein set forth.

3. If the Undersigned shall be dissolved, shall die, or shall be or become insolvent (however defined) or revoke this guaranty, then the Lender shall have the right to declare immediately due and payable, and the Undersigned will forthwith pay to the Lender, the full amount of all Indebtedness, whether due and payable or unmatured. If the Undersigned voluntarily commences or there is commenced involuntarily against the Undersigned a case under the United States Bankruptcy Code, the full amount of all Indebtedness, whether due and payable or unmatured, shall be immediately due and payable without demand or notice thereof.

4. The liability of the Undersigned hereunder shall be limited to a principal amount of \$ 3,360,000.00 (if unlimited or if no amount is stated, the Undersigned shall be liable for all Indebtedness, without any limitation as to amount), plus accrued interest thereon and all other costs, fees, and expenses agreed to be paid under all agreements evidencing the Indebtedness and securing the payment of the Indebtedness, and all attorneys' fees, collection costs and enforcement expenses referable thereto. Indebtedness may be created and continued in any amount, whether or not in excess of such principal amount, without affecting or impairing the liability of the Undersigned hereunder. The Lender may apply any sums received by or available to Lender on account of the Indebtedness from Borrower or any other person (except the Undersigned), from their properties, out of any collateral security or from any other source to payment of the excess. Such application of receipts shall not reduce, affect or impair the liability of the Undersigned hereunder. If the liability of the Undersigned is limited to a stated amount pursuant to this paragraph 4, any payment made by the Undersigned under this guaranty shall be effective to reduce or discharge such liability only if accompanied by a written transmittal document, received by the Lender, advising the Lender that such payment is made under this guaranty for such purpose.

5. The Undersigned will pay or reimburse Lender for all costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by Lender in connection with the protection, defense or enforcement of this guaranty in any litigation or bankruptcy or insolvency proceedings.

This guaranty includes the additional provisions on page 2, all of which are made a part hereof.

This guaranty is [X] unsecured; [ ] secured by a mortgage or security agreement dated ; [ ] secured by

IN WITNESS WHEREOF, this guaranty has been duly executed by the Undersigned the day and year first above written.

Handwritten signature of Donna Thornton and printed name DONNA THORNTON

\*Undersigned\* shall refer to all persons who sign this guaranty, severally and jointly.

#### ADDITIONAL PROVISIONS

6. Whether or not any existing relationship between the Undersigned and Borrower has been changed or ended and whether or not this guaranty has been revoked, Lender may, but shall not be obligated to, enter into transactions resulting in the creation or continuance of Indebtedness, without any consent or approval by the Undersigned and without any notice to the Undersigned. The liability of the Undersigned shall not be affected or impaired by any of the following acts or things (which Lender is expressly authorized to do, omit or suffer from time to time, both before and after revocation of this guaranty, without notice to or approval by the Undersigned): (i) any acceptance of collateral security, guarantors, accommodation parties or sureties for any or all Indebtedness; (ii) any one or more extensions or renewals of Indebtedness (whether or not for longer than the original period) or any modification of the interest rates, maturities or other contractual terms applicable to any Indebtedness; (iii) any waiver, adjustment, forbearance, compromise or indulgence granted to Borrower, any delay or lack of diligence in the enforcement of Indebtedness, or any failure to institute proceedings, file a claim, give any required notices or otherwise protect any Indebtedness; (iv) any full or partial release of, settlement with, or agreement not to sue, Borrower or any other guarantor or other person liable in respect of any Indebtedness; (v) any discharge of any evidence of Indebtedness or the acceptance of any instrument in renewal thereof or substitution therefor; (vi) any failure to obtain collateral security (including rights of setoff) for Indebtedness, or to see to the proper or sufficient creation and perfection thereof, or to establish the priority thereof, or to protect, insure, or enforce any collateral security; or any release, modification, substitution, discharge, impairment, deterioration, waste, or loss of any collateral security; (vii) any foreclosure or enforcement of any collateral security; (viii) any transfer of any Indebtedness or any evidence thereof; (ix) any order of application of any payments or credits upon Indebtedness; (x) any election by the Lender under § 1111(b)(2) of the United States Bankruptcy Code.

7. The Undersigned waives any and all defenses, claims and discharges of Borrower, or any other obligor, pertaining to Indebtedness, except the defense of discharge by payment in full. Without limiting the generality of the foregoing, the Undersigned will not assert, plead or enforce against Lender any defense of waiver, release, statute of limitations, res judicata, statute of frauds, fraud, incapacity, minority, usury, illegality or unenforceability which may be available to Borrower or any other person liable in respect of any Indebtedness, or any setoff available against Lender to Borrower or any such other person, whether or not on account of a related transaction. The Undersigned expressly agrees that the Undersigned shall be and remain liable, to the fullest extent permitted by applicable law, for any deficiency remaining after foreclosure of any mortgage or security interest securing Indebtedness, whether or not the liability of Borrower or any other obligor for such deficiency is discharged pursuant to statute or judicial decision. The Undersigned shall remain obligated, to the fullest extent permitted by law, to pay such amounts as though the Borrower's obligations had not been discharged.

8. The Undersigned further agrees that the Undersigned shall be and remain obligated to pay Indebtedness even though any other person obligated to pay Indebtedness, including Borrower, has such obligation discharged in bankruptcy or otherwise discharged by law. "Indebtedness" shall include post-bankruptcy petition interest and attorneys' fees and any other amounts which Borrower is discharged from paying or which do not otherwise accrue to Indebtedness due to Borrower's discharge, and the Undersigned shall remain obligated to pay such amounts as though Borrower's obligations had not been discharged.

9. If any payment applied by Lender to Indebtedness is thereafter set aside, recovered, rescinded or required to be returned for any reason (including, without limitation, the bankruptcy, insolvency or reorganization of Borrower or any other obligor), the Indebtedness to which such payment was applied shall for the purposes of this guaranty be deemed to have continued in existence, notwithstanding such application, and this guaranty shall be enforceable as to such Indebtedness as fully as if such application had never been made.

10. Until the obligations of the Borrower to Lender have been paid in full, the Undersigned waives any claim, remedy or other right which the Undersigned may now have or hereafter acquire against Borrower or any other person obligated to pay Indebtedness arising out of the creation or performance of the Undersigned's obligation under this guaranty, including, without limitation, any right of subrogation, contribution, reimbursement, indemnification, exoneration, and any right to participate in any claim or remedy the Undersigned may have against the Borrower, collateral, or other party obligated for Borrower's debts, whether or not such claim, remedy or right arises in equity, or under contract, statute or common law.

11. The Undersigned waives presentment, demand for payment, notice of dishonor or nonpayment, and protest of any instrument evidencing Indebtedness. Lender shall not be required first to resort for payment of the Indebtedness to Borrower or other persons or their properties, or first to enforce, realize upon or exhaust any collateral security for Indebtedness, before enforcing this guaranty.

12. The liability of the Undersigned under this guaranty is in addition to and shall be cumulative with all other liabilities of the Undersigned to Lender as guarantor or otherwise, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

13. This guaranty shall be enforceable against each person signing this guaranty, even if only one person signs and regardless of any failure of other persons to sign this guaranty. If there be more than one signer, all agreements and promises herein shall be construed to be, and are hereby declared to be, joint and several in each of every particular and shall be fully binding upon and enforceable against either, any or all the Undersigned. This guaranty shall be effective upon delivery to Lender, without further act, condition or acceptance by Lender, shall be binding upon the Undersigned and the heirs, representatives, successors and assigns of the Undersigned and shall inure to the benefit of Lender and its participants, successors and assigns. Any invalidity or unenforceability of any provision or application of this guaranty shall not affect other lawful provisions and application hereof, and to this end the provisions of this guaranty are declared to be severable. Except as authorized by the terms herein, this guaranty may not be waived, modified, amended, terminated, released or otherwise changed except by a writing signed by the Undersigned and Lender. This guaranty shall be governed by the laws of the State in which it is executed. The Undersigned waives notice of Lender's acceptance hereof.

GUARANTY

WHITEFISH, MONTANA (City) (State)

MARCH 19, 2009

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce WHITEFISH CREDIT UNION (herein, with its participants, successors and assigns, called "Lender"), at its option, at any time or from time to time to make loans or extend other accommodations to or for the account of THORCO, INC.

(herein called "Borrower") or to engage in any other transactions with Borrower, the Undersigned hereby absolutely and unconditionally guarantees to Lender the full and prompt payment when due, whether at maturity or earlier by reason of acceleration or otherwise, of the debts, liabilities and obligations described as follows:

- A. If this [X] is checked, the Undersigned guarantees to Lender the payment and performance of the debt, liability or obligation of Borrower to Lender evidenced by or arising out of the following: WHITEFISH CREDIT UNION LOAN #986428-750 IN THE AMOUNT OF \$3,360,000.00 DATED 3-19-2009 and any extensions, renewals or replacements thereof (hereinafter referred to as the "Indebtedness").
B. If the [ ] is checked, the Undersigned guarantees to Lender the payment and performance of each and every debt, liability and obligation of every type and description which Borrower may now or at any time hereafter owe to Lender (whether such debt, liability or obligation now exists or is hereafter created or incurred, and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, or joint, several, or joint and several; all such debts, liabilities and obligations being hereinafter collectively referred to as the "Indebtedness"). Without limitation, this guaranty includes the following described debt(s):

The Undersigned further acknowledges and agrees with Lender that:

1. No act or thing need occur to establish the liability of the Undersigned hereunder, and no act or thing, except full payment and discharge of all indebtedness, shall in any way exonerate the Undersigned or modify, reduce, limit or release the liability of the Undersigned hereunder.

2. This is an absolute, unconditional and continuing guaranty of payment of the Indebtedness and shall continue to be in force and be binding upon the Undersigned, whether or not all Indebtedness is paid in full, until this guaranty is revoked by written notice actually received by the Lender, and such revocation shall not be effective as to Indebtedness existing or committed for at the time of actual receipt of such notice by the Lender, or as to any renewals, extensions and refinancings thereof. If there be more than one Undersigned, such revocation shall be effective only as to the one so revoking. The death or incompetence of the Undersigned shall not revoke this guaranty, except upon actual receipt of written notice thereof by Lender and then only as to the decedent or the incompetent and only prospectively, as to future transactions, as herein set forth.

3. If the Undersigned shall be dissolved, shall die, or shall be or become insolvent (however defined) or revoke this guaranty, then the Lender shall have the right to declare immediately due and payable, and the Undersigned will forthwith pay to the Lender, the full amount of all Indebtedness, whether due and payable or unmatured. If the Undersigned voluntarily commences or there is commenced involuntarily against the Undersigned a case under the United States Bankruptcy Code, the full amount of all Indebtedness, whether due and payable or unmatured, shall be immediately due and payable without demand or notice thereof.

4. The liability of the Undersigned hereunder shall be limited to a principal amount of \$ 3,360,000.00 (if unlimited or if no amount is stated, the Undersigned shall be liable for all Indebtedness, without any limitation as to amount), plus accrued interest thereon and all other costs, fees, and expenses agreed to be paid under all agreements evidencing the Indebtedness and securing the payment of the Indebtedness, and all attorneys' fees, collection costs and enforcement expenses referable thereto. Indebtedness may be created and continued in any amount, whether or not in excess of such principal amount, without affecting or impairing the liability of the Undersigned hereunder. The Lender may apply any sums received by or available to Lender on account of the Indebtedness from Borrower or any other person (except the Undersigned), from their properties, out of any collateral security or from any other source to payment of the excess. Such application of receipts shall not reduce, affect or impair the liability of the Undersigned hereunder. If the liability of the Undersigned is limited to a stated amount pursuant to this paragraph 4, any payment made by the Undersigned under this guaranty shall be effective to reduce or discharge such liability only if accompanied by a written transmittal document, received by the Lender, advising the Lender that such payment is made under this guaranty for such purpose.

5. The Undersigned will pay or reimburse Lender for all costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by Lender in connection with the protection, defense or enforcement of this guaranty in any litigation or bankruptcy or insolvency proceedings.

This guaranty includes the additional provisions on page 2, all of which are made a part hereof.

This guaranty is [X] unsecured; [ ] secured by a mortgage or security agreement dated ; [ ] secured by

IN WITNESS WHEREOF, this guaranty has been duly executed by the Undersigned the day and year first above written.

Dennis Thornton (Signature) DENNIS THORNTON

\*Undersigned\* shall refer to all persons who sign this guaranty, severally and jointly.



## ADDITIONAL PROVISIONS

6. Whether or not any existing relationship between the Undersigned and Borrower has been changed or ended and whether or not this guaranty has been revoked, Lender may, but shall not be obligated to, enter into transactions resulting in the creation or continuance of Indebtedness, without any consent or approval by the Undersigned and without any notice to the Undersigned. The liability of the Undersigned shall not be affected or impaired by any of the following acts or things (which Lender is expressly authorized to do, omit or suffer from time to time, both before and after revocation of this guaranty, without notice to or approval by the Undersigned): (i) any acceptance of collateral security, guarantors, accommodation parties or sureties for any or all Indebtedness; (ii) any one or more extensions or renewals of Indebtedness (whether or not for longer than the original period) or any modification of the interest rates, maturities or other contractual terms applicable to any Indebtedness; (iii) any waiver, adjustment, forbearance, compromise or indulgence granted to Borrower, any delay or lack of diligence in the enforcement of Indebtedness, or any failure to institute proceedings, file a claim, give any required notices or otherwise protect any Indebtedness; (iv) any full or partial release of, settlement with, or agreement not to sue, Borrower or any other guarantor or other person liable in respect of any Indebtedness; (v) any discharge of any evidence of Indebtedness or the acceptance of any instrument in renewal thereof or substitution thereof; (vi) any failure to obtain collateral security (including rights of setoff) for Indebtedness, or to see to the proper or sufficient creation and perfection thereof, or to establish the priority thereof, or to protect, insure, or enforce any collateral security; or any release, modification, substitution, discharge, impairment, deterioration, waste, or loss of any collateral security; (vii) any foreclosure or enforcement of any collateral security; (viii) any transfer of any Indebtedness or any evidence thereof; (ix) any order of application of any payments or credits upon Indebtedness; (x) any election by the Lender under § 1111(b)(2) of the United States Bankruptcy Code.

7. The Undersigned waives any and all defenses, claims and discharges of Borrower, or any other obligor, pertaining to Indebtedness, except the defense of discharge by payment in full. Without limiting the generality of the foregoing, the Undersigned will not assert, plead or enforce against Lender any defense of waiver, release, statute of limitations, res judicata, statute of frauds, fraud, incapacity, minority, usury, illegality or unenforceability which may be available to Borrower or any other person liable in respect of any Indebtedness, or any setoff available against Lender to Borrower or any such other person, whether or not on account of a related transaction. The Undersigned expressly agrees that the Undersigned shall be and remain liable, to the fullest extent permitted by applicable law, for any deficiency remaining after foreclosure of any mortgage or security interest securing Indebtedness, whether or not the liability of Borrower or any other obligor for such deficiency is discharged pursuant to statute or judicial decision. The Undersigned shall remain obligated, to the fullest extent permitted by law, to pay such amounts as though the Borrower's obligations had not been discharged.

8. The Undersigned further agrees that the Undersigned shall be and remain obligated to pay Indebtedness even though any other person obligated to pay Indebtedness, including Borrower, has such obligation discharged in bankruptcy or otherwise discharged by law. "Indebtedness" shall include post-bankruptcy petition interest and attorneys' fees and any other amounts which Borrower is discharged from paying or which do not otherwise accrue to Indebtedness due to Borrower's discharge, and the Undersigned shall remain obligated to pay such amounts as though Borrower's obligations had not been discharged.

9. If any payment applied by Lender to Indebtedness is thereafter set aside, recovered, rescinded or required to be returned for any reason (including, without limitation, the bankruptcy, insolvency or reorganization of Borrower or any other obligor), the Indebtedness to which such payment was applied shall for the purposes of this guaranty be deemed to have continued in existence, notwithstanding such application, and this guaranty shall be enforceable as to such Indebtedness as fully as if such application had never been made.

