

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE STATE OF IDAHO,
IN AND FOR THE COUNTY OF TWIN FALLS

IN RE THE GENERAL ADJUDICATION
OF RIGHTS TO THE USE OF WATER FROM
THE SNAKE RIVER BASIN WATER SYSTEM

CIVIL CASE NUMBER: 39576

Ident. Number 22-674E
Date Received: 10/19/00
Receipt No:
Received By:

NOTICE OF CLAIM TO A WATER RIGHT
ACQUIRED UNDER STATE LAW

1. Name of Claimant(s)

NORMAN BAILEY AND KRISTINE CIESINSKI LIVING TRUST
PO BOX 655
VICTOR ID USA 83455

2. Date of Priority: 06/01/1890

3. Source: FOX CREEK Trib. to: TETON RIVER

4. Point of Diversion:

Township	Range	Section	1/4 of 1/4 of 1/4	Lot	County
04N	45E	26	NE NW	SE	TETON

5. Description of diverting works:

HEADGATES AND DITCHES TO FLOOD IRR

6. Water is used for the following purposes:

Purpose	From	To	C.F.S.	(or) A.F.A
IRRIGATION		04/01	10/31	0.4

7. Total Quantity Appropriated is:
0.4 C.F.S.

8. Total consumptive use:

9. Non-irrigation uses:

10. Place of use:

Township	Range	Section	1/4 of 1/4	Lot	Use	Acres
04N	45E	27	NW SW		IRRIGATION	20

A2200674E



Section Acres 20

Total Acres 20

11. Place of use in counties: TETON

12. Do you own the property listed above as place of use? Yes

13. Other Water Rights Used:

14. Remarks:

15. Basis of Claim: Decreed

Law Offices
HOLDEN, KIDWELL, HAHN & CRAPO, L.L.C.

FRED J. HAHN
KENT W. FOSTER
ROBERT E. FARNAM
WILLIAM D. FALER
CHARLES A. HOMER
GARY L. MEIKLE
DONALD L. HARRIS
DALE W. STORER
MARIE T. TYLER
ROBERT M. FOLLETT
FREDERICK J. HAHN, III
KARL R. DECKER
THEL W. CASPER
SHAN B. PERRY
AMELIA A. SHEETS

U.S. BANK BUILDING
330 SHIOP AVENUE, THIRD FLOOR
P.O. BOX 50130
IDAHO FALLS, IDAHO 83405

TELEPHONE (208) 523-0620
FACSIMILE (208) 523-9518
E-MAIL KFOSTER@HOLDENLEGAL.COM

Arthur W. Holden
(1877-1967)
Robert B. Holden
(1911-1971)
Terry L. Crapo
(1939-1982)
William S. Holden
(1907-1988)

RECEIVED

JUN 20 2001

Department of Water Resources
Eastern Region

June 12, 2001

IDAHO DEPARTMENT
OF WATER RESOURCES
900 N. Skyline
Idaho Falls, ID 83402-1718

2E-22-674E

Dear ladies and gentlemen:

We were recently contacted and our advice was requested by Kristine Ciesinski, Norman Bailey and Katherine Ciesinski of Victor, Idaho, with respect to a possible dispute over portions of a decreed water right on Fox Creek with Mr. D. Ray Gordon, also of Victor, Idaho. The right in question was decreed to one Michael Byrne in the Rexburg Decree (in one place in that Decree, he is referred to as Michael "Bayne"). The Decree awarded Byrne 120 inches of the waters of Fox Creek with a priority of June 1, 1890, for the irrigation of the Southwest Quarter of Section 27 and the South Half of the Southwest Quarter of Section 26 in Township 4 North, Range 45 East, some 240 total acres. This water right also became the subject of a lawsuit between Gordons and Crows in the early 1980's, which resulted in the Idaho Court confirming the provisions of the Rexburg Decree in a 1984 decision in the case of *Crow v. Carlson*, 107 Idaho 461, 690 P.2d 1916 (1984).

At the time of the Idaho Supreme Court decision, the Southwest Quarter of Section 27 was owned by Crows and the South Half of the Southwest Quarter of Section 26 was owned by Gordons. The Court made it clear that eighty (80) inches of the right went with the Crow 160 acres and forty (40) inches with the Gordon 80 acres. By 1987, the south half of the Crow 160 had been sold and the north half of that 160 acres (actually said 80 acres plus a 20 acre parcel to the east described as the W ½ NW NE of the same Section for a total of 100 acres) was sold to Lloyd and Valerie Willden. In 1991, the Willdens entered into a contract to sell 80 of their 100 acres (described as the SW NW NE, NW SW, W ½ NE SW and SE NE SW of said Section) to D. Ray and Mary Jean Gordon. The contract recites that sixty (60) inches of the Byrne decreed right was included with this right. However, the sale was never completed and no deed to Gordons was ever recorded. In 1994, a Quitclaim Deed from Gordons back to Willdens for the same eighty (80) acres and appurtenances was recorded.

At the present time, the S ½ SW, Section 26 is still owned by the Gordons. But the 100 acres formerly owned by Willdens is owned by four new owners. The western most twenty (20) acres (W ½ NW SW) is owned by Katherine Ciesinski; the next twenty (20) acres to the east (E ½ NW SW) is owned by Kristine Ciesinski and Norman Bailey; the next twenty (20) acres, continuing east, (W ½ NE SW) is owned by Jeff Carter and Josephine Warden; and the next forty (40) acres (E ½ NE SW and W ½ NW SE) is owned by Bruce and Valerie Zohner.

There seems to be agreement among all affected parties that prior to Willdens' acquisition of the N ½ SW Section 27 in 1987, all of the water rights formerly decreed for use on the entire SW ¼ of said Section had been transferred in fact and used exclusively upon the N ½ of that quarter section. This accomplished transfer is consistent with the SRBA claims as presently filed.

Originally, the Byrne decreed right appears to have been numbered 22-192. That number appears to have been superseded by numbers 22-674 and 22-675. Our review of the records indicates that 22-675 is the Gordons' SRBA claim for forty (40) inches (.8 cfs) for the S ½ SW Section 26 and S ½ SE Section 27 (we assume this includes a claim of an accomplished transfer or an enlargement to the land in Section 27). 22-674 appears to cover the eighty (80) inches (1.6 cfs) awarded to the SW ¼ of Section 27, now only claimed on the N ½ of that SW ¼ as follows:

22-674B	Jeff Carter and Josephine Warden	20 inches (.4 cfs) for 20 acres in NE SW Section 27
22-674C	Bruce and Valerie Zohner	20 inches (.4 cfs) for 20 acres in NE SW Section 27
22-674D	Katherine Ciesinski	20 inches (.4 cfs) for 20 acres in NW SW Section 27
22-674E	Kristine Ciesinski and Norman Bailey	20 inches (.4 cfs) for 20 acres in NW SW Section 27.