10. Until the obligations of the Borrower to Lender have been paid in full, the Undersigned waives any claim, remedy or other right which the Undersigned may now have or hereafter acquire against Borrower or any other person obligated to pay Indebtedness arising out of the creation or performance of the Undersigned's obligation under this guaranty, including, without limitation, any right of subrogation, contribution, reimbursement, indemnification, exoneration, and any right to participate in any claim or remedy the Undersigned may have against the Borrower, collateral, or other party obligated for Borrower's debts, whether or not such claim, remedy or right arises in equity, or under contract, statute or common law.

11. The Undersigned waives presentment, demand for payment, notice of dishonor or nonpayment, and protest of any instrument evidencing Indebtedness. Lender shall not be required first to resort for payment of the Indebtedness to Borrower or other persons or their properties, or first to enforce, realize upon or exhaust any collateral security for Indebtedness, before enforcing this guaranty.

12. The liability of the Undersigned under this guaranty is in addition to and shall be cumulative with all other liabilities of the Undersigned to Lender as guarantor or otherwise, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

13. This guaranty shall be enforceable against each person signing this guaranty, even if only one person signs and regardless of any failure of other persons to sign this guaranty. If there be more than one signer, all agreements and promises herein shall be construed to be, and are hereby declared to be, joint and several in each of every particular and shall be fully binding upon and enforceable against either, any or all the Undersigned. This guaranty shall be effective upon delivery to Lender, without further act, condition or acceptance by Lender, shall be binding upon the Undersigned and the heirs, representatives, successors and assigns of the Undersigned and shall inure to the benefit of Lender and its participants, successors and assigns. Any invalidity or unenforceability of any provision or application of this guaranty shall not affect other lawful provisions and application hereof, and to this end the provisions of this guaranty are declared to be severable. Except as authorized by the terms herein, this guaranty may not be waived, modified, amended, terminated, released or otherwise changed except by a writing signed by the Undersigned and Lender. This guaranty shall be governed by the laws of the State in which it is executed. The Undersigned waives notice of Lender's acceptance hereof.



WHITEFISH CREDIT UNION  
PO BOX 37  
WHITEFISH, MT 59937

THORCO, INC.  
151 AMATASIA LANE  
KALISPELL, MT 59901

LO:	DJ
Date	03-10-2009
Mat. Date	03-15-2011
Loan Amt. \$	3,360,000.00
Renewal Of	
Mem./Loan #	966428-750

LENDER'S NAME AND ADDRESS  
"You" means the Lender, its successors and assigns.

BORROWER'S NAME AND ADDRESS  
"I" includes each Borrower above, jointly and severally.

**1. PROMISE TO PAY AND PAYMENT TERMS**

For value received, I promise to pay you the principal amount of \$ 3,360,000.00, plus interest, accruing on the unpaid balance at the rate of 6.500 % per year from 03-19-2009 until PAID IN FULL. Interest accrues on a ACTUAL/365 basis. The purpose of this loan is PAYOFF EXISTING THIRD PARTY INDEBTEDNESS & COMPLETE INFRASTRUCTURE IMPROVEMENTS

- Single Advance. I will receive all of this principal sum on \_\_\_\_\_ . No additional advances are contemplated under this note.
- Multiple Advance. The principal sum shown above is the maximum amount of principal I can borrow under this note. On 03-19-2009 I will receive the amount of \$ 1,507,044.91 and future principal advances are contemplated. Conditions. The conditions for future advances are AS AGREED UPON BY WHITEFISH CREDIT UNION AND BORROWER.

- Open End Credit. You and I agree that I may borrow up to the maximum amount of principal more than one time. This feature is subject to all other conditions and expires on \_\_\_\_\_ .
- Closed End Credit. You and I agree that I may borrow up to the maximum only one time (and subject to all other conditions).

- VARIABLE RATE. The rate may then change as stated below.
  - Index Rate. The future rate will be \_\_\_\_\_ the following index rate: \_\_\_\_\_
  - No Index. The future rate will not be subject to any internal or external index. It will be entirely in your control.
  - Frequency and Timing. The rate on this note may change as often as \_\_\_\_\_ A change in the interest rate will take effect \_\_\_\_\_
  - Limitations. During the term of this loan, the applicable annual interest rate will not be more than \_\_\_\_\_ % or less than \_\_\_\_\_ % . The rate may not change more often than \_\_\_\_\_ , and may not change more than \_\_\_\_\_ % each \_\_\_\_\_

Effect of Variable Rate. A change in the interest rate will have the following effect on the payments:  
 The amount of each scheduled payment will change.       The amount of the final payment will change.

- LATE CHARGE. I will be charged a late charge on the portion of any payment not made within 10 days after it is due equal to \$1.00
- ADDITIONAL CHARGES. In addition to interest, I agree to pay the following charges which  are  are not included in the principal amount above: \_\_\_\_\_

ADDITIONAL TERMS. \_\_\_\_\_

PAYMENTS. I agree to pay this note as follows:

MONTHLY PAYMENTS OF ACCRUED INTEREST CALCULATED ON THE AMOUNT OF CREDIT OUTSTANDING BEGINNING ON 04-15-2009 AND PRINCIPAL DUE ON 03-15-2011.

## 2. SECURITY

You have certain rights that may affect my property.

- (a)  For value received, I assign and give to you a security interest in  all my Account(s) or  \_\_\_\_\_ Account(s). The amount of my Required Balance is \$ \_\_\_\_\_.
- (b)  This loan is secured by REAL ESTATE MORTGAGE, dated 03-19-2009.

## 3. ADDITIONAL TERMS OF THE LOAN AGREEMENT

**DEFINITIONS.** As used in this Loan Agreement, "X" means terms that apply to this Loan Agreement. "Loan Agreement" refers to this transaction generally, including obligations and duties arising from the terms of all documents prepared or submitted for this transaction, such as applications, security agreements, or notes. The pronouns "I," "me" and "my" refer to each Borrower signing this Loan Agreement, individually and together with their heirs, successors and assigns, and each other person or legal entity (including guarantors, endorsers, and sureties) who agrees to pay this Loan Agreement. "You" and "your" refer to the Lender, with its participants or syndicators, successors and assigns, or any person or company that acquires an interest in the Loan Agreement. Property means any property, real, personal, or intangible, that secures my performance of the obligation of this Loan Agreement. "Account" means any and all share or deposit accounts held by you and includes, but is not limited to, accounts such as share, share draft, checking and term share accounts, including renewals and substitutions of the accounts. "Required Balance" means the amount of funds I must maintain in my Account(s) to secure this Loan Agreement.

**PAYMENTS.** Each payment I make on this Loan Agreement will be applied first to any charges I owe other than principal and interest, then to interest that is due, and finally to principal that is due. If you and I agree to a different application of payments, we will describe our agreement on this Loan Agreement. The actual amount of my final payment will depend on the interest rates (if variable) and my payment record.

**PREPAYMENT.** I may prepay this Loan Agreement in whole or in part at any time. Any partial prepayment will not excuse any later scheduled payments until I pay in full (unless, when I make the prepayment, you and I agree in writing to the contrary).

**INTEREST.** Interest will accrue on the unpaid principal balance until paid in full. If "Variable Rate" is checked, I will pay interest at the rates in effect from time to time. Decreases in the interest rate for this Loan Agreement will have the opposite effect on payments that increases would have. The interest rate(s) and other charges on this Loan Agreement will never exceed the highest rate or charge allowed by law for this loan. If the amount collected is found to exceed the highest rate or charge allowed, you will refund an amount necessary to comply with the law. You will figure a change in the interest rate by using the index rate in effect at the time the interest rate is to change. Changes in the index between scheduled changes in the interest rate will not affect the interest rate.

**INDEX.** If you and I have agreed that the interest rate on this Loan Agreement will be variable and will be related to an index, then the index you select will function only as a tool for setting the rate on this note. You do not guaranty, by selecting any index, that the interest rate on this note will be the same rate you charge on any other loan or class of loans you make to me or any other borrower. If this index is no longer available, you will substitute a similar index. You will give me notice of your choice.

**ACCRUAL METHOD.** The amount of interest that I will pay on this Loan Agreement will be calculated using the interest rate and accrual method stated. For interest calculation, the accrual method will determine the number of days in a year. If no accrual method is stated, then you may use any reasonable accrual method for calculating interest.

**COMMISSIONS OR OTHER REMUNERATION.** I understand and agree that some payments to third parties as a part of the Loan Agreement may involve money retained by you or paid back to you as commissions or other remuneration.

**SINGLE ADVANCE LOANS.** If this is a single advance loan, you and I expect that you will make only one advance of principal. However, you may add other amounts to the principal if you make any payments described in the PAYMENTS BY LENDER section.

**MULTIPLE ADVANCE LOANS.** If this is a multiple advance loan, you and I expect that you will make more than one advance of principal, subject to the conditions of any separate agreement. If this is closed end credit, I am not entitled to additional credit if I repay a part of the principal.

**PAYMENTS BY LENDER.** If you are authorized to pay, on my behalf, charges I am obligated to pay (such as property insurance premiums), then you may treat those payments made by you as advances and add them to the unpaid principal under this Loan Agreement. Or you may demand immediate payment of the charges.

**SECURITY INTEREST IN ACCOUNTS.** If an amount is entered on the Required Balance area, I must maintain a balance in my Account(s) equal to the lesser of the Required Balance or the amount remaining unpaid on the secured debt. No joint owner, beneficiary, surviving spouse or representative of my estate receives any rights in my Account(s) in the event of my death or incapacity until the secured debt is paid in full.

The security interest will not attach to any Account where my rights arise only in a representative capacity, or to any Individual Retirement Account or other tax-deferred retirement account. My Account(s) will not secure a debt created by a consumer credit transaction under a credit card plan. If any Account is jointly held, this security interest will attach to that portion of the account balance in the pledged Account(s) which I am authorized by law or agreement to pledge by my signature alone.

**DEFAULT.** I will be in default if any of the following occur: (1) I fail to make a payment in full when due; (2) I make an assignment for the benefit of creditors or become insolvent, either because my liabilities exceed my assets or I am unable to pay my debts as they become due; or, if this is a multiple advance loan and Lender has not yet made all contemplated advances, I petition for protection under federal, state, or local bankruptcy, insolvency, or debtor relief laws, or am the subject of a petition or action under such laws and fail to have the petition or action dismissed within a reasonable period of time not to exceed 60 days; (3) I die or am declared legally incompetent; (4) I merge, dissolve, reorganize, and my business or existence, or a partner or majority owner dies or is declared legally incompetent; (5) I fail to perform any condition or to keep any promise or covenant of this Loan Agreement; (6) A default occurs under the terms of any other transaction document, or I am in default on any other debt or agreement I have with you; (7) I make any verbal or written statement or provide any financial information that is untrue, inaccurate, or conceals a material fact at the time it is made or provided; (8) I fail to satisfy or appeal any judgment against me; (9) I change my name or assume an additional name without notifying you before making such a change; (10) I transfer all or a substantial part of my money or property; (11) Without first notifying you, there is a material change in my business, including ownership, management, and financial conditions.

**REMEDIES.** After I default, you may at your option do any one or more of the following:

- Make all or any part of the amount owing by the terms of this Loan Agreement due;
- Use any and all remedies you have under state or federal law, or in any instrument securing this Loan Agreement;
- Make a claim for any and all insurance benefits or refunds that may be available on my default;
- Make amounts advanced on my behalf due and add those amounts to the balance owing under the terms of this Loan Agreement; or
- Terminate my rights to obtain advances or other extensions of credit by any of the methods provided in this Loan Agreement.

By choosing any one or more of these remedies you do not give up your right to use any other remedy. You do not waive a default if you choose not to use a remedy. By electing not to use any remedy, you do not waive your right to later consider the event a default and to use any remedies if the default continues or occurs again.

**ASSUMPTIONS.** Someone buying the Property cannot assume the obligation. You may declare the entire balance of the Loan Agreement to be immediately due and payable upon the creation of, or contract for the creation of, any lien, encumbrance, or transfer of the Property. This right is subject to the restrictions imposed by federal law (12 CFR 591), as applicable.

**WAIVERS AND CONSENT.** To the extent not prohibited by law, I waive protest, presentment for payment, demand, notice of acceleration, notice of intent to accelerate, and notice of dishonor. In addition, I, to the extent permitted by law, consent to certain actions you may take, and generally waive all defenses that may be available based on these actions or based on the status of a party to this Loan Agreement. You may renew or extend payments on this Loan Agreement, regardless of the number of such renewals or extensions. You may release any Borrower, endorser, guarantor, surety, accommodation maker, or any other co-signer. You may release, substitute, or impair any Property securing this Loan Agreement. You,

*DT DT* (page 2 of 3)

or any institution participating in this Loan Agreement, may invoke your right of set-off. You may enter into any sales, repurchases, or participations of this Loan Agreement to any person in any amounts and I waive notice of such sales, repurchases, or participations. I agree that any of us signing this Loan Agreement as Borrower is authorized to modify the terms of this Loan Agreement or any instrument securing, guarantying, or relating to this Loan Agreement. I waive all claims for loss or damage caused by your acts or omissions where you acted reasonably and in good faith.

**COLLECTION EXPENSES AND ATTORNEYS' FEES.** On or after Default, to the extent permitted by law, I agree to pay all reasonable expenses of collection, enforcement, or protection of your rights and remedies under this Loan Agreement. Expenses include, but are not limited to, attorneys' fees, court costs, and other legal expenses. These expenses are due and payable immediately. If not paid immediately, these expenses will bear interest from the date of payment until paid in full at the rate provided in the terms of this Loan Agreement. All fees and expenses will be secured by the Property I have granted you, if any. To the extent permitted by the United States Bankruptcy Code, I agree to pay the reasonable attorneys' fees you incur to collect this debt as awarded by any court exercising jurisdiction under the Bankruptcy Code.

**SET-OFF.** You may use the right of set-off. This means you may set-off any amount due and payable under the terms of this Loan Agreement against any right I have to receive money from you. My right to receive money from you includes any deposit or share account balance I have with you; any money owed to me on an item presented to you or in your possession for collection or exchange; and any repurchase agreement or other non-deposit obligation. "Any amount due and payable under the terms of this Loan Agreement" means the total amount to which you are entitled to demand payment under the terms of this Loan Agreement at the time you set-off.

Subject to any other written contract, if my right to receive money from you is also owned by someone who has not agreed to pay this Loan Agreement, your right of set-off will be limited to my proportionate interest in the obligation. In the absence of reasonable proof of net contributions, my proportionate interest equals the amount of such obligation divided equally by all parties having present rights to receive such money.

In addition, you may also have rights under a "statutory lien." A "statutory lien" means your right under state or federal law to establish a right in, or claim to, my shares and dividends to the extent of any outstanding financial obligations that I have with you. If you have a statutory lien, you may without further notice, impress and

enforce the statutory lien in my shares and dividends to the extent of any sums due and payable under the terms of this Loan Agreement that I fail to satisfy.

Your set-off and statutory lien rights do not apply to an account or other obligation where my rights arise only in a representative capacity. They also do not apply to any Individual Retirement Account or other tax-deferred retirement account.

You will not be liable for the dishonor of any check or share draft when the dishonor occurs because you set-off against any of my accounts, or exercised your statutory lien rights, I agree to hold you harmless from any such claims arising as a result of your exercise of your right of set-off or statutory lien rights.

**WARRANTIES AND REPRESENTATIONS.** I have the right and authority to enter into this Loan Agreement. The execution and delivery of this Loan Agreement will not violate any agreement governing me or to which I am a party.

**OTHER SECURITY.** Any present or future agreement securing any other debt I owe you also will secure the payment of this Loan Agreement. Property securing another debt will not secure this loan if such property is my principal dwelling and you fail to provide any required notice of right of rescission. Also, property securing another debt will not secure this loan to the extent such property is in household goods.