To our knowledge, there are no other SRBA claims pending which claim any portion of the Michael Byrne decreed right. But there has been some assertion by Mr. Ray Gordon to the effect that during the period between 1991 and 1994, when he was purchasing some eighty (80) acres of the Willden land on contract, he changed the place of use of some of the decreed water right formerly appurtenant to the Willden land. There is an ongoing dialogue regarding this assertion, but, at this time we would point out the following facts which have been disclosed by our research.

1. We have found no adjudication claim filed by Gordons to more than forty (40) inches of the Byrne right, only claim number 22-675.

2. We have been able to find no Application for Transfer of any of the eighty (80) inches claimed under 22-674 as would have been required by Idaho Code Sections 42-108 and 42-222.

3. The period during which any such change would have been made by Gordons, 1991-1994 is too late for an accomplished transfer to have taken place under the requirements of Idaho Code Section 42-1425.

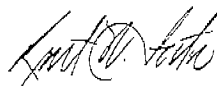
4. Adverse possession could not have occurred after 1991 because of the provisions of Idaho Code Section 42-607.

5. Our view of the farming operation of Gordons in the S ½ SW Section 26 and S ½ SE Section 27, and our review of the aerial and satellite photos suggests that Gordons do not irrigate more than forty (40) acres within this 160 acre total anyway.

Our conclusion from all we have heard and seen regarding the Byrne decreed right is that eighty (80) inches is still appurtenant to the N ½ SW Section 27, and on behalf of Katherine Ciesinski, Kristine Ciesinski and Norman Bailey, we hereby call for delivery of water pursuant to said rights (22-674D and 22-674E) so long as water is available to fill or partially fill the June 1, 1890 priority.

Thank you for your kind attention to this matter.

Very truly yours,



Kent W. Foster

cc. Ronald D. Carlson, District 01 Watermaster
Clay Fullmer, Deputy Watermaster for Teton Basin
Katherine Ciesinski
Kristine Ciesinski & Norman Bailey
Ray Rigby



State of Idaho

DEPARTMENT OF WATER RESOURCES

900 N. Skyline Dr., Suite A, Idaho Falls, Idaho 83402-1718 - (208) 525-7161- Fax (208) 525-7177

EASTERN REGION

October 24, 2000

DIRK KEMPTHORNE
GOVERNOR

KARL J. DREHER
DIRECTOR

KRISTINE CIESINSKI & NORMAN BAILEY
PO BOX 655
VICTOR ID 83455

RE: CHANGE IN OWNERSHIP FOR 22-674A

Dear Ms. Ciesinski & Mr. Bailey:

The request for Change in Ownership for a portion of the above-referenced Notice(s) of Claim has been processed with the new Notice(s) reflecting you as one of the claimants.

Since the Change in Ownership involved just a portion of the Notice(s) of Claim, the right was split as follows:

22-674C, 0.4 CFS ON 20 ACRES, ZOHNER
22-674D, 0.4 CFS ON 20 ACRES, KATHERINE CIESINSKI
22-674E, 0.4 CFS ON 20 ACRES, KRISTINE CIESINSKI &
NORMAN BAILEY

Enclosed for your records is a typed Notice(s) reflecting your portion of the right. Review the Notice(s) and if you have other corrections or questions, please contact this office.

Respectfully submitted,

Jennifer Crabtree
Technical Records Specialist

Enclosure

DELOG OC 7/8/00
RECEIVED

JUL 12 2000

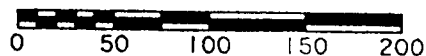
Department of Water Resources
Eastern Region

STATE OF IDAHO
IDAHO DEPARTMENT OF WATER RESOURCES
NOTICE OF CHANGE OF WATER RIGHT OWNERSHIP

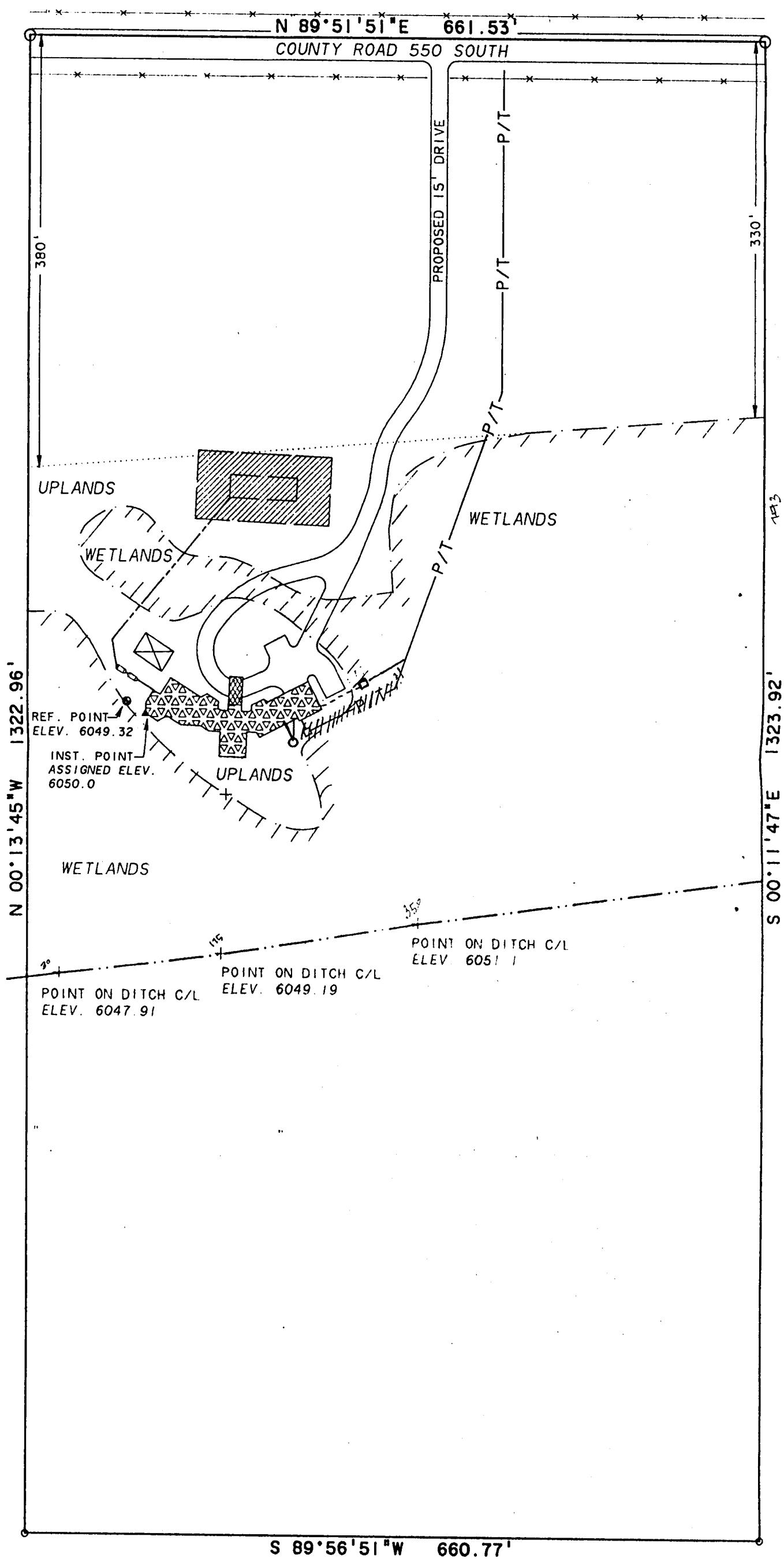
Please print or type. Attach pages with additional information. Instructions are on the back of this page.
Incomplete forms will be returned.