**GENERAL PROVISIONS.** If two or more Borrowers sign this Loan Agreement, we are liable to repay jointly and severally. This Loan Agreement is the complete and final expression of the agreement and may not be amended or modified by oral agreement. If any provision of this Loan Agreement is unenforceable, then the unenforceable provision will be severed and the remaining provisions will be enforceable. This Loan Agreement is governed by the bylaws of this Credit Union and the laws of Montana, the United States of America, and to the extent required, by the laws of the jurisdiction where the Property is located.

Unless otherwise required by law, any notice will be given by delivering it or mailing it by first class mail to my last known address. Notice to one party will be deemed to be notice to all parties. I will provide you any financial statement or information you request. All financial statements and information I give you will be correct and complete.

I agree to sign, deliver, and file any additional documents or certifications that you may consider necessary to perfect, continue, and preserve my obligations under this Loan Agreement and to confirm your lien status on any Property. Time is of the essence.

4. SIGNATURES

By signing, I agree to the terms contained in this Loan Agreement. I also acknowledge receipt of a copy of this Loan Agreement on today's date.

THORCO, INC.

X

DENNIS THORNTON, PRESIDENT

X

X

X

DONNA THORNTON, SECRETARY/TREASURER

X

X

(Optional)  
Signed \_\_\_\_\_ For Lender  
Title MEMBER BUSINESS LOAN OFFICER

# TFSS

TITLE  
FINANCIAL  
SPECIALTY  
SERVICES

May 12, 2022

THORCO INCORPORATED  
PO BOX 1557  
KALISPELL, MT 59903-1557

Dear Valued Customer;

CONGRATULATIONS! Your lien with Whitefish Credit Union has been released.

Enclosed please find the original recorded Satisfaction of Mortgage. This document releases the lien from your property.

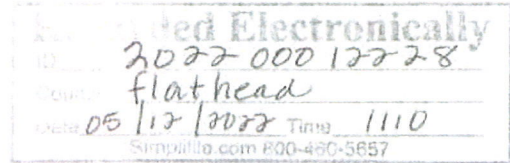
We would like to take this opportunity to say "Thank You" for allowing Whitefish Credit Union and Title Financial Specialty Services to assist you in this transaction. Please let us know if we can be of service to you in the future.

Sincerely,

Title Financial Specialty Services  
Central Release Department  
1-208-785-2515



Return to: Title Financial Specialty Services  
P.O. Box 339  
Blackfoot, Idaho 83221  
1-208-785-2515



Loan Number: 9669428-0750/12 Client Name: Whitefish Credit Union

**SATISFACTION OF MORTGAGE**

KNOW ALL MEN BY THESE PRESENTS, that Whitefish Credit Union, does hereby certify that a certain mortgage, dated , made and executed by THORCO INCORPORATED, as Mortgagor, to Whitefish Credit Union, Mortgagee, conveying certain real estate therein mentioned as security for the payment of \$\$3,360,000.00 as therein stated, which mortgage was recorded in the office of the County Clerk and Ex-Officio Register of Deeds of Flathead County, Montana, on the 03/24/2009, as Instrument No. 200900007830/in Book and Page , and mortgaging certain described real estate in said County, including the following portion:

is, with the note secured thereby, and the aforementioned debt, fully paid, satisfied, released and discharged, and in consideration thereof the said Mortgagee does hereby release and quitclaim unto the said Mortgagor the premises thereby conveyed and mortgaged.

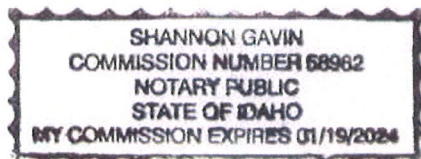
WITNESS the due execution and delivery of this Satisfaction of Mortgage this 12 day of May, in the year 2022.

Whitefish Credit Union

By TFSS, Inc, as Attorney in Fact  
Dated 7/23/2014  
Shauna Romrell, President

State of Idaho, County of Bingham: SS

On this 12 day of May, in the year 2022, before me a Notary Public of said State, personally appeared Shauna Romrell, known to me to be the President of Title Financial Specialty Services, Inc., as the attorney in fact of Whitefish Credit Union, and acknowledged that she executed the same within the instrument on behalf of Title Financial Specialty Services and that Title Financial Specialty Services executed the same.



Notary Public  
Residing at: Blackfoot, Idaho





202200012228  
 Page: 2 of 2  
 Fees: \$16.00  
 5/12/2022 11:10 AM



200900007830  
 Page: 12 of 12  
 Fees: \$84.00  
 Eagle Robinson, Flathead County, MT by NC --- 3/26/2009 3:48 PM

SCHEDULE C  
 PROPERTY DESCRIPTION

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

The North Half of the Northwest Quarter of the Northwest Quarter (N $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ ); the South-<sup>1A</sup> Half of the Northwest Quarter of the Northwest Quarter (S $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ ); the North Half of the Northeast Quarter of the Northwest Quarter (N $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ ); the South Half of the Northeast Quarter of the Northwest Quarter (S $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ ); the North Half of the Southeast Quarter of the Northwest Quarter (N $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ ); the South Half of the Southeast Quarter of the Northwest Quarter (S $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ ); the North Half of the Southwest Quarter of the Northwest Quarter (N $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ ); the South Half of the Southwest Quarter of the Northwest Quarter (S $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ ), all in Section 28, Township 27 North, Range 21 West, M.P.M., Flathead County, Montana. <sup>38A 38B 38C 38D</sup>

AND

The North Half of the Northwest Quarter of the Southwest Quarter (N $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ ) and the South Half of the Northwest Quarter of the Southwest Quarter (S $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ ) of Section 28, Township 27 North, Range 21 West, M.P.M., Flathead County, Montana. <sup>1E 1</sup>

AND

The North Half of the Southwest Quarter of the Northwest Quarter (N $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ ); the South Half of the Southwest Quarter of the Northwest Quarter (S $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ ); the North Half of the Northwest Quarter of the Southwest Quarter (N $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ ); the South Half of the Northwest Quarter of the Southwest Quarter (S $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ ); the North Half of the Southwest Quarter of the Southwest Quarter (N $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ ) all in Section 27, Township 27 North, Range 21 West, M.P.M., Flathead County, Montana. <sup>18CA 18B 18C 18D</sup>

AND

The North Half of the Northeast Quarter of the Southwest Quarter (N $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ ); the South Half of the Northeast Quarter of the Southwest Quarter (S $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ ); the North Half of the Southeast Quarter of the Southwest Quarter (N $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ ); the South Half of the Southeast Quarter of the Southwest Quarter (S $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ ); the North Half of the Northwest Quarter of the Southeast Quarter (N $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ ); the South Half of the Northwest Quarter of the Southeast Quarter (S $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ ); the North Half of the Southwest Quarter of the Southeast Quarter (N $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ ) and the South Half of the Southwest Quarter of the Southeast Quarter (S $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ ) all in Section 27, Township 27 North, Range 21 West, M.P.M., Flathead County, Montana. <sup>18E 18F 18G 18H 18I 18J 18K 18L 18M 18N 18O 18P 18Q 18R 18S 18T 18U 18V 18W 18X 18Y 18Z</sup>

AND

The Southeast Quarter of the Northwest Quarter (SE $\frac{1}{4}$ NW $\frac{1}{4}$ ) of Section 27, Township 27 North, Range 21 West, M.P.M., Flathead County, Montana. <sup>18A 18B 18C 18D 18E 18F 18G 18H 18I 18J 18K 18L 18M 18N 18O 18P 18Q 18R 18S 18T 18U 18V 18W 18X 18Y 18Z</sup>

EXCEPTING THEREFROM that portion deeded to Flathead County for road purposes, by instrument recorded June 26, 1937 under Recorder's Fee #2028, in Book 223, page 614, records of Flathead County, Montana.



Debbie Pierson, Flathead County MT by JW

202200012228

Page: 1 of 2

Fees: \$16.00

5/12/2022 11:10 AM

0213950 tg



Return to: Title Financial Specialty Services  
P.O. Box 339  
Blackfoot, Idaho 83221  
1-208-785-2515

Loan Number: 9669428-0750/12 Client Name: Whitefish Credit Union

**SATISFACTION OF MORTGAGE**

KNOW ALL MEN BY THESE PRESENTS, that Whitefish Credit Union, does hereby certify that a certain mortgage, dated , made and executed by THORCO INCORPORATED, as Mortgagor, to Whitefish Credit Union, Mortgagee, conveying certain real estate therein mentioned as security for the payment of \$53,360,000.00 as therein stated, which mortgage was recorded in the office of the County Clerk and Ex-Officio Register of Deeds of Flathead County, Montana, on the 03/24/2009, as Instrument No. 200900007830/in Book and Page , and mortgaging certain described real estate in said County, including the following portion:

is, with the note secured thereby, and the aforementioned debt, fully paid, satisfied, released and discharged, and in consideration thereof the said Mortgagee does hereby release and quitclaim unto the said Mortgagor the premises thereby conveyed and mortgaged.

WITNESS the due execution and delivery of this Satisfaction of Mortgage this 12 day of May, in the year 2022.

Whitefish Credit Union

By TFSS, Inc, as Attorney in Fact

Dated 7/23/2014

Shauna Romrell, President

State of Idaho, County of Bingham: SS

On this 12 day of May, in the year 2022, before me a Notary Public of said State, personally appeared Shauna





Paula Robinson, Flathead County MT by SS

**SPECIAL POWER OF ATTORNEY**

THESE PRESENTS that Whitefish Credit Union, a Montana Corporation with a principal place of business located at 300 Baker Ave., Whitefish, MT 59937 ("Principal"), does hereby make, constitute, and appoint TITLE FINANCIAL SPECIALTY SERVICES, having a principal place of business at 580 Jensen Grove Dr., P.O. Box 339, Blackfoot, Idaho 83221 ("Agent"), its true and lawful attorney-in-fact and agent to do any or all the acts listed herein.

2. 1. Enumeration of Agent's Powers. The powers granted to my Agent are:

c. To sign on Principal's behalf and in its place all documents and to do all acts necessary to substitute FIRST AMERICAN TITLE COMPANY OF MONTANA, INC., a Montana Corporation whose address is 1006 West Sussex, 59801 Missoula, MT 59806, as the successor trustee under trust indentures under which Principal is the beneficiary (or servicer, if applicable) or successor beneficiary (or servicer, if applicable) through assignment; and

d. To sign on Principal's behalf and in its place any Satisfactions or Partial Satisfactions of Mortgage as requested from time to time by Principal.

2. Full Faith and Credit. All parties associated with the substitution of trustee and/or any satisfaction of mortgage contemplated herein are authorized to give such actions taken, documents signed, and writings submitted by Agent full faith and credit.

3. Duration. This Power of Attorney will remain in force until terminated by Lender.

IN WITNESS WHEREOF, I have executed this Special Power of Attorney on the date and year noted below.

✓  
★  
★

By: Jenna Kyle-Krantz  
Jenna Kyle-Krantz  
Quality Assurance Supervisor

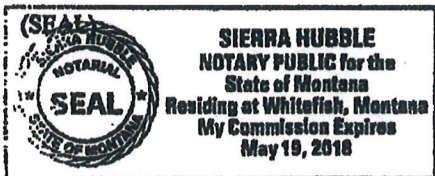
Date: 7.23.14

STATE OF MONTANA )  
                                  : ss  
County of Flathead )

On this 23<sup>rd</sup> day of July, 2014 before me, the undersigned Notary Public, in and for said State and County, personally appeared Jenna Kyle-Krantz, known or identified to me to be the Quality Assurance Supervisor of Corporation, whose name is subscribed to the within instrument and acknowledged to me that he is authorized and instructed to execute and has executed the same on behalf of said Corporation, and further acknowledged to me that said Corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year in this Certificate first above written.

Sierra Hubble  
NOTARY PUBLIC FOR Montana  
Residing at: Whitefish  
Commission expires: May 19<sup>th</sup> 2018





Montana  
State Based Systems

License Type: Insurance Producer

### Licensee Demographics

Name: Title Financial Specialty Services  
Inc  
Business Address:

NPN: 8625076  
Domicile Country: United States

Domicile State: Idaho  
Resident?: No

### License Quick View

License Class	License Status	Status Date	Effective Date	Expiration Date
Insurance Producer	Active	07/30/2013	07/30/2013	

### Phone, Email, Website

Phone

Email

Website

Type Number

Type E-mail

No results found.

### License Information

License Type: Insurance Producer  
First Active Date: 07/30/2013  
Expiration Date:

License Number: 100104236  
Effective Date: 07/30/2013  
Legacy License ID:

License Status: Active  
Status Date: 07/30/2013  
Designated Home State:

### Line Of Authority

Line Name	Qualification	School Code	Exam/Cert Date	Line Status	Status Date	Effective Date
Title	Reciprocity		07/30/2013	Approved	07/30/2013	07/30/2013

### Designated Responsible Licensed Producer

No results found.

### Relationships

Related License #	Related Licensee Name	Related License Type	Effective Date
100110807	Shauna Romrell	Insurance Producer	12/06/2013
106789	ROBERT SEWELL	Insurance Producer	07/30/2013

## Business Entity Affiliations

No results found.

## Owners, Partners, Officers and Directors

No results found.

## Branch Office Information

No results found.

## Alias Names

No results found.

## Appointments

Company Name	NAIC CoCode	License Type	Line of Authority	Appointment Date	Effective Date	Expiration Date
COMMONWEALTH LAND TITLE INSURANCE COMPANY	50083	Insurance Producer	Title	09/03/2013	09/03/2013	
FIDELITY NATIONAL TITLE INSURANCE COMPANY	51586	Insurance Producer	Title	09/03/2013	09/03/2013	





Montana  
State Based Systems



## Lookup Search

How Do I?

Jurisdiction REQUIRED

Montana

Search Type REQUIRED

Licensee

Entity Type REQUIRED

Individual

Enter one or more additional fields:

Last Name

ROmrell

First Name

Shauna

License Number

NPN

### Advanced Criteria

I agree to the NAIC's [Terms and Conditions](#)

Search

Reset

License Number	NPN	Name ↑	License Type - Status	License Effective Date	Expiration Is Date	Resident?	Alias LOAs	Business Address	Business Phone	Business Home State	Designated
100110807	17132153	<a href="#">ROMRELL</a> <a href="#">SHAUNA</a> <a href="#">KAY</a>	Insurance Producer- Active	08/01/2022	07/31/2024	Yes	Title (12/06 /2013)	Blacfoot, ID 83221	(208) 785-2515		



**Montana**  
State Based Systems

**License Type:** Insurance Producer

## Licensee Demographics

**Name:** KENYON, JAMES P      **NPN:** 5079792      **Domicile State:** Montana  
**Domicile Country:** United States      **Resident?:** Yes      **Business Address:**  
 MISSOULA, MT 59803

## License Quick View

License Class	License Status	Status Date	Effective Date	Expiration Date
Insurance Producer	Inactive	06/02/2001	01/22/1986	

## Phone, Email, Website

**Phone**      **Email**      **Website**  
 No results found.      No results found.      No results found.

## License Information

**License Type:** Insurance Producer      **License Number:** 61082      **License Status:** Inactive  
**First Active Date:** 01/22/1986      **Effective Date:** 01/22/1986      **Status Date:** 06/02/2001  
**Expiration Date:**      **Legacy License ID:** 61082      **Designated Home State:**

## Line Of Authority

No results found.

## Designated Responsible Licensed Producer

No results found.

## Relationships

No results found.

## Business Entity Affiliations

No results found.