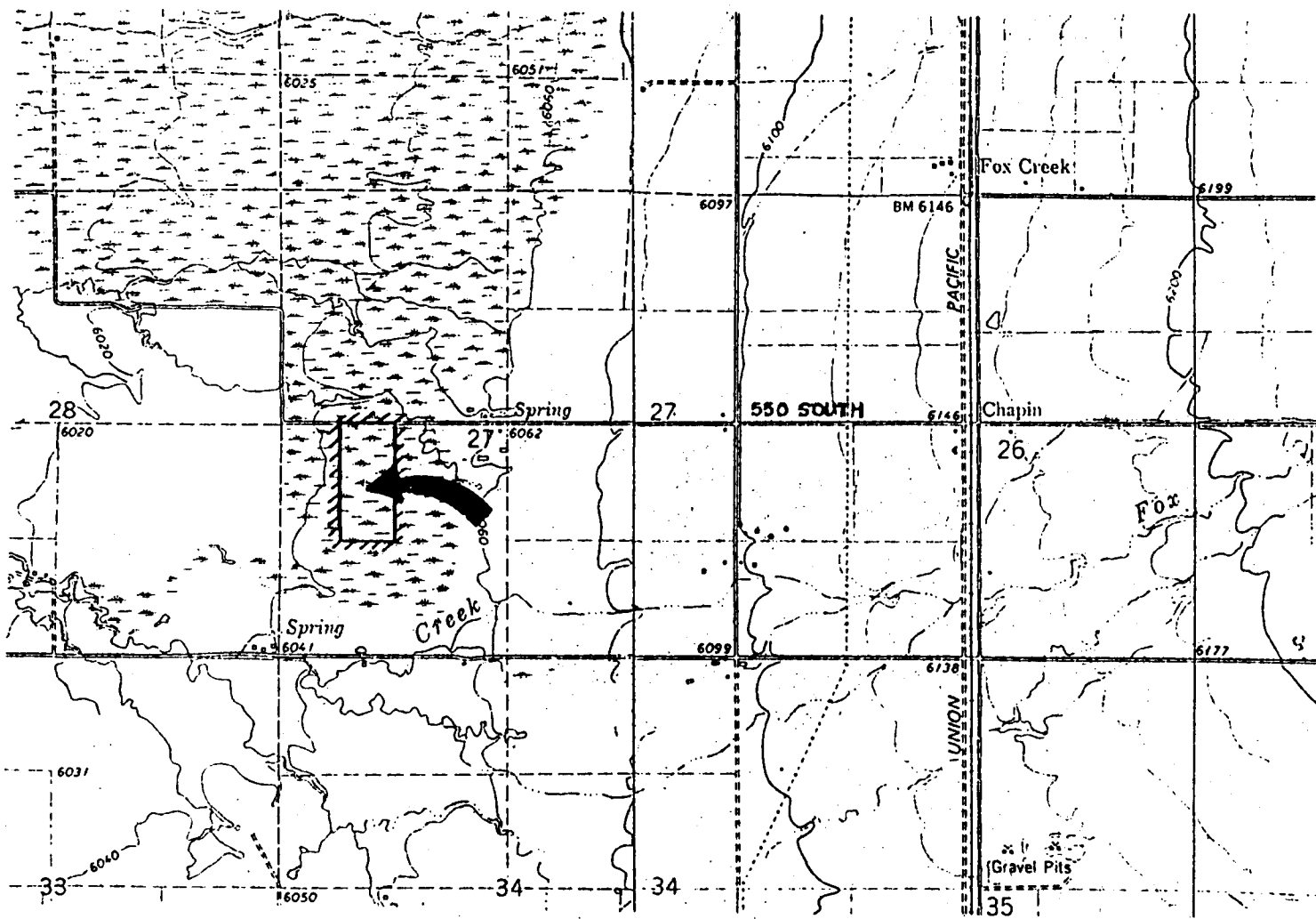
JUL 21 2000

1. Water Right No(s): _____
Adjudication Claim No(s): A22-00674A Department of Water Resources
Eastern District Office
2. The following REQUIRED information must be submitted with this form:
- A. A copy of the most recent DEED, TITLE POLICY, CONTRACT OF SALE or other legal document indicating your ownership of the property and water rights or claims in question, WITH ATTACHED LEGAL DESCRIPTION.
AND
- B. PLAT OF PROPERTY or SURVEY MAP showing the location of the place of use of the water right(s) or claim(s). (These are usually attached to your deed or on file with the county.)
OR
- C. If your water right or adjudication claim is for ten or more acres of irrigation, you must submit a USDA Farm Service Agency AERIAL PHOTO with the irrigated acres outlined and point(s) of diversion clearly marked. The AERIAL PHOTO should be submitted in place of the PLAT OF PROPERTY or SURVEY MAP.
3. Name and Address of Former Owner/Claimant Valerie Willden
4. New Owner/Claimant(s) KRISTINE E. CIESINSKI + NORMAN E. BAILEY TRUSTEES
Name Connector (Check one): ☐ and, ☐ or, ☐ and/or ☒ of LIVING
New Mailing Address KRISTINE CIESINSKI + NORMAN BAILEY TRUST
City, State and ZIP Code PO. BOX 655 / 170 West, 550 South VICTOR
New Telephone Number (208) 787-2580 IDAHO 83435
5. Date you acquired the property Jan. 12, 1996
6. Did you acquire all of the former owner's property? If you did, skip this item and go to item 7. If you acquired only a portion of the former owner's property, IDWR may need to split the water right(s) or adjudication claim(s). Describe in detail your portion of each water right or adjudication claim in the spaces in the box below only if the water right(s) or claim(s) need to be split between owners. If necessary, attach additional pages. If a water right or adjudication claim is being split and you are not sure how to identify your portion of the original right or claim, please contact the nearest IDWR office for assistance.
- | | |
|--|---|
| Number of acres you irrigate with this water right _____ | Number and type of stock _____ |
| Diversion rate in CFS _____ | Number of homes you acquired _____ Other uses _____ |
7. Signature of New Owner(s) or Claimant(s) Kristine Ciesinski
Norman Bailey
Corporations or other organizations must submit a list of directors and/or officers demonstrating authority to sign form.
8. For Snake River Basin Adjudication Claims: Please attach a Notice of Appearance completed by your attorney, if you wish IDWR to correspond with him or her for all matters related to your claims.