## Alias Names

Name	Name Type	Effective Date
A L WILLIAMS/JAMES P KENYON,	Doing Business As / Trade Name	04/26/1999

## Continuing Education Information

**CE Compliant:** No

**Compliance Date:**

**CE Start Date:** 01/22/1986

**CE End Date:** 01/22/1996

**Design/Over 25 years:** No

**CE Exemption Type:** Not Exempt

**CE Exemption Reason:**

**General Target:**

**General Credits:**

0

0

**Ethics Target:**

**Ethics Credits:**

0

0

**MT Legislative Changes Target:**

**MT Legislative Changes Credits:**

0

0

## Appointments

No results found.

UNITED STATES BANKRUPTCY COURT

DISTRICT OF MONTANA

In re:

THORCO, INC.,

Debtor.

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THORCO, INC., a Montana corporation,

Plaintiff,

vs.

WHITEFISH CREDIT UNION, a \_\_\_\_\_ credit union; MO SOMERS, LLC, a Montana limited liability company; RUIS GLACIER, LLC, a Montana limited liability company; and DOES 1-10,

Defendants.

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Case No. 22-90119-JMM

Chapter 11  
(Subchapter V)

Adversary No. 22-\_\_\_\_-JMM

**Affidavit from Katherine Wilson**  
**Re: Rae Albert, Shauna Romrell, & TFSS**

BEFORE ME, the undersigned authority, on this day personally, November 16, 2022, I, Katherine Wilson, Agent for Cogburn Enterprises, LLC, being of full age, swore or affirmed to tell the truth and on her oath deposes and says:

1. I am not a party to this case.
2. I am a citizen of the United States, a resident of the State of Montana, and over the age of 18.
3. I have been retained by Dennis and Donna Thornton and Thorco, Inc to investigate the filing of the Satisfaction of Mortgage dated May 12, 2022.
4. On September 27, 2022, at 4:30 p.m., I contacted Title Financial Specialty Services (TFSS), Blackfoot, Idaho at 208-785-2515 and requested to speak with Shauna Romrell, President and Attorney in Fact for Whitefish Credit Union (WCU). Ms. Romrell did not answer. A voicemail was left requesting a return call.
5. On September 27, 2022 at 4:50 p.m., I had not received a return call from Ms. Romrell. Another call was made to Ms. Romrell, who was still not available. Instead, I spoke with Rae Albert regarding the filing of the Satisfaction of Mortgage, Instrument No. 200900007830, WCU Loan # 9669428-0750/12, filed on May 12, 2022.

The following are questions and answers from myself (K) and Rae Albert (R) relayed to you to the best of my recollection:

(K) I am calling to confirm that you, Title Financial Specialty Services, had the authority to file the Satisfaction of Mortgage on May 12, 2022, regarding the Thorco Inc. property, loan #9669428-0750/12. Did your company have the authority to file that document?

(R) Yes, when WCU requested us to file the Satisfaction of Mortgage, that gave us the authority to file the document.

(K) Can you tell me who at WCU requested the Satisfaction of Mortgage be filed?

(R) I am not sure if I can tell that, uh yes, it was Donna Goodrich.

(K) Does it say what branch she is out of or do you have any contact information?

(R) It shows her phone number is 406-758-0464

(K) Doesn't this Satisfaction of Mortgage show Thorco, Inc. is the owner or could someone else own the property?

(R) Yes, the owners should be Thorco, Inc., WCU only had a lien on it.

(K) So, when it says, "Fully paid, satisfied, release and discharged", does that mean they no longer owe the \$3.36 million on it or that they are the owners of the property?

(R) Yes, they would be the owners. I can't speak to any debt.

(K) This release states that the lien of \$3.36 million was released and satisfied, does



that include any and all interest on the original amount of the loan?

(R) I don't know those details, that would be between Whitefish Credit Union and Thorco.

(K) Why if Thorco was the owner, would WCU say they were the owners and sell the property to a Mo Somers, LLC?

(R) I don't know, they only had a lien on the property. You would have to do a little research to see if there were any other liens.

(K) If Thorco owed any more money after this Satisfaction of Mortgage was released, WCU would need to let me know in writing, correct? Or they wouldn't release the lien, correct?

(R) I would believe so, but I don't know.

(K) So, according to this document, as of May 12, 2022, Thorco, Inc. was the owner of the property listed in the Satisfaction of Mortgage and that's why you sent them that letter?

(R) Yes.

(K) Can I get a copy of the lien release?

(R) You should be able to get a copy from Donna.

(K) Ok, thank you for your time.

(R) You're welcome.

End of phone call.

- 6.) At 12:20 p.m. on November 125, 2022, I phoned Shauna Romrell, President, at Title Financial Services, Blackfoot, Idaho at 208-785-2515 and left a message asking for a return call. At 1:17 p.m., I received a return call from Shauna Romrell at 208-643-4669 and spoke with Shauna Romrell and Shannon (last name unknown) on speaker phone for exactly 15 minutes regarding the Satisfaction of Mortgage filed by TFSS on May 12, 2022 and the Corrected Release of Mortgage filed by James Kenyon, WCU CEO, filed on June 7, 2022.
7. Due to the length of the conversation, I will summarize the important details of the call. During our phone conversation, when asked about whether they were aware there was a Corrected Release of Mortgage filed on the Thorco, Inc. Property, they both admitted they were not aware of the filing. In fact, both individuals expressed being extremely puzzled, and frankly stunned, by the filing.

When asked about the Corrected Release of Mortgage, and the statements that TFSS erroneously filed the Satisfaction of Mortgage without review and approval, both stated that they had approval to file the documents, which also meant WCU would have reviewed the file before sending the request.

Shauna and Shannon were asked how WCU makes their request for a Satisfaction of Mortgage to be filed. I was informed that there is an electronic reconveyance release platform that is used, which is a request that, they stated, has a lot of boxes that needs to be filled in with the loan information.

When asked if they could explain how WCU was able to sell the property before the release was

filed, they both stated they could not answer that. I believe it was Shauna who asked if there was ever a Deed in Lieu of Foreclosure and I informed her that I was unaware of one. She then questioned what would have transferred it to WCU and I informed her the only thing I knew of was a deed in their case that was dismissed with prejudice.

Shauna informed me that she could not understand the need for a Corrected Release of Mortgage, because either way, the property was to be release and the first one did that. Shauna also recommended that we order a title search to show the life of the property. End of conversation.

8. At 3:05 p.m., on November 16, 2022, I phoned Shauna Romrell, President of TFSS and left a message asking her to return my call. While I waited for her return call, it was decided that I would send her an email with the questions we were seeking answers to, to the following is a copy of the email that was sent to her:

Hi Shauna,

We do have a few more questions for you, if you don't mind taking the time to answer them, we would appreciate it. But first, I'd like to let you know a brief history of events; WCU got a judgement against Thorco, WCU then vacated that judgement and dismissed the lawsuit with prejudice. After all that, Feb. 10th 2022, at a hearing in Helena, the Banking Commissioner and the Chief Legal Counsel stated that the mortgage had been satisfied and nothing was owed, see attached (abbreviated) minutes. We believe that hearing is what spurred WCU, or James Kenyon, WCU CEO, to sell the property, even before the Satisfaction of Mortgage was filed.

- 1.) If a corrected Release of Mortgage is required, would you, or in this case, James Kenyon, not be required to contact Thorco, Inc. and inform them that there was an error that needed to be corrected?
- 2.) I want to confirm, you stated that you were not aware of the Corrected Mortgage Release being filed? Correct?
- 3.) Typically, if a Corrected Release of Mortgage was filed, wouldn't you be part of the process and need to correct the document that you filed? Can you explain that process?
- 4.) Would you not need an affidavit of approval from the owner to file a corrected mortgage release?
- 5.) Can you explain how WCU sold the property before the Satisfaction of Mortgage was filed?
- 6.) Attached is a copy of the settlement agreement, would this property not be considered a security, such as a trust indenture, because it has three parties?
- 7.) On the realty transfer certificate, these are not deeds in lieu, they were escrow/security deeds. How can escrow/security deeds be used for conveyance without first being in escrow?  
First American Title has no record of this escrow, that per the settlement agreement, was to take place.
- 8.) In your power of attorney, it appears you are the successor of First American Title, did you ever receive these documents?
- 9.) After reviewing the corrected Release of Mortgage, I sent to you that was filed by James Kenyon, do you believe that, as stated, you did not have the review or approval of the WCU?

We greatly appreciate you taking the time to answer these questions.

Thank you,  
Kathy Wilson  
406-471-3341

9. Immediately following the sending of this email, I received a phone call from Shauna stating that she was not at liberty to discuss the questions asked in my email. She further went on to say that, what she could let me know was that when she recorded the documents, she had the authority to do so. And that what happened before or after the filing has nothing to do with her and she wished not to get in the middle of it. Shauna then followed up with an email response:

Good afternoon Kathy,

As per our telephone conversation just now, Title Financial Specialty Services/First American Title Company is not in a position to answer your questions. We played a very small role and followed the direction given by WCU to release the mortgage. Anything that happened prior to that or after that does not involve us.

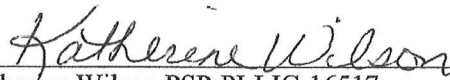
I am very sorry that I can not be of more assistance to you and I wish you the best of luck.

Sincerely,

Shauna

End of communication with Shauna Romrell and TFSS.

I DECLARE UNDER PENALTY OF PERJURY AND UNDER THE LAWS OF THE STATE OF MONTANA THAT THE FOREGOING IS TRUE AND CORRECT.

  
Katherine Wilson PSP-PI-LIC-16517

ALTA Commitment Form

COMMITMENT FOR TITLE INSURANCE  
Issued by



Stewart Title Guaranty Company, a Texas Corporation ("Company"), for a valuable consideration, commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the Proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest in the land described or referred to in Schedule A, upon payment of the premiums and charges and compliance with the Requirements; all subject to the provisions of Schedules A and B and to the Conditions of this Commitment.

This Commitment shall be effective only when the identity of the Proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A by the Company.

All liability and obligation under this Commitment shall cease and terminate six months after the Effective Date or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue the policy or policies is not the fault of the Company.

The Company will provide a sample of the policy form upon request.

This commitment shall not be valid or binding until countersigned by a validating officer or authorized signatory.

IN WITNESS WHEREOF, Stewart Title Guaranty Company has caused its corporate name and seal to be hereunto affixed by its duly authorized officers on the date shown in Schedule A.

Countersigned: [Signature]  
Authorized Countersignature  
Sterling Title Services, Inc.  
Company Name  
Kalspell, MT  
City, State



[Signature]  
Senior Chairman of the Board  
[Signature]  
Chairman of the Board  
[Signature]  
President

HEAD OFFICE:  
STERLING TITLE SERVICES  
211 South Main Street, P.O. Box 70  
Kalspell, MT 59803  
Phone: (406) 752-7000  
Fax: (406) 752-7207 (Title)  
Fax: (406) 257-5609 (Escrow)  
www.sterlingtitleservices.com

**COMMITMENT FOR TITLE INSURANCE**

**SCHEDULE A**

File Number: 49765

1. Effective Date: March 4, 2009 at 08:00 AM

2. Policy or Policies to be issued:

- A.  Standard Coverage Amount:  
 Extended Coverage  
 ALTA Homeowner's

Proposed Insured:

- B. ALTA Loan Policy (6/17/06)  Standard Coverage Amount: \$ 3,360,000.00  
 Extended Coverage

Proposed Insured:

Whitefish Credit Union Association

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

4. Title to the estate or interest in said land is at the effective date hereof vested in:  
Thorco, Inc.,  
A Montana Corporation

5. The land referred to in this Commitment is described as follows:  
SEE SCHEDULE C ATTACHED HERETO



Commitment Number: CG-49765

**SCHEDULE B - SECTION I  
REQUIREMENTS**

The following requirements must be met:

- a. Instruments necessary to create the estate of interest or mortgage to be insured must be properly executed, delivered, and duly filed for record.
- b. An original or certified copy of the resolution of the Board of Directors, or Stockholders if required, of Thorco, Inc., authorizing proposed transaction and directing the execution of the proper instruments must be submitted prior to closing.
- c. NOTE: Property is in excess of 40 acres.
- d. NOTE: For informational purposes only. Do not rely upon for a tax payment.

Taxes for the year 2008 are:

\$358.54 First Half

\$358.53 Second Half

---

\$717.07 Total

Assessor # 29-0213950

Roll # 22283

Commitment Number: CG-49765

**SCHEDULE B - SECTION II  
EXCEPTIONS**

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

1. Property taxes, including any assessments collected with the taxes, for the year 2009.
2. 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. Proceedings by a public agency, which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by 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 the land or by making inquiry of persons in possession thereof.
4. Easements, liens or encumbrances, or claims thereof, 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. Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
7. 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.
8. County road rights-of-way, not recorded and indexed as a conveyance of record in the office of the Clerk and Recorder pursuant to Title 70, Chapter 21, M. C. A., including, but not limited to any right of the Public and the County of Flathead to use and occupy those certain roads and trails.
9. Any right, title or interest to water rights, claims or title to water. Any reservations or exceptions in patents.
10. Mineral rights, claims or title to minerals in or under said land, including but not limited to metals, oil, gas, coal, or other hydrocarbons, sand, gravel or stone, and easements or other rights relating thereto, whether express or implied, recorded or unrecorded.
11. Notwithstanding Paragraph 4 of the insuring clauses of the policy or policies to be issued, the policy or policies will not insure against loss arising by reason of any lack of a right of access to and from the lands. (as to that portion in Section 28)
12. Easement for flowage and related purposes, reserved in instrument recorded January 6, 1934 under Recorder's Fee #61, in Book 211, page 531, records of Flathead County, Montana.
13. Easement as may be necessary or convenient in removing timber or timber products, reserved in instruments recorded December 27, 1943 under Recorder's Fee #4347, in Book 254, page 243, March 31, 1944 under Recorder's Fee #1177, in Book 254, page 359, March 6, 1947 under Recorder's Fee #1146, in Book 278, page 132 and June 4, 1953 under Recorder's Fee #3183, in Book 349, page 65, all records of Flathead County, Montana.




3. Apparently, Mr. Sheldon gave my contact information to Dennis Thornton as Mr. Thornton called me regarding an investment opportunity in September of 2017.
4. Mr. Thornton gave me contact information for Gary Baldwin of G.B. Consulting and Jim Kuhlman of Pure West Realty.
5. After speaking with Gary Baldwin, I decided to go Montana to view the Thorco property.
6. Mr. Baldwin had emailed me documents concerning the development such as maps, photos, engineering reports and the appraisal.
7. In October 2017, I went to Montana to meet Dennis and view the tracts of land. I toured the 300-acre tract, 200-acre tract, adjoining property and the adjoining national forest.
8. While in Montana, I met with the Surveyor and the Engineer who were responsible for the surveying and engineering of the project.
9. After viewing the property and meeting with the Surveyor and Engineer, I met Dennis Thornton and Gary Baldwin at a restaurant. At that meeting, Dennis Thornton told me that he would sell me the 300-acre tract of land for 15 million dollars if I would contract with him to complete the development work. It was estimated the completed development work would cost 7 million dollars.
10. At that meeting, I said to write it up. It was my intent to accept the offer.
11. Gary Baldwin began work on the agreement to purchase.
12. After that meeting, I went to the Courthouse to do my due diligence to confirm what I had been told.
13. At the Clerk and Recorder Office, I found a mortgage for approximately 3.5 million dollars owed on the property.
14. After that, I went to First American Title and they had no record of any agreement.

15. After that, I drove to Whitefish Montana to speak with representatives of the Whitefish Credit Union.
16. I spoke with a representative and provided him a copy of the Settlement Agreement that Mr. Thornton had provided me.
17. The Whitefish Credit Union representative left for a while and then came back and stated that he had spoken with the attorney that had been involved in the matter. According to that attorney, the property was in foreclosure and approximately 4.5 million was owed on it.
18. After the meeting at Whitefish Credit Union, I walked away from the deal and did not speak with Mr. Thornton for quite some time.
19. It was not until August 2, 2018 that I called Dennis Thornton. I asked Dennis if he still had the property. I said, if I was to write a check for 4.5 million dollars tomorrow and put it in front of the nose of that credit union, would that get you out of the foreclosure and could we get clear title. I said I would do that for 25% interest. .
20. Dennis asked where I got the impression he was in foreclosure.
21. I told Dennis how I had checked at the Clerk and Records office and First American Title and after speaking with them felt that Dennis had been deceitful with me.
22. I had to walk away from the project because I did not want to get involved in litigation.
23. I also walked away from the project at that time because the Agreement Mr. Thornton provided only had his signature and his wife's. He did not have a fully signed agreement for me to review.
24. I recently told Dennis that if he could get the foreclosure matter dealt with for 4.5



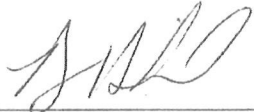
million dollars, I would write the check in exchange for a 25% ownership in the property.

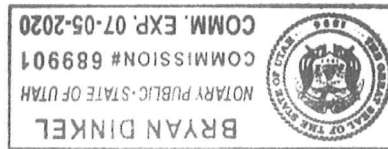
Dated this 26<sup>th</sup> day of August, 2018.

  
Ed Harshberger, Affiant

**SUBSCRIBED AND SWORN TO** before me this 26 day of August, 2018,

by Ed Harshberger.

  
Notary Public, State of Utah  
Residing at: Payson  
My Commission Expires: 7-05-2020







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Thorco, Inc., Dennis Thornton, and Donna Thornton against the following described real properties located in Flathead County, Montana:

MORTGAGE ;  
(Document No. 200900007830)

The North Half Northwest Quarter Northwest Quarter (N1/2NW1/4NW1/4);  
The South Half Northwest Quarter Northwest Quarter (S1/2NW1/4NW1/4);  
The North Half Northeast Quarter Northwest Quarter (N1/2NE1/4NW1/4);  
The South Half Northeast Quarter Northwest Quarter (S1/2NE1/4NW1/4);  
The North Half Southeast Quarter Northwest Quarter (N1/2SE1/4NW1/4);  
The South Half Southeast Quarter Northwest Quarter (S1/2SE1/4NW1/4);  
The North Half Southwest Quarter Northwest Quarter (N1/2SW1/4NW1/4);  
The South Half Southwest Quarter Northwest Quarter (S1/2SW1/4NW1/4);  
AND

The North Half Northwest Quarter Southwest Quarter (N1/2NW1/4SW1/4);  
The South Half Northwest Quarter Southwest Quarter (S1/2NW1/4SW1/4);

ALL in Section 28, Township 27 North, Range 21 West, P.M.M., Flathead County, Montana.

The North Half Southwest Quarter Northwest Quarter (N1/2SW1/4NW1/4);  
The South Half Southwest Quarter Northwest Quarter (S1/2SW1/4NW1/4);  
The North Half Northwest Quarter Southwest Quarter (N1/2NW1/4SW1/4);  
The South Half Northwest Quarter Southwest Quarter (S1/2NW1/4SW1/4);  
The North Half Southwest Quarter Southwest Quarter (N1/2SW1/4SW1/4);  
AND

The North Half Northeast Quarter Southwest Quarter (N1/2NE1/4SW1/4);  
The South Half Northeast Quarter Southwest Quarter (S1/2NE1/4SW1/4);  
The North Half Southeast Quarter Southwest Quarter (N1/2SE1/4SW1/4);  
The South Half Southeast Quarter Southwest Quarter (S1/2SE1/4SW1/4);  
The North Half Northwest Quarter Southeast Quarter (N1/2NW1/4SE1/4);  
The South Half Northwest Quarter Southeast Quarter (S1/2NW1/4SE1/4);  
The North Half Southwest Quarter Southeast Quarter (N1/2SW1/4SE1/4);  
The South Half Southwest Quarter Southeast Quarter (S1/2SW1/4SE1/4);  
AND

The Southeast Quarter Northwest Quarter (SE1/4NW1/4)  
EXCEPTING THEREFROM that portion deeded to Flathead County for road purposes by Deed recorded June 26, 1937 in Book 223, Page 614, records of Flathead County, Montana.

ALL in Section 27, Township 27 North, Range 21 West, P.M.M., Flathead County, Montana.



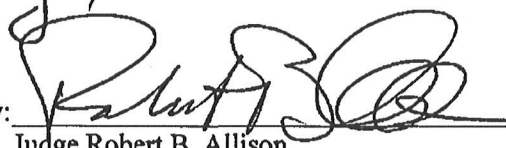
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IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the total indebtedness, including accrued interest, due and owing to Plaintiff by Defendants Thorco, Inc., Dennis Thornton and Donna Thornton is \$4,348,880.81, said amount to accrue interest at the statutory rate of 10% per annum until paid in full.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Whitefish Credit Union's security interests are superior to all other liens or encumbrances.

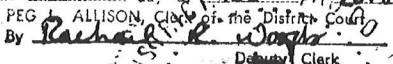
IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the above-described property be sold by the Sheriff of Flathead County, Montana, according to the law and practice of this Court, with the proceeds of sale, including the payment of property taxes due at the time of foreclosure, being applied to costs of the court, the expenses of the sale, and the amount due the Plaintiff pursuant to the judgment as set forth above. If it appears from the Sheriff's return that the proceeds are insufficient and a balance still remains due on the judgment, judgment for the balance due is hereby entered against the Defendants Thorco, Inc., Dennis Thornton, and Donna Thornton.

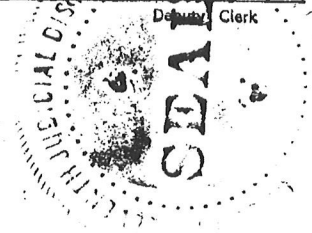
DATED this 23<sup>rd</sup> day of January, 2018

By:   
Judge Robert B. Allison  
Flathead County District Court

cc: Sean S. Frampton  
John L. Amsden / Justin P. Stalpes  
John Heenan  
John Ford Elsaesser

} 2/23/18  
L

STATE OF MONTANA )  
County of Flathead )  
I hereby certify that the instrument to which this certificate is affixed is a true, correct and numbered copy of the original on file in the office of the Clerk of the District Court of Flathead County this 2 day of February, 2018.  
PEG L. ALLISON, Clerk of the District Court  
By  Deputy Clerk




SETTLEMENT TERM SHEET

Whitefish Credit Union	"WCU"
Dennis and Donna Thornton ("Thorntons) & Thorco	Thorco and Thorntons are referred to as "Borrower Parties". WCU and Borrower Parties are referred to as the "Parties".
Option to Purchase:	<p>\$1,400,000.00 allocated as follows:</p> <ul style="list-style-type: none"> <li>• 200 acres \$300,000.00;</li> <li>• 300 acres \$1,100,000.00.</li> </ul> <p>This option may be exercised by Borrower Parties at any time within 18 months of the date of the MDTL Mutual Release. It may be exercised on the 200 acres, or on the 300 acres, or both at the option of the Borrower Parties.</p>
Term of the Option:	18 months
Cash Component:	\$150,000.00 to be delivered to Borrower Parties within 3 days of execution of the MDTL Release.
MDTL Mutual Release:	To be completed by the Parties and their counsel.
	Recital in MDTL Agreement that debt evidenced by Judgment in Cause No. 12-174B, Flathead County District Court (the "Case") is disputed, by Borrower Parties.
Non Merger Warranty Deed:	Borrower Parties shall execute a Non Merger Warranty Deed (the "Deed"), or other deed as reasonably requested by WCU and consistent with this Settlement Term Sheet, in connection with executing the MDTL Release conveying all of their right title and interest to WCU in the 200 and 300 acre tracts, along with an RTC, and the Deed and RTC shall be deposited into escrow with First American Title Company.
Partial Release of Mortgage:	WCU shall execute a Release of Mortgage for the 200, and 300 acre tracts (the "Releases") and the Releases shall be deposited into escrow with First American Title Company.
Failure to Exercise Option:	If Borrower Parties fail to timely exercise option above, the Deed and RTC held in escrow shall be delivered to WCU, and WCU shall be entitled to record the Deed.

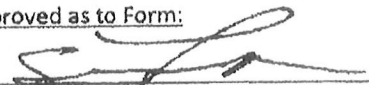


Option Exercised:	If Borrower Parties timely exercise option above, the Releases held in escrow shall be delivered to Borrower Parties, and Borrower Parties shall be entitled to record the Releases.
Judgment & Dismissal:	The Judgment shall be vacated and the Case dismissed with prejudice.
Deficiency:	Borrower Parties shall not be liable for any deficiency that WCU claims under any loan document, note or guaranty at issue in the Case.
Redemption:	Borrower Parties waive any right of redemption in the 200 or 300 acres.
Confidentiality:	MDTL release to include standard confidentiality provision, excepting therefrom Borrower Parties right to disclose terms in connection with efforts related to performance of option, including without limitation, efforts to secure financing or investors.
Further Assurances:	All Parties agree to cooperate fully, to execute any and all additional documents and to take all additional actions that may be necessary or appropriate to give full force and effect to the terms and intent of this Settlement Term Sheet and the Parties Agreement.
Attorneys' Fees:	Should any complaint be filed or claim be made arising out of the breach of any of the provisions of this Settlement Term Sheet or for the purpose of enforcing any of its provisions, the prevailing party or parties shall be entitled to recover its or their reasonable attorney fees from the other party. Each party shall bear his or her own attorney fees and costs.
Date	4/4/16

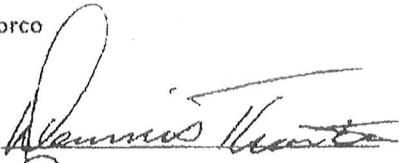
Whitefish Credit Union

By:   
 Its: SPECIAL ASSETS OFFICER


Approved as to Form:

By: 

Thorco

By:   
 Its: PRES.

Approved as to Form:

By: 

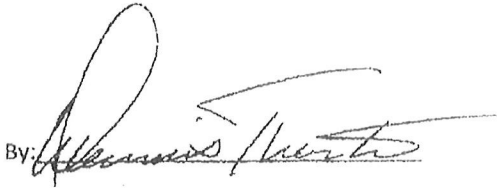
Attorney for Whitefish Credit Union

Attorney for Thorco, Dennis and Donna Thornton

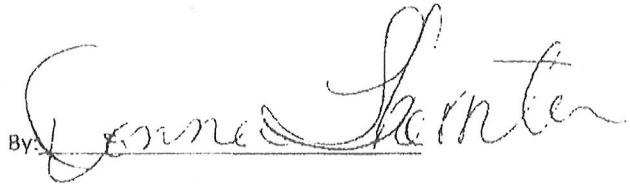
Dennis Thornton

Donna Thornton

By:

Handwritten signature of Dennis Thornton in cursive script, written over a horizontal line.

By:

Handwritten signature of Donna Thornton in cursive script, written over a horizontal line.

## SETTLEMENT AGREEMENT AND MUTUAL RELEASE

**RELEASORS:** Thorco, Inc., Dennis Thornton, Donna Thornton (collectively "Thorco").

**RELEASEE:** Whitefish Credit Union ("WCU").

**DESCRIPTION OF CASUALTY:** All counterclaims described in DV-12-174B.

### SETTLEMENT AND RELEASE TERMS:

**1. Cash Component**

WCU shall pay one hundred fifty thousand dollars (\$150,000) to Releasors within three days of the execution of this Settlement Agreement and Mutual Release.

**2. Option to Purchase**

- a. Within 18 months of the date of this Settlement Agreement and Mutual Release, Thorco may exercise an option to purchase the properties described above for one million four hundred thousand dollars (\$1,400,000). The option price is allocated to each parcel as follows: The 300 Acre Tract, legally described in Exhibit A, is priced at \$1,100,000; the 200 Acre Tract, legally described in Exhibit A, is priced at \$300,000. Within the 18 months, Thorco may exercise its option to purchase either the 200 Acre Tract, the 300 Acre Tract, or both.
- b. WCU shall execute releases of its mortgages for the 200 and 300 acre tracts, a copy of which are attached as Exhibit B. At execution of this agreement, the executed releases shall be deposited into escrow with First American Title Company. If Thorco timely exercises its option, First American Title shall record the appropriate release or releases.
- c. Thorco shall execute Non-Merger Warranty Deeds conveying all of Thorco's right, title, and interest in the 200 and 300 acre tracts to WCU along with a Realty Transfer Certificate, a copy of which are attached as Exhibit C. At execution of this agreement, the executed Non-Merger Warranty Deeds shall be deposited into escrow with First American Title Company. If Thorco fails to timely exercise its option(s), First American Title shall record the appropriate deed(s).

**3. Deficiency**

WCU agrees to waive any claim for deficiency under any loan document, note, or guaranty at issue in the above-described civil matter, Cause No. DV-12-174B.

**4. Right of Redemption**

Thorco waives any right of redemption in the 200 or 300 acre tracts.

**5. Stipulation to Vacate Judgment and Dismiss with Prejudice**

The parties agree that they, or their attorneys of record, shall stipulate to vacate the Judgment of Foreclosure and Order of Sale and dismiss with prejudice, as fully settled upon the merits, the above-described civil matter, Cause No. DV-12-174B. Each party shall pay their own respective costs and attorneys' fees.

**6. Release**

Releasors, in consideration of the terms of the Settlement Agreement set forth above, fully and forever release and discharge WCU, its subsidiaries, affiliates, and parent companies, heirs, executors, personal representatives, successors, assigns, employers, employees, agents, attorneys, and any other person, firm or corporation liable or who may be claimed to be liable as a result of the casualty described, from any and all actions, claims, causes of action, demands, or expenses for damages or injuries, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of the described casualty, including any and all claims for attorneys' fees.

**7. Future Damages**

Inasmuch as the injuries, damages, and losses resulting from the events described herein may not be fully known and may be more numerous or more serious than it is now understood or expected, Releasors agree, as a further consideration of this agreement, that this Mutual Release applies to any and all injuries, damages and losses resulting from the casualty described herein, even though now unanticipated, unexpected and unknown, as well as any and all injuries, damages and losses which have already developed and which are now known or anticipated.

**8. No Admission of Liability**

It is understood that the above-mentioned sum is accepted by each recipient as the sole consideration for full satisfaction and accord to compromise a disputed claim, and that neither payment of the sum nor the negotiations for settlement shall be considered as an admission of liability. The debt evidenced by Judgment of Foreclosure and Order of Sale in Cause No. DV-12-174B, Flathead County District Court is disputed by Thorco.

**9. No Additional Claims**

The parties mutually represent that no present or future claims are filed or contemplated against any other party potentially liable for the losses, damages and injuries for which this Mutual Release is given. In the event any additional claim is made which directly or indirectly results in additional liability exposure to either party for the losses, injuries, and damages for which this Mutual Release is given, the parties hereto covenant and agree to indemnify and save each other harmless from all such claims and demands, including reasonable attorney fees and all other expenses necessarily incurred.

**10. Further Assurances**

The parties agree to cooperate fully, to execute any and all additional documents and to take all additional actions that may be necessary or appropriate to give full force and effect to the terms of this Settlement Agreement and Mutual Release.

**11. Attorneys' Fees**

In the event suit is brought or claim is made arising out of the breach of any of the provisions of this Settlement Agreement and Mutual Release or to enforce any of the provisions of this Settlement Agreement and Mutual Release, the prevailing party shall be entitled to recover its reasonable attorneys' fees from the other party.

**12. Confidential**

The parties acknowledge that the amount and terms of this settlement are to be confidential and shall not be publicly disclosed by them or their representatives, except a party may disclose such information: (1) as its counsel may advise it is required to disclose under applicable laws and regulations, (2) as otherwise required by an order of a court of competent jurisdiction, or (3) as required for Thorco to disclose terms in connection with efforts related to performance of the above-described Option to Purchase, including without limitation, efforts to secure financing or investors.