SCALE 1" = 100'

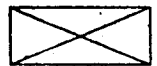




VICINITY MAP

SECTION 27, TWP. 4N., RNG. 45E., B.M.
TETON COUNTY, IDAHO
SCALE 1" = 2000'

LEGEND

- ▲ INSTRUMENT POINT
- REFERENCE POINT
- FOUND PROPERTY CORNER (IRON PIN)
- CALCULATED PROPERTY CORNER
- PROPOSED WELL
- SEPTIC SYSTEM TANK
-  HOUSE SITE
- PROPERTY BOUNDARY
- x-x- FENCE LINE
- SEWER LINE
- - - WATER LINE
- P/T — POWER/TELEPHONE LINE
-  WETLANDS DELINEATION CURVE OR LINE
- · - · - DITCH CENTERLINE
-  PROPOSED SEPTIC FIELD
-  BUILDING SITE

SURVEYOR'S CERTIFICATE

I, ARNOLD W. WOOLSTENHULME, BEING A REGISTERED LAND SURVEYOR / ENGINEER IN THE STATE OF IDAHO, No. 2860, DO HEREBY CERTIFY THAT I DID CAUSE THE SURVEY OF THE TRACT OF LAND AS HEREIN PLATTED AND DESCRIBED.



HOUSE SITE AND WETL. SURVEY AND SITE PL.

179 WEST 550 SOUTH - CIESINSKI AND

THE E 1/2 NW 1/4 SW 1/4 SECTION 27, TWP
RNG. 45E., B.M., TETON COUNTY, IDAHO, (

REQUESTED BY:

TAMI ALBRECHT

AW ENGINEERING
P.O. BOX 139
VICTOR, IDAHO
(208) 787-2952

DRAWN

NLC

07-11-96

PROJECT 96 -

120309

JD-6349-6

RECEIVED

JUN 20 1995

Warranty Deed

American Land Title Co.
P.O. Box 844
Driggs, ID 83422TETON Co. Id.
Clerk Recorder

For Value Received

LLOYD J. WILLDEN AND VALERIE L. WILLDEN,

the grantors, do hereby grant, bargain, sell and convey unto

THOMAS T. MANSANAREZ AND ROBIN L. MANSANAREZ, HUSBAND AND WIFE

whose current address is

P.O. Box 109, Victor, ID 83455

the grantees, the following described premises, in Teton County Idaho, to wit:

Township 4 North, Range 43 East, Boise Meridian, Teton County,
Idaho. Section 27: E1/2NW1/4SW1/4.

120309

FILED

AT THE REQUEST OF

AMERICAN LAND TITLE CO.

DATE

CLERK OF RECORDER

BY

DEPUTY

Filed
Indexed
Platted

TO HAVE AND TO HOLD the said premises, with their appurtenances unto the said Grantee, their heirs and assigns forever. And the said Grantors do hereby covenant to and with the said Grantees, that they and the owner in fee simple of said premises that they are free from all incumbrances except: Subject to all existing patent reservations, easements, rights of way, protective covenants, zoning ordinances, and applicable building codes, laws and regulations.

and that they will warrant and defend the same from all lawful claims whatsoever.

Dated: June 16, 1995

LLOYD J. WILLDEN

VALERIE L. WILLDEN

STATE OF IDAHO, COUNTY OF Teton
On this 16th day of JUNE, 1995,
before me, a notary public in and for said State, personally appearedLLOYD J. WILLDEN
VALERIE L. WILLDEN

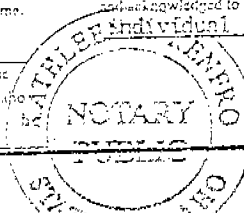
known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

Notary Public

Residing at
Comm. Expires 6-28-97STATE OF IDAHO
COUNTY OF Nez PerceOn this 19th day of June, 1995,
before me, Kathleen R. Renfro, personally appeared
Valerie L. Willden, known to me to be the

person whose name is subscribed to the within instrument as an individual

and acknowledged to me that she executed the same as such individual

Notary Public
Residing at
com exp 11-19-98

120309

INSTRUMENT No.

122850

35-444-1
Alliance Title & Escrow Corp.
P.O. Box 644
Driggs, Idaho 83422

RECEIVED

JAN 23 1996

TETON Co. Id.
For Value Received

Warranty Deed

THOMAS T. MANSANAREZ AND ROBIN L. MANSANAREZ, R&W

the grantor us, do hereby grant, bargain, sell and convey unto

KRISTINE CIESINSKI

whose current address is

P.O. Box 655
Victor, IDAHO 83455

the grantee, the following described premises, in Teton County Idaho, to wit:

Township 4 North, Range 45 East Boise Meridian, Teton County, Idaho
Section 27: E1/2NW1/4SW1/4

TO HAVE AND TO HOLD the said premises, with their appurtenances unto the said Grantee,
her heirs and assigns forever. And the said Grantor us do hereby covenant to and with the said
Grantee, that the y the owners in fee simple of said premises; that they are free from all Incumbrances

and that the y will warrant and defend the same from all lawful claims whatsoever.

Dated: January 12, 1996

THOMAS T. MANSANAREZ

ROBIN L. MANSANAREZ

122850

STATE OF IDAHO, COUNTY OF Teton
On this 16th day of January, 1996
before me, a notary public in and for said State, personally appeared

Thomas T. Mansanarez
Robin L. Mansanarez

known to me to be the persons whose names are
subscribed to the within instrument, and acknowledged to me that
they executed the same.

Residing at Teton, Idaho
Comm Expires 6-28-97

FILED
AT THE REQUEST OF

ALLIANCE TITLE AND ESCROW

AT 30 MINUTES PAST 1 P.M.