**13. Tax Issues**

WCU shall file a Form 1099 in accordance with its standard practices regarding debt reduction. WCU agrees it will report only the principal balance of the loans in question, an amount up to \$3,360,170.62, on the Form 1099. Thorco agrees to bring no claim against WCU regarding the Form 1099. WCU agrees not to formally or voluntarily intervene with any tax-related protest to the IRS by Thorco regarding the Form 1099, and will only participate to the extent it is legally obligated or compelled to do. WCU agrees it will make no negative report to any credit agency in relation to the loan in question.

Prior to the date escrow is established and during the time documents are held in escrow, real estate tax notices were and will be received by Thorco. Thorco may elect not to



pay the real estate taxes, delinquent or to become delinquent, because it may elect not to close the escrow and record the releases of mortgage. WCU understands that it may be obliged to pay delinquent real estate taxes should it close the escrow and have the Warrant Deeds recorded.

**14. Final Agreement**

This Settlement Agreement and Mutual Release represents the parties' entire agreement with respect to the subject matter of this Agreement and supersedes any and all prior agreements, negotiations, and oral understandings. This Settlement Agreement and Mutual Release may not be modified or amended unless done so in writing and executed by the parties.

**15. Disclaimer**

The parties have carefully read the foregoing, discussed its legal effect with their attorneys, understand the contents thereof, and sign the same of their own free will and accord.

This Settlement Agreement and Mutual Release shall be binding upon the parties' heirs, executors, successors, personal representatives and assigns.

DATED, this 8 day of June 2016.

**CAUTION: READ BEFORE SIGNING!**

**PARTIES:**

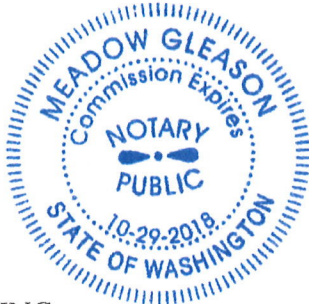
THORCO, INC.

X Dennis Thornton  
By Dennis Thornton, As: President

STATE OF Washington )  
: ss  
County of Pend Oreille )

This instrument was acknowledged before me on the 8 day of June 2016, by  
Dennis Thornton as President of Thorco, Inc.

(SEAL)



[Signature]  
Notary Public for the State of Washington

THORCO, INC.

X Donna Thornton  
By: Donna Thornton, As: Sec/Treas

STATE OF Washington )  
: ss  
County of Pend Oreille )

This instrument was acknowledged before me on the 8 day of June 2016, by  
Donna Thornton as Sec/Treas of Thorco, Inc.

(SEAL)



[Signature]  
Notary Public for the State of Washington

DENNIS THORNTON

X *Dennis Thornton*

STATE OF Washington )

County of Pend Oreille ) : ss

This instrument was acknowledged before me on the 8 day of June 2016, by **Dennis Thornton.**

(SEAL)



*Meadow Gleason*  
Notary Public for the State of Washington

DONNA THORNTON

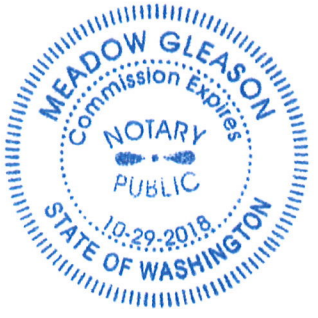
X *Donna Thornton*

STATE OF Washington )

County of Pend Oreille ) : ss

This instrument was acknowledged before me on the 8 day of June 2016, by **Donna Thornton.**

(SEAL)



*Meadow Gleason*  
Notary Public for the State of Washington



**ATTORNEYS:**

John L. Amsden  
Justin P. Stalpes  
Anthony F. Jackson  
BECK & AMSDEN, pllc  
1946 Stadium Drive, Suite 1  
Bozeman, MT 59715  
**Attorney for Thorco, Inc., Dennis Thornton, and Donna Thornton**

By: 

Date: 6/7/16

John L. Amsden  
Justin P. Stalpes  
Anthony F. Jackson

Sean S. Frampton  
Johnna J. Preble  
MORRISON & FRAMPTON, PLLP  
Frank Lloyd Wright Building  
341 Central Avenue  
Whitefish, Montana 59937  
**Attorneys for Whitefish Credit Union**

By: 

Date: 6-9-16

Sean S. Frampton  
Johnna J. Preble



# **EXHIBIT A**

200 Acre Tract:

The North Half Northwest Quarter Northwest Quarter (N1/2NW1/4NW1/4);  
The South Half Northwest Quarter Northwest Quarter (S1/2NW1/4NW1/4);  
The North Half Northeast Quarter Northwest Quarter (N1/2NE1/4NW1/4);  
The South Half Northeast Quarter Northwest Quarter (S1/2NE1/4NW1/4);  
The North Half Southeast Quarter Northwest Quarter (N1/2SE1/4NW1/4);  
The South Half Southeast Quarter Northwest Quarter (S1/2SE1/4NW1/4);  
The North Half Southwest Quarter Northwest Quarter (N1/2SW1/4NW1/4);  
The South Half Southwest Quarter Northwest Quarter (S1/2SW1/4NW1/4);  
AND  
The North Half Northwest Quarter Southwest Quarter (N1/2NW1/4SW1/4);  
The South Half Northwest Quarter Southwest Quarter (S1/2NW1/4SW1/4);

ALL in Section 28, Township 27 North, Range 21 West, P.M.M., Flathead County, Montana.

300 Acre Tract:

The North Half Southwest Quarter Northwest Quarter (N1/2SW1/4NW1/4);  
The South Half Southwest Quarter Northwest Quarter (S1/2SW1/4NW1/4);  
The North Half Northwest Quarter Southwest Quarter (N1/2NW1/4SW1/4);  
The South Half Northwest Quarter Southwest Quarter (S1/2NW1/4SW1/4);  
The North Half Southwest Quarter Southwest Quarter (N1/2SW1/4SW1/4);  
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The North Half Northeast Quarter Southwest Quarter (N1/2NE1/4SW1/4);  
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The South Half Southwest Quarter Southeast Quarter (S1/2SW1/4SE1/4);  
AND

The Southeast Quarter Northwest Quarter (SE1/4NW1/4)

EXCEPTING THEREFROM that portion deeded to Flathead County for road purposes by Deed recorded June 26, 1937 in Book 223, Page 614, records of Flathead County, Montana.

ALL in Section 27, Township 27 North, Range 21 West, P.M.M., Flathead County, Montana.

# **EXHIBIT B**

**Return after Recording to:**

Thorco, Inc.  
c/o John L. Amsden  
BECK & AMSDEN, pllc  
1946 Stadium Drive, Suite 1  
Bozeman, MT 59715

**With a copy to:**

Whitefish Credit Union  
c/o Sean S. Frampton  
MORRISON & FRAMPTON, PLLP  
341 Central Avenue  
Whitefish, MT 59937

[Above this line is for recording purposes only.]

(Loan # 966428-750) (Guarantee #FT20120081)

**RELEASE OF MORTGAGE**


The undersigned, as the Mortgagee in that following described Mortgage, does hereby fully release and discharge the same of record:

- *Mortgage, to secure an original indebtedness of \$3,360,000.00, dated March 19, 2009 and any other amounts and/or obligations secured thereby.*
- *Recorded: March 24, 2009, Instrument No. 200900007830*
- *Mortgagor: Thorco, Inc.*
- *Mortgagee: Whitefish Credit Union*
- *Encumbered Real Property:*
  - The North Half Northwest Quarter Northwest Quarter (N1/2NW1/4NW1/4);
  - The South Half Northwest Quarter Northwest Quarter (S1/2NW1/4NW1/4);
  - The North Half Northeast Quarter Northwest Quarter (N1/2NE1/4NW1/4);
  - The South Half Northeast Quarter Northwest Quarter (S1/2NE1/4NW1/4);
  - The North Half Southeast Quarter Northwest Quarter (N1/2SE1/4NW1/4);
  - The South Half Southeast Quarter Northwest Quarter (S1/2SE1/4NW1/4);
  - The North Half Southwest Quarter Northwest Quarter (N1/2SW1/4NW1/4);
  - The South Half Southwest Quarter Northwest Quarter (S1/2SW1/4NW1/4);
  - AND
  - The North Half Northwest Quarter Southwest Quarter (N1/2NW1/4SW1/4);
  - The South Half Northwest Quarter Southwest Quarter (S1/2NW1/4SW1/4);

ALL in Section 28, Township 27 North, Range 21 West, P.M.M., Flathead County, Montana.

DATED this 8<sup>th</sup> day of JUNE, 2016.

WHITEFISH CREDIT UNION

X   
By: ARON D. ARCHER  
as SAG OFFICER





**Return after Recording to:**

Thorco, Inc.  
c/o John L. Amsden  
BECK & AMSDEN, pllc  
1946 Stadium Drive, Suite 1  
Bozeman, MT 59715

**With a copy to:**

Whitefish Credit Union  
c/o Sean S. Frampton  
MORRISON & FRAMPTON, PLLP  
341 Central Avenue  
Whitefish, MT 59937

[Above this line is for recording purposes only.]

(Loan # 966428-750) (Guarantee #FT20120081)

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- *Encumbered Real Property:*

- The North Half Southwest Quarter Northwest Quarter (N1/2SW1/4NW1/4);  
The South Half Southwest Quarter Northwest Quarter (S1/2SW1/4NW1/4);  
The North Half Northwest Quarter Southwest Quarter (N1/2NW1/4SW1/4);  
The South Half Northwest Quarter Southwest Quarter (S1/2NW1/4SW1/4);  
The North Half Southwest Quarter Southwest Quarter (N1/2SW1/4SW1/4);  
AND

The North Half Northeast Quarter Southwest Quarter (N1/2NE1/4SW1/4);  
The South Half Northeast Quarter Southwest Quarter (S1/2NE1/4SW1/4);  
The North Half Southeast Quarter Southwest Quarter (N1/2SE1/4SW1/4);  
The South Half Southeast Quarter Southwest Quarter (S1/2SE1/4SW1/4);  
The North Half Northwest Quarter Southeast Quarter (N1/2NW1/4SE1/4);  
The South Half Northwest Quarter Southeast Quarter (S1/2NW1/4SE1/4);  
The North Half Southwest Quarter Southeast Quarter (N1/2SW1/4SE1/4);  
The South Half Southwest Quarter Southeast Quarter (S1/2SW1/4SE1/4);  
AND

The Southeast Quarter Northwest Quarter (SE1/4NW1/4)

EXCEPTING THEREFROM that portion deeded to Flathead County for road purposes by Deed recorded June 26, 1937 in Book 223, Page 614, records of Flathead County, Montana.

ALL in Section 27, Township 27 North, Range 21 West, P.M.M., Flathead County, Montana.

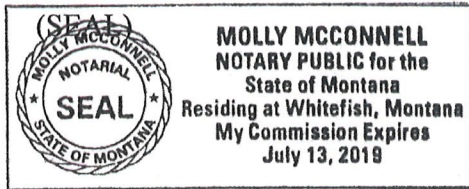
DATED this 8<sup>th</sup> day of JUNE, 2016.

WHITEFISH CREDIT UNION

X [Signature]  
By: AARON D. ARCHER  
as SAG OFFICER

STATE OF MONTANA     )  
  : SS  
County of Flathead     )

This instrument was acknowledged before me on the 8<sup>th</sup> day of JUNE, 2016,  
by AARON ARCHER as SAG OFFICER of Whitefish Credit Union.



[Signature]  
Notary Public for the State of Montana

# **EXHIBIT C**

**Return after Recording to:**

Thorco, Inc.  
c/o John L. Amsden  
BECK & AMSDEN, pllc  
1946 Stadium Drive, Suite 1  
Bozeman, MT 59715

**With a copy to:**

Whitefish Credit Union  
c/o Sean S. Frampton  
MORRISON & FRAMPTON, PLLP  
341 Central Avenue  
Whitefish, MT 59937

[Above this line is for recording purposes only.]

(Loan # 966428-750) (Guarantee #FT20120081)

**WARRANTY DEED**

For, and in consideration of, the covenants herein provided, **THORCO, INC.** ("Grantor"), a Montana corporation, hereby grants, sells and conveys unto **WHITEFISH CREDIT UNION** ("Grantee"), of Whitefish, Montana, the following described real property, TOGETHER with any and all appurtenances thereto belonging or in any way appertaining, located in County of Flathead, State of Montana, and more particularly described as follows:

The North Half Northwest Quarter Northwest Quarter (N1/2NW1/4NW1/4);  
The South Half Northwest Quarter Northwest Quarter (S1/2NW1/4NW1/4);  
The North Half Northeast Quarter Northwest Quarter (N1/2NE1/4NW1/4);  
The South Half Northeast Quarter Northwest Quarter (S1/2NE1/4NW1/4);  
The North Half Southeast Quarter Northwest Quarter (N1/2SE1/4NW1/4);  
The South Half Southeast Quarter Northwest Quarter (S1/2SE1/4NW1/4);  
The North Half Southwest Quarter Northwest Quarter (N1/2SW1/4NW1/4);  
The South Half Southwest Quarter Northwest Quarter (S1/2SW1/4NW1/4);  
AND  
The North Half Northwest Quarter Southwest Quarter (N1/2NW1/4SW1/4);  
The South Half Northwest Quarter Southwest Quarter (S1/2NW1/4SW1/4);

ALL in Section 28, Township 27 North, Range 21 West, P.M.M., Flathead County, Montana.

("Property")

TO HAVE AND TO HOLD unto the Grantee and to the Grantee's successors and assigns, forever.

AND the Grantor(s) and Grantor(s) heirs do hereby covenant that they will forever warrant and defend the Grantee's right, title and interest in and to the said premises and the quiet

and peaceful possession thereof unto the Grantee and the Grantee's successors and assigns, against the acts and deeds of the Grantor(s) and all and every person or persons whomsoever lawfully claim or to claim the same.

AND it is expressly understood and agreed by Grantor and Grantee that all of the liens and security interests in the Property created and evidenced by the Loan Agreement, Mortgage, and Guarantees entered into between the parties on March 19, 2009 ("Loan Documents"), and all of Grantee's rights and remedies with respect thereto, including, but not limited to, the remedy of judicial or non-judicial foreclosure, and the equitable estate of Grantee in the Property shall not merge with the legal estate and title in the Property to be conveyed by Grantor to Grantee pursuant to this Deed. To the contrary, Grantee's liens and security interests under the Loan Documents and the beneficial estate of Grantee in the Property shall be and remain separate and distinct from the legal estate and title in the Property to be acquired by Grantee from Grantor pursuant to this Deed. The liens and the Loan Documents shall not be released or relinquished and are preserved and shall continue in full force and effect to protect Grantee against any intervening lien, interest or title, or for other purposes of security. Further, the priority of the liens of the Loan Documents is not intended to be altered hereby, and nothing herein or in any document or instrument executed in connection herewith shall be construed to subordinate the priority of the liens of the Loan Documents to any other liens, encumbrances or interests whatsoever. The liens under the Loan Documents shall not merge with the fee or leasehold title to the Property unless and until Grantee elects to do so in its sole and absolute discretion by separate document recorded hereafter or, if Grantee so elects, by foreclosure of the Loan Documents. For the purposes of permitting Grantee to exercise such rights and remedies, Grantor and Grantee agree that the statutes of limitation applicable with respect to the exercise of such rights and remedies under the Loan Documents are hereby tolled and extended so that the exercise of such rights and remedies shall not be limited under any applicable statutes of limitation, by laches or otherwise. The parties agree that Grantee shall not be deemed a mortgagee in possession, or be deemed in control of or a partner or joint venturer of Grantor by virtue of this Deed or the dealings of the parties, and Grantor shall not hold itself out as such or make claim against Grantee by virtue of any of the foregoing.

This Deed is an absolute conveyance of title, in effect as well as in form, and is not intended as a mortgage, trust conveyance, or security of any kind.

THORCO, INC.