DATE Jan 23, 1996

by Lisa J. Drake

CLERK OF RECORD

by Mrs. Rigby

Filmed ☒
Indexed ☒
Platted ☒

ALLIANCE

RECEIVED

122851

53-8546-2
Alliance Title & Escrow Corp.
P.O. Box 644
Driggs, Idaho 83422

JAN 23 1996

QUITCLAIM DEED

TETON Co. Id
For Value Received

KRISTINE CIESINSKI

do hereby convey, release, remise and forever quit claim unto

KRISTINE CIESINSKI, NORMAN BAILEY, AND KATHERINE CIESINSKI

whose current address is

P.O. Box 655, Victor, Idaho 83455

the following described premises, to-wit:

Township 4 North, Range 45 East Boise Meridian, Teton County, Idaho
Section 27: E1/2NW1/4SW1/4

JUL 27 2000

Department of Water Resources
Eastern District Office

together with their appurtenances.

Dated: January 12, 1996

Kristine Ciesinski
Kristine Ciesinski

122851

STATE OF IDAHO, COUNTY OF *Teton*
On this *16th* day of *Jan.*, 1996
before me, a notary public in and for said State, personally
appeared

Kristine Ciesinski

known to me to be the person whose name is
subscribed to the within instrument, and acknowledged to
me that *she* executed the same.

Shirley A. Stewart
Notary Public
Residing at *Idaho*, Idaho
Comm. Expires *6-28-97*

FILED

AT THE REQUEST OF

ALLIANCE TITLE AND ESCROW

AT 31 MINUTES PAST 1 P.M.

DATE *Jan. 23, 1996**Dea J. Drake*

CLERK OF RECORDS

BY *Mra. Hagley*

Filed ☒
Indexed ☒
Platted ☒

170 (Rev. 1/94)

Furnished by the

122851

ALLIANCE
TITLE & ESCROW CORP.

RECEIVED

AUG 11 1997

127910
QUITCLAIM DEED

First American Title Company

T-6369

TETON CO., ID
CLERK RECORDED

For Value Received KRISTINE CIESINSKI, NORMAN BAILEY, and KATHERINE CIESINSKI

do hereby convey, release, remise and forever quit claim unto

KRISTINE CIESINSKI and NORMAN BAILEY
whose address is:

the following described premises situated in Teton County, Idaho, to-wit:

TOWNSHIP 4 NORTH, RANGE 45 EAST, BOISE MERIDIAN, TETON COUNTY, IDAHO

SECTION 27: E1/2NW1/4SW1/4

together with their appurtenances.

Dated:

Katherine Ciesinski
KATHERINE CIESINSKI

Kristine Ciesinski
KRISTINE CIESINSKI

Norman Bailey
NORMAN BAILEY

STATE OF N.Y.
COUNTY OF N.Y.

On this 1st day of July, in the year 1997, before me, a Notary Public in and for said State, personally appeared KATHERINE CIESINSKI, known or identified to me to be the person(s) whose name(s) is subscribed to the within Instrument, and acknowledged to me that she executed the same.

Doris L. Lass
Notary Public of Idaho
Residing at 23850 Lidgeway
Commission Expires 02/28/99

Notary Public, State of New York
No. 018A097690
Qualified Bronx County
Commission Expires 02/28/99

STATE OF Idaho
COUNTY OF Teton

On this 7th day of August, in the year 1997, before me, a Notary Public in and for said State, personally appeared KRISTINE CIESINSKI and NORMAN BAILEY known or identified to me to be the person(s) whose name(s) are subscribed to the within Instrument, and acknowledged to me that they executed the same.

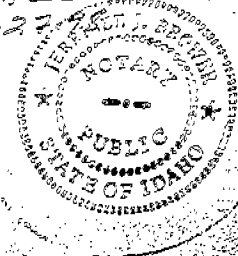
Loraine L. Brown
Notary Public of Idaho
Residing at Tetonia, ID
Commission Expires 2-2-99

127910

FILED

AT THE REQUEST OF

First American
AT 11 MINUTES PAST 3 PM
DATE Aug 11, 1997
BY Nora Rigby
CLERK OF RECORD
DEPUTY



127910

RECEIVED

AUG 11 1997

127911

QUITCLAIM DEED

7-6369

TETON CO. ID
CLERK RECORDER
For Value Received

KRISTINE CIESINSKI and NORMAN BAILEY, wife and husband

do hereby convey, release, remise and forever quit claim unto

KRISTINE F. CIESINSKI and NORMAN S. BAILEY, wife and husband
whose address is:

the following described premises situated in Teton County, Idaho, to-wit:

TOWNSHIP 4 NORTH, RANGE 45 EAST, BOISE MERIDIAN, TETON COUNTY, IDAHO

SECTION 27: E1/2NW1/4SW1/4

together with their appurtenances.

Dated:

Kristine Ciesinski
KRISTINE CIESINSKI

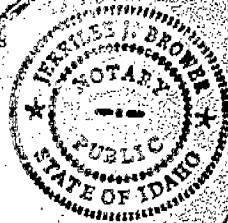
Norm Bailey
NORMAN BAILEY

STATE OF IDAHO)

COUNTY OF TETON)

On this 7TH day of AUGUST, in the year 1997, before me, a Notary Public in and for said State, personally appeared KRISTINE CIESINSKI and NORMAN BAILEY, known or identified to me to be the person(s) whose name(s) are subscribed to the within instrument, and acknowledged to me that they executed the same.

Lerrin D. Brower
Notary Public of Idaho
Residing at Teton, Idaho
Commission Expires 2-27-98



127911

FILED

AT THE REQUEST OF

First American
AT 12 MINUTES PAST 3 P.M.
DATE *Aug. 11, 1997*
BY *Asst. J. Drake*
CLERK OF RECORD
DEPUTY

127911

133419
QUITCLAIM DEED

RECEIVED
MAR 24 1999
TETON CO. ID
CLERK RECORDER

For Value Received NORMAN S. BAILEY and KRISTINE F. CIESINSKI, husband and wife

do hereby convey, release, remise and forever quit claim unto

NORMAN S. BAILEY and KRISTINE F. CIESINSKI, TRUSTEES or their successors in trust under the NORMAN BAILEY AND KRISTINE CIESINSKI LIVING TRUST dated March 4, 1998 and any amendments thereto whose address is: 179 W. 550 S., VICTOR, ID, 83455

the following described premises situated in Teton County, Idaho, to-wit:

TOWNSHIP 4 NORTH, RANGE 45 EAST, BOISE MERIDIAN, TETON COUNTY, IDAHO
SECTION 27: E1/2NW1/4SW1/4

together with their appurtenances.

Dated:

Norman S. Bailey
NORMAN S. BAILEY

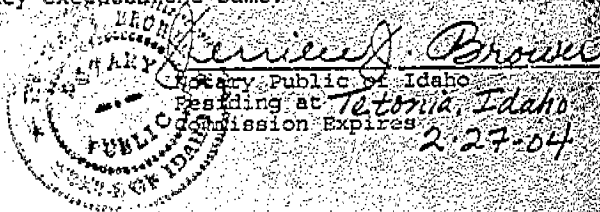
Kristine F. Ciesinski
KRISTINE F. CIESINSKI

STATE OF IDAHO)

COUNTY OF TETON)

SS

On this 18th day of March, in the year 1999, before me, a Notary Public in and for said State, personally appeared NORMAN S. BAILEY and KRISTINE F. CIESINSKI, known or identified to me to be the person(s) whose name(s) are subscribed to the within Instrument, and acknowledged to me that they executed the same.



133419

FILED

AT THE REQUEST OF

Kristine F. Ciesinski
AT — MINUTES PAST 12 — 11
DATE *Mar 23 1999*
Shirley Dwyer
CLERK OF RECORDS
DEPUTY

133419

POLICY OF TITLE INSURANCE

Schedule A

Office File Number: **35-8886-N**
Policy Number: **13 0043 106 00000154**
Date of Policy: **January 23, 1996, at 01:31 pm**
Amount of Insurance: **\$65,000.00**
Premium: **\$337.62**

RECEIVED
JUL 27 2000
Department of Water Resources
Eastern District Office

1. Name of Insured:
KRISTINE CIESINSKI, NORMAN BAILEY and KATHERINE CIESINSKI, husband and wife
2. The estate or interest in the land which is encumbered by the insured mortgage is:
FEE SIMPLE
3. Title to the estate or interest in the land is vested in:
KRISTINE CIESINSKI, NORMAN BAILEY and KATHERINE CIESINSKI, husband and wife
4. The land herein described is encumbered by the following mortgage or trust deed, and assignments:
SEE SCHEDULE B

and the mortgages or trust deeds, if any, shown in Schedule B hereof.
5. The land referred to in this policy is described as follows:

Township 4 North, Range 45 East Boise Meridian, Teton County, Idaho
Section 27: E1/2NW1/4SW1/4

SCHEDULE A

Owner Form

OWNER.POL

Valid Only If Schedule B and Cover Are Attached

SCHEDULE B

Policy Number: 13 0043 106 00000154

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

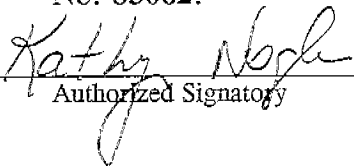
General Exceptions:

- (1) Rights or claims of parties in possession now shown by the public records.
- (2) Encroachments, overlaps, boundary line disputes, and any other matters which would be disclosed by an accurate survey or inspection of the premises including, but not limited to, insufficient or impaired access or matters contradictory to any survey plat shown by the public records.
- (3) Easements, or claims of easements, not shown by the public records.
- (4) Any lien, or right to lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
- (5) (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights claims or title to water, whether or not the matters excepted under (a), (b), or are shown by the public records.
- (6) Taxes or special 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 records of such agency or by the public records.

Special Exceptions: The mortgage, if any, referred to in Item 4 of Schedule A.

7. Taxes for the year 1996 and subsequent years, which are an accruing lien, due and payable on or before December 20 of said year.

8. Easement to and Fall River Rural Electric Cooperative, Inc., recorded April 6, 1979, Instrument No. 83062.



Authorized Signatory

SCHEDULE B - PART 1 (STANDARD COVERAGE)

Owner Form.

OWNER.POL

AMERICAN LAND TITLE ASSOCIATION
OWNER'S POLICY
(10-17-92)

13 0043 106 00000154

CHICAGO TITLE INSURANCE COMPANY

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, CHICAGO TITLE INSURANCE COMPANY, a Missouri corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

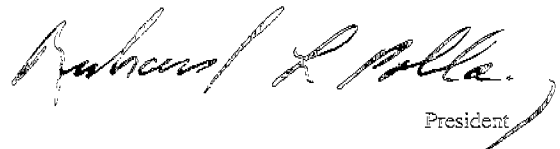
1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title, as insured, but only to the extent provided in the Conditions and Stipulations.

In Witness Whereof, CHICAGO TITLE INSURANCE COMPANY has caused this policy to be signed and sealed as of Date of Policy shown in Schedule A, the policy to become valid when countersigned by an authorized signatory.

Issued by:
ALLIANCE TITLE AND
ESCROW CORPORATION
130 E. MAIN STREET
REXBURG, ID 83440
(208) 356-9324

CHICAGO TITLE INSURANCE COMPANY
By:


President



By:


Secretary

CONDITIONS AND STIPULATIONS

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

(a) "insured": the insured named in Schedule A, and, subject to any rights or defenses the Company would have had against the named insured, those who succeed to the interest of the named insured by operation of law as distinguished from purchase including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate or fiduciary successors.

(b) "insured claimant": an insured claiming loss or damage.

(c) "knowledge" or "known": actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land.

(d) "land": the land described or referred to in Schedule A, and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.

(e) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.

(f) "public records": records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge. With respect to Section 1(a)(iv) of the Exclusions From Coverage, "public records" shall also include environmental protection liens filed in the records of the clerk of the United States district court for the district in which the land is located.

(g) "unmarketability of the title": an alleged or apparent matter affecting the title to the land, not excluded or excepted from coverage, which would entitle a purchaser of the estate or interest described in Schedule A to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE AFTER CONVEYANCE OF TITLE

The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser from the insured, or only so long as the insured shall have liability by reason of covenants of warranty made by the insured in any transfer or conveyance of the estate or interest. This policy shall not continue in force in favor of any purchaser from the insured of either (i) an estate or interest in the land, or (ii) an indebtedness secured by a purchase money mortgage given to the insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 4(a) below, (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest which is adverse to the title to the estate or interest, as insured, and which might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if title to the estate or interest, as insured, is rejected as unmarketable. If prompt notice shall not be given to the Company, then as to the insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

4. DEFENSE AND PROSECUTION OF ACTIONS; DUTY OF INSURED CLAIMANT TO COOPERATE

(a) Upon written request by the insured and subject to the options contained in Section 6 of these Conditions and Stipulations, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an insured in litigation in which any third party asserts a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the insured to object for reasonable cause) to represent the insured as to those stated causes of action and shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by the insured in the defense of those causes of action which allege matters not insured against by this policy.

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

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

(d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, the insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of the insured for this purpose. Whenever requested by the Company, the insured, at the Company's expense, shall give the Company all reasonable aid (i) in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest as insured. If the Company is prejudiced by the failure of the insured to furnish the required cooperation, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

5. PROOF OF LOSS OR DAMAGE

In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided the Company, a proof of loss or damage signed and sworn to by the insured claimant shall be furnished to the Company within 90 days after the insured claimant shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, or other matter insured against by this policy which constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of the insured claimant to provide the required proof of loss or damage, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of loss or damage.

In addition, the insured claimant may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the insured claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the insured claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the insured claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph shall terminate any liability of the Company under this policy as to that claim.