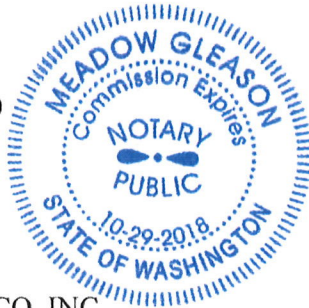
X [Signature]  
By: Dennis Thornton; As: President

Date: 6-8-2016

STATE OF Washington )  
: ss  
County of Pend Oreille )

This instrument was acknowledged before me on the 8 day of June 2016, by Dennis D. Thornton as President of Thorco, Inc.

(SEAL)



[Signature]  
Notary Public for the State of Washington

THORCO, INC.

X [Signature]  
By: Donna Thornton; As: Sec/Treas

Date: 6-8-2016

STATE OF Washington )  
: ss  
County of Pend Oreille )

This instrument was acknowledged before me on the 8 day of June 2016, by Donna Thornton as Sec/Treas of Thorco, Inc.

(SEAL)



[Signature]  
Notary Public for the State of Washington



REALTY TRANSFER CERTIFICATE

Confidential Tax Document

The information contained in this certificate is confidential by Montana law. Unauthorized disclosure of this information is a criminal offense.

GEocode(S)
ASSESSMENT CODE:
The Department of Revenue will change the name on ownership records used for the assessment and taxation of real property when this form is fully and accurately completed and signed.

PART 1 - DATE OF TRANSFER (SALE)

MM/DD/YYYY

PART 2 - PARTIES Please complete this section in full; if additional space is required, please attach a separate page

Seller (Grantor)
Name THORCO, INC.
Mailing Address c/o BECK & AMSDEN, pllc
(Permanent) 1946 Stadium Drive, Suite 1
City Bozeman ST MT Zip 59715
Seller Principal Residence Yes No

List the last 4 digits of the SSN or FEIN
SSN 000 - 00 -
SSN 000 - 00 -
FEIN 00 - 000 0137
Daytime Phone

Main Geocode
Assessor Code or Parcel #

Buyer (Grantee)
Name WHITEFISH CREDIT UNION
Mailing Address 300 Baker Avenue
(Permanent)
City Whitefish ST MT Zip 59937
Buyer Principal Residence Yes No

SSN 000 - 00 -
SSN 000 - 00 -
FEIN 00 - 000 8730
Daytime Phone

Transfer to Trustee, Custodian, or other Representative:
Trust FEIN 00 - 000
Minor SSN 000 - 00 -

PART 3 - PROPERTY DESCRIPTION Please complete fully; if additional space is required, please attach a separate page

Legal Description SEE ATTACHED EXHIBIT A Attachment

Add/Sub Block Lot
County FLATHEAD City/Town Section 27 Township 27n Range 21w

PART 4 - TYPE OF TRANSFER Please complete fully, more than one may apply.

Sale Gift Barter Nominal or No Consideration Part of 1031 or 1033 exchange Transfer is subject to a reserved life estate
Sheriff's sale: mortgage trust indenture other Deed in lieu of foreclosure Short sale Auction/Sealed bid
A copy of the recorded instrument must be attached to the Realty Transfer Certificate.

Transfer by Operation of Law

Termination of joint tenancy by death Termination of life estate by death Court order or decree Merger, consolidation, or other business entity reorganization

PART 5 - EXCEPTIONS FROM PROVIDING SALES PRICE INFORMATION Please complete fully, more than one may apply

Gift Termination of life estate by death
Transfer in contemplation of death without consideration Transfer pursuant to court decree (except sheriff's sale)
Transfer between husband/wife or parent/child for nominal consideration Tax deed
Transfer of property of the estate of a decedent Merger, consolidation or reorganization of business entity
Transfer by government agency Land eligible for timberland/forestland classification (15-44-103, MCA)
Correction, modification, or supplement of previously recorded instrument, no additional consideration Land eligible for agricultural classification (15-7-201, MCA)
Termination of joint tenancy by death Transfer to a revocable living trust
Other (Specify Type) Settlement in Cause No. DV-12-174B

PART 6 - SALE PRICE INFORMATION Please complete fully, more than one may apply

Actual Sale Price \$
Financing: Cash FHA VA Contract Other
Terms: New loan OR Assumption of existing loan
Value of personal property included in sale \$ 0.00
Value of inventory included in sale \$ 0.00
Value of licenses included in sale \$ 0.00
Value of good will included in sale \$ 0.00
Was an SID payoff included in the sale price? Yes No
Did the buyer assume an SID? Yes No
Amount of SID paid or assumed: \$ 0.00
Was a mobile home included in the sale? Yes No

PART 7 - WATER RIGHT DISCLOSURE - This Disclosure is only applicable to the property identified in PART 3 above

A. Property is served by a public water supply, i.e., city, irrigation district, or water district provides water.
B. Seller has no water rights on record with DNRC to transfer.
C. Seller is transferring ALL water rights on record with DNRC to the Buyer.
D. Seller is dividing or exempting (reserving) water rights. Seller must file Water Right Update form.

Seller (Grantor) Signature Date 6-8-2016

PART 8 - PREPARER INFORMATION Preparer's signature is required

Name/Title Johanna Preble (please print) Signature
Mailing Address 341 Central Ave. Daytime Phone (406) 862-7100
City Whitefish ST MT Zip 59937

Clerk and Recorder Use Only

Recording Information: Document # Book Page Date
Warranty Trust Deed Quit Claim Grant Contract for Deed Decree Interest
Bargain & Sale Deed Notice of Purchaser's Interest Statement of Acknowledgement Termination of Joint Tenancy
Tax Deed Beneficiary Deed Other

**EXHIBIT A**

The North Half Northwest Quarter Northwest Quarter (N1/2NW1/4NW1/4);

The South Half Northwest Quarter Northwest Quarter (S1/2NW1/4NW1/4);

The North Half Northeast Quarter Northwest Quarter (N1/2NE1/4NW1/4);

The South Half Northeast Quarter Northwest Quarter (S1/2NE1/4NW1/4);

The North Half Southeast Quarter Northwest Quarter (N1/2SE1/4NW1/4);

The South Half Southeast Quarter Northwest Quarter (S1/2SE1/4NW1/4);

The North Half Southwest Quarter Northwest Quarter (N1/2SW1/4NW1/4);

The South Half Southwest Quarter Northwest Quarter (S1/2SW1/4NW1/4);

AND

The North Half Northwest Quarter Southwest Quarter (N1/2NW1/4SW1/4);

The South Half Northwest Quarter Southwest Quarter (S1/2NW1/4SW1/4);

ALL in Section 28, Township 27 North, Range 21 West, P.M.M., Flathead County,  
Montana.

**Return after Recording to:**

Thorco, Inc.  
c/o John L. Amsden  
BECK & AMSDEN, pllc  
1946 Stadium Drive, Suite 1  
Bozeman, MT 59715

**With a copy to:**

Whitefish Credit Union  
c/o Sean S. Frampton  
MORRISON & FRAMPTON, PLLP  
341 Central Avenue  
Whitefish, MT 59937

[Above this line is for recording purposes only.]

(Loan # 966428-750) (Guarantee #FT20120081)

**WARRANTY DEED**

For, and in consideration of, the covenants herein provided, **THORCO, INC.** ("Grantor"), a Montana corporation, hereby grants, sells and conveys unto **WHITEFISH CREDIT UNION** ("Grantee"), of Whitefish, Montana, the following described real property, TOGETHER with any and all appurtenances thereto belonging or in any way appertaining, located in County of Flathead, State of Montana, and more particularly described as follows:

The North Half Southwest Quarter Northwest Quarter (N1/2SW1/4NW1/4);  
The South Half Southwest Quarter Northwest Quarter (S1/2SW1/4NW1/4);  
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The North Half Southwest Quarter Southwest Quarter (N1/2SW1/4SW1/4);  
AND

The North Half Northeast Quarter Southwest Quarter (N1/2NE1/4SW1/4);  
The South Half Northeast Quarter Southwest Quarter (S1/2NE1/4SW1/4);  
The North Half Southeast Quarter Southwest Quarter (N1/2SE1/4SW1/4);  
The South Half Southeast Quarter Southwest Quarter (S1/2SE1/4SW1/4);  
The North Half Northwest Quarter Southeast Quarter (N1/2NW1/4SE1/4);  
The South Half Northwest Quarter Southeast Quarter (S1/2NW1/4SE1/4);  
The North Half Southwest Quarter Southeast Quarter (N1/2SW1/4SE1/4);  
The South Half Southwest Quarter Southeast Quarter (S1/2SW1/4SE1/4);  
AND

The Southeast Quarter Northwest Quarter (SE1/4NW1/4)

EXCEPTING THEREFROM that portion deeded to Flathead County for road purposes by Deed recorded June 26, 1937 in Book 223, Page 614, records of Flathead County, Montana.

ALL in Section 27, Township 27 North, Range 21 West, P.M.M., Flathead County, Montana.

("Property")

TO HAVE AND TO HOLD unto the Grantee and to the Grantee's successors and assigns, forever.

AND the Grantor(s) and Grantor(s) heirs do hereby covenant that they will forever warrant and defend the Grantee's right, title and interest in and to the said premises and the quiet and peaceful possession thereof unto the Grantee and the Grantee's successors and assigns, against the acts and deeds of the Grantor(s) and all and every person or persons whomsoever lawfully claim or to claim the same.

AND it is expressly understood and agreed by Grantor and Grantee that all of the liens and security interests in the Property created and evidenced by the Loan Agreement, Mortgage, and Guarantees entered into between the parties on March 19, 2009 ("Loan Documents"), and all of Grantee's rights and remedies with respect thereto, including, but not limited to, the remedy of judicial or non-judicial foreclosure, and the equitable estate of Grantee in the Property shall not merge with the legal estate and title in the Property to be conveyed by Grantor to Grantee pursuant to this Deed. To the contrary, Grantee's liens and security interests under the Loan Documents and the beneficial estate of Grantee in the Property shall be and remain separate and distinct from the legal estate and title in the Property to be acquired by Grantee from Grantor pursuant to this Deed. The liens and the Loan Documents shall not be released or relinquished and are preserved and shall continue in full force and effect to protect Grantee against any intervening lien, interest or title, or for other purposes of security. Further, the priority of the liens of the Loan Documents is not intended to be altered hereby, and nothing herein or in any document or instrument executed in connection herewith shall be construed to subordinate the priority of the liens of the Loan Documents to any other liens, encumbrances or interests whatsoever. The liens under the Loan Documents shall not merge with the fee or leasehold title to the Property unless and until Grantee elects to do so in its sole and absolute discretion by separate document recorded hereafter or, if Grantee so elects, by foreclosure of the Loan Documents. For the purposes of permitting Grantee to exercise such rights and remedies, Grantor and Grantee agree that the statutes of limitation applicable with respect to the exercise of such rights and remedies under the Loan Documents are hereby tolled and extended so that the exercise of such rights and remedies shall not be limited under any applicable statutes of limitation, by laches or otherwise. The parties agree that Grantee shall not be deemed a mortgagee in possession, or be deemed in control of or a partner or joint venturer of Grantor by virtue of this Deed or the dealings of the parties, and Grantor shall not hold itself out as such or make claim against Grantee by virtue of any of the foregoing.

This Deed is an absolute conveyance of title, in effect as well as in form, and is not intended as a mortgage, trust conveyance, or security of any kind.



THORCO, INC.

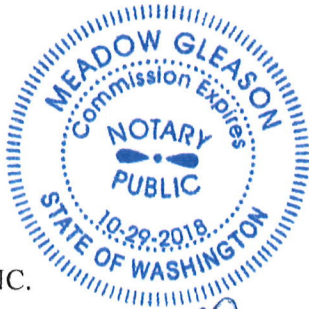
X [Signature]  
By: Dennis Thornton; As: President

Date: 6-8-2016

STATE OF Washington )  
: ss  
County of Pend Oreille )

This instrument was acknowledged before me on the 8 day of June 2016, by Dennis D Thornton as President of Thorco, Inc.

(SEAL)



[Signature]  
Notary Public for the State of Washington

THORCO, INC.

X [Signature]  
By: Donna Thornton; As: Sec/Treas

Date: 6-8-2016

STATE OF Washington )  
: ss  
County of Pend Oreille )

This instrument was acknowledged before me on the 8 day of June 2016, by Donna Thornton as Sec/Treas of Thorco, Inc.

(SEAL)



[Signature]  
Notary Public for the State of Washington

**EXHIBIT A**

The North Half Southwest Quarter Northwest Quarter (N1/2SW1/4NW1/4);  
The South Half Southwest Quarter Northwest Quarter (S1/2SW1/4NW1/4);  
The North Half Northwest Quarter Southwest Quarter (N1/2NW1/4SW1/4);  
The South Half Northwest Quarter Southwest Quarter (S1/2NW1/4SW1/4);  
The North Half Southwest Quarter Southwest Quarter (N1/2SW1/4SW1/4);

AND

The North Half Northeast Quarter Southwest Quarter (N1/2NE1/4SW1/4);  
The South Half Northeast Quarter Southwest Quarter (S1/2NE1/4SW1/4);  
The North Half Southeast Quarter Southwest Quarter (N1/2SE1/4SW1/4);  
The South Half Southeast Quarter Southwest Quarter (S1/2SE1/4SW1/4);  
The North Half Northwest Quarter Southeast Quarter (N1/2NW1/4SE1/4);  
The South Half Northwest Quarter Southeast Quarter (S1/2NW1/4SE1/4);  
The North Half Southwest Quarter Southeast Quarter (N1/2SW1/4SE1/4);  
The South Half Southwest Quarter Southeast Quarter (S1/2SW1/4SE1/4);

AND

The Southeast Quarter Northwest Quarter (SE1/4NW1/4)

EXCEPTING THEREFROM that portion deeded to Flathead County for road purposes by Deed recorded June 26, 1937 in Book 223, Page 614, records of Flathead County, Montana.

ALL in Section 27, Township 27 North, Range 21 West, P.M.M., Flathead County, Montana.



REALTY TRANSFER CERTIFICATE

Confidential Tax Document

The information contained in this certificate is confidential by Montana law. Unauthorized disclosure of this information is a criminal offense.

GEOCODE(S)
ASSESSMENT CODE:

The Department of Revenue will change the name on ownership records used for the assessment and taxation of real property when this form is fully and accurately completed and signed.

PART 1 - DATE OF TRANSFER (SALE)

MM/DD/YYYY

PART 2 - PARTIES Please complete this section in full; if additional space is required, please attach a separate page

Seller (Grantor) Name THORCO, INC Mailing Address c/o BECK & AMSDEN, pllc (Permanent) 1946 Stadium Drive, Suite 1 City Bozeman ST MT Zip 59715

List the last 4 digits of the SSN or FEIN SSN 000 - 00 - SSN 000 - 00 - FEIN 00 - 000 0137 Daytime Phone

Buyer (Grantee) Name WHITEFISH CREDIT UNION Mailing Address 300 Baker Avenue (Permanent) City Whitefish ST MT Zip 59937

SSN 000 - 00 - SSN 000 - 00 - FEIN 00 - 000 8730 Daytime Phone

Transfer to Trustee, Custodian, or other Representative: Trust FEIN 00 - 000 Minor SSN 000 - 00 -

PART 3 - PROPERTY DESCRIPTION Please complete fully; if additional space is required, please attach a separate page

Legal Description SEE ATTACHED EXHIBIT A Attachment checked

Add/Sub Block Lot County FLATHEAD City/Town Section 28 Township 27n Range 21w

PART 4 - TYPE OF TRANSFER Please complete fully, more than one may apply.