6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

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

(a) To Pay or Tender Payment of the Amount of Insurance.

To pay or tender payment of the amount of insurance under this policy together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations to the insured under this policy, other than to make the payment required, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation.

(b) To Pay or Otherwise Settle With Parties Other than the Insured or With the Insured Claimant.

(i) to pay or otherwise settle with other parties for or in the name of an insured claimant any claim insured against under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay; or

(ii) to pay or otherwise settle with the insured claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in paragraphs (b)(i) or (ii), the Company's obligation to the insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

7. DETERMINATION, EXTENT OF LIABILITY AND COINSURANCE

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the insured claimant who has suffered loss or damage by reason of matters insured against by this policy and only to the extent herein described.

(a) The liability of the Company under this policy shall not exceed the least of:

(i) the Amount of Insurance stated in Schedule A; or,
(ii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.

(b) In the event the Amount of Insurance stated in Schedule A at the Date of Policy is less than 80 percent of the value of the insured estate or interest or the full consideration paid for the land, whichever is less, or if subsequent to the Date of Policy an improvement is erected on the land which increases the value of the insured estate or interest by at least 20 percent over the Amount of Insurance stated in Schedule A, then this Policy is subject to the following:

(i) where no subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that the amount of insurance at Date of Policy bears to the total value of the insured estate or interest at Date of Policy; or

(ii) where a subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that 120 percent of the Amount of Insurance stated in Schedule A bears to the sum of the Amount of Insurance stated in Schedule A and the amount expended for the improvement.

The provisions of this paragraph shall not apply to costs, attorneys' fees and expenses for which the Company is liable under this policy, and shall only apply to that portion of any loss which exceeds, in the aggregate, 10 percent of the Amount of Insurance stated in Schedule A.

(c) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

8. APPORTIONMENT

If the land described in Schedule A consists of two or more parcels which are not used as a single site, and a loss is established affecting one or more of the parcels but not all, the loss shall be computed and settled on a pro rata basis as if the amount of insurance under this policy was divided pro rata as to the value on Date of Policy of each separate parcel to the whole, exclusive of any improvements made subsequent to Date of Policy, unless a liability or value has otherwise been agreed upon as to each parcel by the Company and the insured at the time of the issuance of this policy and shown by an express statement or by an endorsement attached to this policy.

9. LIMITATION OF LIABILITY

(a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the land, or cures the claim of unmarketability of title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.

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

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

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto.

11. LIABILITY NONCUMULATIVE

It is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken in Schedule B or to which the insured has agreed, assumed, or taken subject, or which is hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy to the insured owner.

12. PAYMENT OF LOSS

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

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

13. SUBROGATION UPON PAYMENT OR SETTLEMENT

(a) The Company's Right of Subrogation.

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

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

If a payment on account of a claim does not fully cover the loss of the insured claimant, the Company shall be subrogated to these rights and remedies in the proportion which the Company's payment bears to the whole amount of the loss.

If loss should result from any act of the insured claimant, as stated above, that act shall not void this policy, but the Company, in that event, shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

(b) The Company's Rights Against Non-insured Obligors.

The Company's right of subrogation against non-insured obligors shall exist and shall include, without limitation, the rights of the insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments which provide for subrogation rights by reason of this policy.

14. ARBITRATION

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

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

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

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT

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

(b) Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to this policy.

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

16. SEVERABILITY

In the event any provision of the policy is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

17. NOTICES, WHERE SENT

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to the Company at the issuing office or to:

Chicago Title Insurance Company
Claims Department
171 North Clark Street
Chicago, Illinois 60601-3294

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the Insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

ALLIANCE

TITLE & ESCROW CORP.

January 05, 1996

Order No: 35-8886-N
RE: Mansanarez/Bailey

ALLIANCE TITLE & ESCROW COR
P.O. BOX 644
DRIGGS, ID 83422
ATTN: STACY

*copy of
contract of
Sale*

REGISTERED
JUL 21 2000
Department of Resources
Eastern District Office

In connection with the above transactio

X - Commitment

X - Plat

OWNERS	\$65,000.00	\$432.50
EXT. MORTGAGE	\$	\$
ENDORSEMENTS	\$	\$
RECORDING FEE	\$	\$
RECONVEYANCE FEE	\$	\$ 40.00
LESS CREDIT	\$	\$ 94.88

In the event this transaction fails to close and this commitment is cancelled, a fee will be charged as authorized by the State Insurance Commission Regulations.

"THANK YOU" for the privilege of serving you. Please remember to designate Alliance Title & Escrow Corp. in your next title or escrow closing transaction.

If you should have any questions or if we may be of further assistance, please do not hesitate to contact the undersigned.

Sincerely,

ALLIANCE TITLE & ESCROW CO.

By:

Kathy Nagle
Kathy Nagle

TRANS-C-CRS

READ & APPROVED

W. J. Mansanarez
Thomas J. Mansanarez

READ & APPROVED

Richard A. Mansanarez



ALLIANCE

TITLE & ESCROW CORP.

January 05, 1996

Order No: 35-8886-N
RE: Mansanarez/Bailey

ALLIANCE TITLE & ESCROW CORP.
P.O. BOX 644
DRIGGS, ID 83422
ATTN: STACY

In connection with the above transaction, we enclose:

- X - Commitment
- X - Plat

*** ESTIMATED BILLING ***

OWNERS	\$65,000.00	\$432.50
EXT. MORTGAGE	\$	\$
ENDORSEMENTS	\$	\$
RECORDING FEE	\$	\$
RECONVEYANCE FEE	\$	\$ 40.00
LESS CREDIT	\$	\$ 94.88

In the event this transaction fails to close and this commitment is cancelled, a fee will be charged as authorized by the State Insurance Commission Regulations.

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If you should have any questions or if we may be of further assistance, please do not hesitate to contact the undersigned.

Sincerely,

ALLIANCE TITLE & ESCROW CO.

By: Kathy Nagle

Kathy Nagle

TRANS-C.CRS

READ & APPROVED

Thomas L. Mansanarez

READ & APPROVED

Richard C. Crowsley



LETTER OF CLOSING INSTRUCTIONS

TO

ALLIANCE

TITLE & ESCROW CORP.

Escrow No. 35-8886-N

Date January 16, 1996

We, the undersigned, hereby instruct Alliance Title hereinafter referred to as "Closing Agent", when in receipt of all documents and monies as set out herein, to close this transaction according to the following instructions and information:

The parties have entered into a contract for the purchase and sale of subject property entitled Real Estate Purchase and Sale Agreement and dated January 4, 1996, hereinafter referred to as the contract. The "Closing Agent" is hereby instructed to close the transaction in accordance with the terms of the contract as well as these instructions. HOWEVER, in the event the terms of the contract and the terms of these instructions shall conflict, the terms of these instructions shall control.

PROPERTY: Ptn. of Sec.27, T4N, R45 EBM Victor, ID.

BUYER: Kristine Ciesinski

SELLER: Thomas T. Mansanarez and Robin L. Mansanarez

TERMS: 65,000.00
Sale Price \$

Payable as follows:

Earnest Money Deposit	\$ <u>0.00</u>	held by _____
Cash (approximate)	\$ <u>65,000.00</u>	
Assumption of _____	\$ _____	approximate balance owing to _____
Assumption of _____	\$ _____	approximate balance owing to _____
New Loan amount	\$ <u>0.00</u>	from _____
Deed of Trust (Mortgage) amount	\$ _____	in favor of _____
_____	\$ _____	
_____	\$ _____	
_____	\$ _____	

In the event more than one deed of trust or mortgage is to be recorded in connection with this transaction, said liens shall be recorded in the following order of priority:

1st lien shall be in favor of _____ in the amount of \$ _____

2nd lien shall be in favor of _____ in the amount of \$ _____

3rd lien shall be in favor of _____ in the amount of \$ _____

In the event this transaction involves a new loan or assumption of existing loan, these instructions must conform to the instructions of that lender.

PRO-RATION DATE: January 16, 1996 CLOSING DATE: January 16, 1996. The "Closing Agent" is instructed to pro-rate all items to be pro-rated as of the above date with the seller being responsible for all such items up to but not including the date of pro-ration and the Buyer being responsible for such items from and including the date of pro-ration.

The property taxes for 1996 shall be pro-rated on the basis of the 1995 tax assessed. If the amount assessed is not known, taxes shall be pro-rated based on the estimate of \$ _____. The parties hereto acknowledge that there may be a difference between the amount of taxes pro-rated and the actual tax assessment levied. The parties further acknowledge that under Idaho Code Sections 63-403 and 63-2203, and Title 63, Chapter 39 "New and Additional Assessments," "Adjustments of Taxes by the Board of Commissioners," and "Tax on Newly Constructed and Occupied Residential and Commercial Structures," additional taxes may be levied. The parties hereto agree to hold the closing agent harmless for any pro-ration difference or additional taxes and agree to promptly adjust any such difference between themselves. The "Closing Agent" shall not pro-rate any utility charges, unless specifically instructed to do so. THE FOLLOWING ITEMS SHALL BE PAID BY BUYER (B), SELLER (S), DIVIDED BETWEEN BUYER AND SELLER EVENLY UNLESS OTHERWISE STATED (D) OR PAID OUTSIDE CLOSING (POC)

<u>n/a</u> Attorney's Fees	<u>S</u> Title Insurance, Owners Policy	<u>n/a</u> Assumption Fee
<u>D</u> Closing Fee	<u>n/a</u> Title Insurance, Loan Policy	<u>n/a</u> Escrow Set-up Fee
<u>n/a</u> Survey	<u>n/a</u> IRS 1099-B	
<u>n/a</u> Real Estate Commission of _____ % to _____		
<u>_____</u> Real Estate Commission of _____ % to _____		

TITLE INSURANCE: Insurer Chicago Title Order No. 35-8886-N

<u>S</u> (<u>X</u>) std () ext. coverage owners policy	Amt. \$ <u>65,000.00</u>
<u>_____</u> () std () ext. coverage loan policy	Amt. \$ <u>0.00</u>
<u>_____</u> () std () ext. coverage purchasers policy	Amt. \$ _____

HAZARD INSURANCE:

_____ Assume Existing, _____ Obtain New, From _____ Paid _____

TER OF CLOSING INSTRUCTIONS—PAGE 2

When the "Closing Agent" has received all properly executed documents and all funds necessary for the completion of this transaction and the title insurer is in a position to issue the type of policy(s) set out above, subject only to exceptions No's 7-8 as set out in their commitment or preliminary report dated November 28, 1995, and their usual printed exceptions, the "Closing Agent" is hereby authorized and instructed to record or file all necessary documents and disburse funds deposited in accordance with the amounts shown on the closing statement. Minor adjustments may be made for additional interest due to delay in disbursing beyond the control of the "Closing Agent", for which the respective party shall be given an accounting.

In the event this transaction does not close for any reason, the "Closing Agent" shall be entitled to reimbursement for any and all costs expended by it and shall be further entitled to an escrow cancellation fee not to exceed one half of the normal fee and the parties hereto agree to be jointly and severally liable for same. Further, any earnest money deposited with the "Closing Agent" shall be refunded only upon written instructions from the parties hereto. EXCEPT that, in the event the earnest money has been deposited by the Broker, the "Closing Agent" is hereby authorized to refund same to the broker's trust account for his disposition to the parties and in the event the "Closing Agent" has incurred expenses in connection herewith, the "Closing Agent" shall be entitled to retain so much of the earnest money as it is entitled to hereunder for the reimbursement of said expenses.

The "Closing Agent" shall have no responsibility for compliance with any truth-in-lending, usury or consumer protection laws of the United States or the State of Idaho.

The "Closing Agent" is directed to comply with the instructions contained herein and the parties hereto agree to indemnify and hold harmless the "Closing Agent" from any and all actions or losses related hereto other than failure to comply herewith, including but not limited to any attorney's fees or costs incurred by the "Closing Agent" in defending itself in any such action.

BY THEIR EXECUTION OF THESE INSTRUCTIONS, THE BUYER AND SELLER ACKNOWLEDGE THE FOLLOWING:

- 1) The "Closing Agent" is not acting as a representative or advocate of either party,
- 2) The documents prepared in connection with this transaction will affect the legal rights of the parties, and the parties rights or interests in those documents may differ,
- 3) Any documents typed by the "Closing Agent" have been done so at our direction or the direction of our counsel,
- 4) The "Closing Agent" is not licensed to practice law and no legal advice—advice as to the content of the documents, nor advice as to the merits of the transaction has been offered by the "Closing Agent", and
- 5) THE "CLOSING AGENT" HAS ADVISED THE PARTIES HERETO TO SEEK THE ADVICE OF INDEPENDENT COUNSEL IF ANY PART OF THIS TRANSACTION IS NOT FULLY UNDERSTOOD.

ADDITIONAL INSTRUCTIONS:

All terms and conditions set forth in the Contract of Purchase & Sale dated 11/04/95 Addendums, Counter Offers, and Sellers Property Disclaimer Form have been met or waived to the satisfaction of Buyer and Seller.

BUYER:

~~Kristine Ciasinski~~

Kristine Ciasinski

American Land Title Company

BY: *David Stewart*

SELLER:

~~Thomas T. Mansanarez~~

~~Robin L. Mansanarez~~

Thomas T. Mansanarez
Robin L. Mansanarez