- Sale Gift Barter Nominal or No Consideration Part of 1031 or 1033 exchange Transfer is subject to a reserved life estate Sheriff's sale: mortgage trust indenture other checked Deed in lieu of foreclosure Short sale Auction/Sealed bid

Transfer by Operation of Law

- Termination of joint tenancy by death Termination of life estate by death Court order or decree (except sheriff's sale) Merger, consolidation, or other business entity reorganization

PART 5 - EXCEPTIONS FROM PROVIDING SALES PRICE INFORMATION Please complete fully, more than one may apply

- Gift Termination of life estate by death Transfer in contemplation of death without consideration Transfer pursuant to court decree (except sheriff's sale) Transfer between husband/wife or parent/child for nominal consideration Tax deed Transfer of property of the estate of a decedent Merger, consolidation or reorganization of business entity Transfer by government agency Land eligible for timberland/forestland classification (15-44-103, MCA) Correction, modification, or supplement of previously recorded instrument, no additional consideration Land eligible for agricultural classification (15-7-201, MCA) Termination of joint tenancy by death Transfer to a revocable living trust Other (Specify Type) Settlement in Cause No. DV-12-174B checked

PART 6 - SALE PRICE INFORMATION Please complete fully, more than one may apply

Actual Sale Price \$ Financing: Cash FHA VA Contract Other checked Terms: New loan OR Assumption of existing loan Value of personal property included in sale \$ 0.00 Value of inventory included in sale \$ 0.00 Value of licenses included in sale \$ 0.00 Value of good will included in sale \$ 0.00 Was an SID payoff included in the sale price? Yes No checked Did the buyer assume an SID? Yes No checked Amount of SID paid or assumed: \$ 0.00 Was a mobile home included in the sale? Yes No checked

PART 7 - WATER RIGHT DISCLOSURE - This Disclosure is only applicable to the property identified in PART 3 above

- A. Property is served by a public water supply, i.e., city, irrigation district, or water district provides water. checked B. Seller has no water rights on record with DNRC to transfer. C. Seller is transferring ALL water rights on record with DNRC to the Buyer. D. Seller is dividing or exempting (reserving) water rights. Seller must file Water Right Update form.

Seller (Grantor) Signature Date 10-8-2016

PART 8 - PREPARER INFORMATION Preparer's signature is required

Name/Title Johnna Preble (please print) Signature Mailing Address 371 Central Ave. Daytime Phone (406) 862-7100 City Whitefish ST MT Zip 59937

Clerk and Recorder Use Only

Recording Information: Document # Book Page Date Warranty Trust Deed Quit Claim Grant Contract for Deed Decree Interest Bargain & Sale Deed Notice of Purchaser's Interest Statement of Acknowledgement Termination of Joint Tenancy Tax Deed Beneficiary Deed Other

1 Michael Klinkhammer  
Klinkhammer Law Offices  
2 1111 S. Main  
Kalispell, MT 59901  
3 Phone: (406) 257-7277  
Fax: (888) 414-1015  
4 Email: mklinkhammer@montanadsl.net  
Attorney for Plaintiffs  
5  
6  
7

8 ELEVENTH JUDICIAL DISTRICT COURT,  
FLATHEAD COUNTY  
9

<p>10 DENNIS THORNTON and DONNA THORNTON, 11 12 Plaintiffs, 13 14 vs. 15 16 WHITEFISH CREDIT UNION, 17 Defendant.</p>	<p>Cause No. DV-18-336D Judge Dan Wilson <b>DECLARATION OF JOHN L. AMSDEN</b></p>
---	---

18  
19 I, JOHN L. AMSDEN, hereby declare as follows:

- 20 1. I am an attorney licensed to practice in Montana. I represented Plaintiffs in a  
21 previous action filed in this Court under Cause No. DV-12-174B. Defendant was  
22 also the adverse party in that previous action.  
23  
24 2. In the previous action referenced above, the parties engaged in a mediation on  
25 or about April 4, 2016. On that date, the parties executed a Settlement Term Sheet,  
26 a true and correct copy of which is attached hereto as Exhibit 1.  
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3. On or about June 8, 2016, the parties entered into a Settlement Agreement and Mutual Release, a true and correct copy of which is attached hereto as Exhibit 2.

4. The attorney for Whitefish Credit Union (Sean S. Frampton, Esq.) required delivery of the original signed Non-Merger Warranty Deeds and Realty Transfer Certificate (to be attached as Exhibit C to the Settlement Agreement and Mutual Release, as provided in Section 2.c) to his office prior to disbursing settlement funds (as required by Section 1) to Plaintiffs.

5. The original signed Non-Merger Warranty Deeds and Realty Transfer Certificate were not delivered back to our office after they were delivered to Mr. Frampton. Whitefish Credit Union did not deliver the original releases of its mortgages (executed pursuant to Section 2.b) to my office. None of the original documents that were required to be placed in escrow have been in in the possession of me or my office after June 8, 2016.

6. After delivery of the original signed Non-Merger Warranty Deeds and Realty Transfer Certificate to the attorney for Whitefish Credit Union, we did not receive any request to execute any additional documents or take any additional actions (as provided for in the Settlement Term Sheet on page 2 and in the Settlement Agreement and Mutual Release in Section 10) regarding the requirement of the

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Settlement Agreement and Mutual Release in Section 2.b-c that the original documents shall be deposited into escrow with First American Title Company.

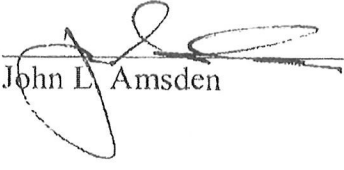
7. It was my understanding that Whitefish Credit Union would set up the escrow upon funding the settlement. Whitefish Credit Union tendered the \$150,000 settlement payment to my office in June 2016. At that point, it was my understanding that the settlement was concluded.

8. Whitefish Credit Union or its counsel possessed all original instruments to be placed in escrow after June 8, 2016 and did not inform me or my office that these instruments had not been placed in escrow.

9. I hereby declare under penalty of perjury that the foregoing is true and correct.

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DATED this 16<sup>th</sup> day of August, 2018.

By:   
John L. Amsden

1 Sean S. Frampton  
2 FRAMPTON PURDY LAW FIRM  
3 530 West 19<sup>th</sup> Street #301  
4 Whitefish, Montana 59937  
5 Telephone: (406) 862-9600  
6 Facsimile: (406) 862-9611  
7 E-mail: [sean@framptonpurdy.com](mailto:sean@framptonpurdy.com)  
8 *Attorneys for Defendant*

CLERK OF DISTRICT COURT

2018 JUL -5 PM 4: 23

FILED

BY: AM  
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MONTANA ELEVENTH JUDICIAL DISTRICT COURT, FLATHEAD COUNTY

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DENNIS THORNTON and DONNA  
THORNTON,

Plaintiffs,

-vs-

WHITEFISH CREDIT UNION,

Defendant.

||  
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||  
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||

Cause No. DV-18-336D

Judge Dan Wilson

ANSWER

Defendant Whitefish Credit Union ("WCU"), through counsel, answers Plaintiff's

Complaint as follows:

**FIRST DEFENSE**

Plaintiffs fail to state a claim upon which relief can be granted.

**SECOND DEFENSE**

WCU answers the Plaintiffs' allegations as follows:

1. WCU admits the allegations contained in paragraphs 1, 2, 3, 6, and 30.
2. WCU denies the allegations contained in 17, 18, 19, 20, 21, 22, 23, 25-29, 31-33, 34-39, and 41-42.



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3. WCU lacks sufficient information to admit or deny the allegations in the following paragraphs and therefore denies same: 9, 10, 11, 12, 13, 14, 15, and 16.
4. Answering paragraph 4, the Settlement Agreement speaks for itself. To the extent any of these allegations need to be answered, they are denied.
5. Answering paragraph 5, WCU admits that Thorco, Inc. and the Thorntons signed the Warranty Deeds and RTCs attached to the Settlement Agreement, and deny all remaining allegations.
6. Answering paragraph 7, WCU admits that the fully executed Settlement Agreement was held at Frampton Purdy Law Firm, and deny all remaining allegations.
7. Answering paragraph 8, WCU admits that it did not open an escrow and further admits that the Settlement Agreement provides that the releases and deeds must be placed into escrow with First American Title, and denies all remaining allegations.
8. Answering paragraphs 24 and 40, the allegation is a statement of law and not of fact. To the extent any factual allegations are made, they are denied.

**AFFIRMATIVE DEFENSES**

1. WCU did not have a duty to open the escrow.
2. Waiver
3. Estoppel
4. Thorntons failed to mitigate their damages.
5. Thorntons are not the real party in interest and/or lack standing.

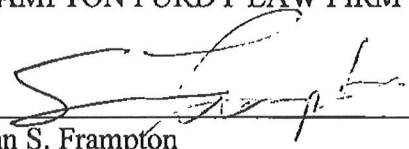
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WHEREFORE, WCU prays for relief as follows:

- 1. That Thorntons take nothing by their complaint.
- 2. That WCU be awarded attorney fees and costs;
- 3. For any other relief the Court deems just.

DATED this 5<sup>th</sup> day of July, 2018.

FRAMPTON PURDY LAW FIRM


By:   
 Sean S. Frampton  
 Attorneys for Whitefish Credit Union

**CERTIFICATE OF MAILING**

The undersigned does hereby certify that on the 5<sup>th</sup> day of July, 2018, a true and correct copy of the foregoing document was served upon the persons named below, at the addresses set out below their names, as indicated below.

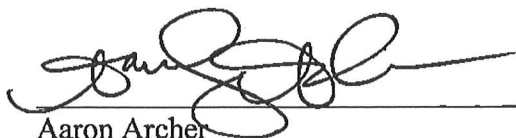
Michael Klinkhammer  
 Klinkhammer Law Offices  
 1111 S. Main  
 Kalispell, MT 59901  
*Attorney for Plaintiffs*

- U.S. Mail (first class postage)
- Hand Delivery
- Telecopy (facsimile)
- Other email

  
 Kelly Kracker  
 Frampton Purdy Law Firm



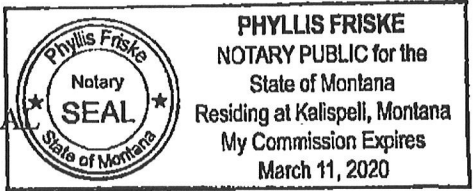
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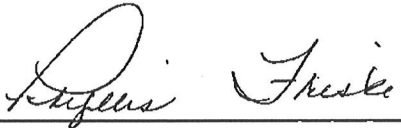
  
\_\_\_\_\_  
Aaron Archer

STATE OF MONTANA     )  
  : ss  
County of Flathead     )

AARON ARCHER, being first duly sworn upon his oath, states that the foregoing affidavit and it is true and correct to the best of his knowledge and belief.

Subscribed in my presence and sworn to before me this 24<sup>th</sup> day of August, 2018.



  
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Notary Public for the State of Montana

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**CERTIFICATE OF MAILING**

The undersigned does hereby certify that on the 31<sup>st</sup> day of August, 2018, a true and correct copy of the foregoing document was served upon the persons named below, at the addresses set out below their names, as indicated below.

Michael Klinkhammer  
Klinkhammer Law Offices  
1111 S. Main  
Kalispell, MT 59901  
*Attorney for Plaintiffs*

- U.S. Mail (first class postage)
- Hand Delivery
- Telecopy (facsimile)
- Other email

  
\_\_\_\_\_  
Kelly Kracker  
Frampton Purdy Law Firm



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Page: 1 of 3

Fees: \$24.00

2/14/2022 4:19 PM

Debbie Pierson, Flathead County MT by YH

After recording, please return Deed to:  
MO SOMERS LLC  
PO BOX 2478  
Columbia Falls, MT 59912

0213950

Approved 02/14/2022 tg

## SPECIAL WARRANTY DEED

FOR VALUABLE CONSIDERATION, WHITEFISH CREDIT UNION (hereinafter "Grantor"), of P.O. Box 37, Whitefish, MT 59937, hereby grants unto MO SOMERS LLC, a Montana limited liability company (hereinafter "Grantee"), of PO BOX 2478, Columbia Falls, MT 59912, and to its successors and assigns forever, the following property in Flathead County, Montana:

*SEE ATTACHEHD EXHIBIT A, WHICH IS INCORPORATED HEREIN BY THIS REFERENCE.*

TO HAVE AND TO HOLD unto Grantee, and to his successors and assigns, forever, SUBJECT TO AND TOGETHER WITH THE FOLLOWING:

- (a) Reservations and exceptions in patents from the United States or the State of Montana;
- (b) Visible easements, easements and rights of way of record and/or shown on plats and surveys of the property;
- (c) All building, use, zoning, sanitary and environmental restrictions;
- (d) Taxes and assessments for current tax year and subsequent years;
- (e) Restrictions, covenants, conditions, limitations, agreements and reservations of record; and
- (f) Encumbrances and exceptions apparent or of record on the date this deed is executed by Grantor.

TO HAVE AND TO HOLD, all and singular the above-mentioned and described property, together with all appurtenances including water rights appurtenant to the property, unto the Grantee, and to the Grantee's successors and assigns, FOREVER. And Grantor hereby covenants to forever WARRANT and DEFEND all right, title and interest in and to the said property and the quiet and peaceable possession thereof, unto the Grantee and the Grantee's successors and assigns, against all acts and deeds of the Grantor and all and every person or persons whomsoever lawfully claiming or to claim the same by, through, or under Grantor, BUT NOT OTHERWISE. Grantee, by acceptance of this Special Warranty Deed understands that Grantor acquired this property through foreclosure and therefore makes no warranty not particularly described herein.







EXHIBIT A-LEGAL DESCRIPTION

The North Half Northwest Quarter Northwest Quarter (N1/2NW1/4NW1/4);  
The South Half Northwest Quarter Northwest Quarter (S1/2NW1/4NW1/4);  
The North Half Northeast Quarter Northwest Quarter (N1/2NE1/4NW1/4);  
The South Half Northeast Quarter Northwest Quarter (S1/2NE1/4NW1/4);  
The North Half Southeast Quarter Northwest Quarter (N1/2SE1/4NW1/4);  
The South Half Southeast Quarter Northwest Quarter (S1/2SE1/4NW1/4);  
The North Half Southwest Quarter Northwest Quarter (N1/2SW1/4NW1/4);  
The South Half Southwest Quarter Northwest Quarter (S1/2SW1/4NW1/4);  
The North Half Northwest Quarter Southwest Quarter (N1/2NW1/4SW1/4); and  
The South Half Northwest Quarter Southwest Quarter (S1/2NW1/4SW1/4);  
ALL in Section 28, Township 27 North, Range 21 West, P.M.M., Flathead County, Montana.

AND

The North Half Southwest Quarter Northwest Quarter (N1/2SW1/4NW1/4);  
The South Half Southwest Quarter Northwest Quarter (S1/2SW1/4NW1/4);  
The North Half Northwest Quarter Southwest Quarter (N1/2NW1/4SW1/4);  
The South Half Northwest Quarter Southwest Quarter (S1/2NW1/4SW1/4);  
The North Half Southwest Quarter Southwest Quarter (N1/2SW1/4SW1/4);  
The North Half Northeast Quarter Southwest Quarter (N1/2NE1/4SW1/4);  
The South Half Northeast Quarter Southwest Quarter (S1/2NE1/4SW1/4);  
The North Half Southeast Quarter Southwest Quarter (N1/2SE1/4SW1/4);  
The South Half Southeast Quarter Southwest Quarter (S1/2SE1/4SW1/4);  
The North Half Northwest Quarter Southeast Quarter (N1/2NW1/4SE1/4);  
The South Half Northwest Quarter Southeast Quarter (S1/2NW1/4SE1/4);  
The North Half Southwest Quarter Southeast Quarter (N1/2SW1/4SE1/4);  
The South Half Southwest Quarter Southeast Quarter (S1/2SW1/4SE1/4); and  
The Southeast Quarter Northwest Quarter (SE1/4NW1/4),  
EXCEPTING THEREFROM that portion deeded to Flathead County for road purposes by Deed  
recorded June 26, 1937 in Book 223, Page 614, records of Flathead County, Montana.  
ALL in Section 27, Township 27 North, Range 21 West, P.M.M., Flathead County, Montana.