

MINIMUM REQUIREMENTS CHECKLIST
TO BE SUBMITTED WITH APPLICATION FOR TRANSFER

An application for transfer must be prepared in accordance with the minimum requirements listed below to be acceptable for processing by the Department. Incomplete applications will be returned. The instructions, fee schedule, Part 2A reports and additional Part 2B forms are available from any Department office or on the Department's website at <http://www.idwr.idaho.gov/>.

Name of Applicant(s) L 3 LAND & CATTLE LLC

Check whether each item below is *attached* (Yes) or *not applicable* (N/A) for the proposed transfer.

Yes N/A *Means the item is always required and must be included with the application.

- ☐ * Completed Application for Transfer of Water Right form, Part 1.
- ☐ * Signature of applicant(s) or applicant's authorized representative on Application for Transfer Part 1. Include evidence of authority labeled Attachment #3 (see below) if signed by representative.
- ☐ * Application for Transfer Part 2A. Attach a Part 2A report describing each water right in the transfer as currently recorded.
- ☐ ☐ Complete and attach an Application for Transfer Part 2B for each water right for which only a portion is proposed to be changed through this transfer application
- ☐ * Application for Transfer Part 3A is always required (see Attachment #7a below); Parts 3B and 3C must be completed for transfer applications proposing to change the nature of use of the water right(s) or proposing changes to supplemental right(s).
- ☐ * Correct fee submitted with transfer application form. (Fee schedule is on website and instructions for application for transfer.)

Attachments to Application - Label each attachment with the corresponding number shown below as Attachment #1-9

- ☐ ☐ #1 If the applicant is a business, partnership, organization, or association, and not currently registered in the State of Idaho as a business entity, attach documentation identifying officers authorized to sign or act on behalf of right holder. (See Part 1.)
- ☐ ☐ #2a Water Right ownership documentation if Dept. records do not show the transfer applicant as the current water right owner.
- ☐ ☐ #2b If the ownership of the water right will change as a result of the proposed transfer to a new place of use, attach documentation showing land and water right ownership at the new place of use. Include documentation for all affected land and owner(s).
- ☐ ☐ #3 Documentation of authority to make the change if the applicant is not the water right owner.
- ☐ ☐ #4 Power of Attorney or documentation providing authority to sign or act on the applicant's behalf. (See Part 1.)
- ☐ ☐ #5 If the transfer application proposes to change the point of diversion for a water right affecting the Eastern Snake Plain Aquifer (ESPA), attach the results of an ESPA analysis and a detailed mitigation plan to offset any depletions to hydraulically connected reaches of the Snake River. ESPA transfer spreadsheet and model grid labeled cells are available on the Department's website at <http://www.idwr.idaho.gov/WaterManagement/WaterRights/WaterRightTransfers/resources.htm>.
- ☐ ☐ #6 Notarized statement of agreement or a statement on official letterhead signed by an authorized representative from each lien holder or other entity with financial interest in the water right(s) or land affected by the proposed transfer. (See Part 1.5.c.)
- ☐ * #7a Attach a map identifying the proposed point(s) of diversion, place(s) of use, and water diversion and distribution system details as described on the application. Include legal description labels. If only a portion of the right is proposed to be changed, identify the current location of the part of the existing right(s) proposed to be changed. (See Part 3A.)
- ☐ ☐ #7b If the transfer application proposes to change the place or purpose of use of an irrigation right attach a Geographic Information System (GIS) shape file, or an aerial photo or other image clearly delineating the location and extent of existing acres and changes to the place of use.
- ☐ ☐ #8a If the transfer application proposes to change the nature of use or period of use for one or more rights, provide documentation describing the extent of historic beneficial use for the water rights proposed to be transferred and document how enlargement will be avoided. (See Part 3B.)
- ☐ ☐ #8b If the transfer application proposes to change the place of use of a supplemental irrigation right, provide documentation regarding the historic use of the supplemental right(s) and availability or reliability of the primary right(s) being supplemented, both before and after the proposed change. (See Part 3C.)
- ☐ ☐ #9 Other. Please describe: _____

RECEIVED

MAY 05 2014

Department of Water Resources
Eastern RegionSTATE OF IDAHO
DEPARTMENT OF WATER RESOURCEAPPLICATION FOR TRANSFER OF WATER RIGHT
PART 1

Jared

Name of Applicant L 3 LAND & CATTLE, LLC

Phone 208 390-0167

Mailing Address 548 N. LEWIS LANE, RIGBY ID 83442

Email

- ☐ If applicant is not an individual and not registered to do business in the State of Idaho, attach documentation identifying officers authorized to sign or act on behalf of the applicant. Label it **Attachment #1**.
- ☐ Attach water right ownership documentation if Department records do not show the transfer applicant as the current water right owner. Label it **Attachment #2a**.
- ☐ If the ownership of the water right will change as a result of the proposed transfer to a new place of use, attach documentation showing land and water right ownership at the new place of use. Include documentation for all affected land and owner(s). Label it **Attachment #2b**.
- ☐ Attach documentation of authority to make the proposed change if the applicant is not the water right owner. Label it **Attachment #3**.

Provide contact information below if a consultant, attorney, or any other person is representing the applicant in this transfer process.

☐ No Representative

Name of Representative

Phone

Mailing Address

Email

☐ Send all correspondence for this application to the representative and not to the applicant.

OR

☐ Send original correspondence to the applicant and copies to the representative.☐ The representative may submit information for the applicant but is not authorized to sign for the applicant.

OR

☐ The representative is authorized to sign for the applicant. Attach a Power of Attorney or other documentation providing authority to sign for the applicant and label it **Attachment #4**.

I hereby assert that no one will be injured by the proposed changes and that the proposed changes do not constitute an enlargement in use of the original right(s). The information contained in this application is true to the best of my knowledge. I understand that any willful misrepresentations made in this application may result in rejection of the application or cancellation of an approval.

Signature of Applicant or Authorized Representative

Jared Lewis
Print Name and Title if applicableApril 24, 14
Date

Signature of Applicant or Authorized Representative

Print Name and Title if applicable

Date

A. PURPOSE OF TRANSFER

1.	Right	Split	POD	POU	Add POD	Period of Use	Nature of Use
35-2460B	No	No	No	Yes	No	No	No
35-7155	No	No	No	Yes	No	No	No
35-7156	No	No	No	Yes	Yes	No	No

APPLICATION FOR TRANSFER OF WATER RIGHT PART 1 Continued

2. Describe your proposal in narrative form, including a detailed description of non-irrigation uses to justify amounts transferred (i.e. number of stock, etc.), and provide additional explanation of any other items on the application. Attach additional pages if necessary and label it **Part 1A.2**

This transfer proposes to combine the place of use for water rights 35-7155, 35-7156 & 35-2460B and add 3 points of diversion to water right 35-7156 to reflect current irrigation practices and resolve a pending notice of violation. An ownership change that occurred when Jared Lewis purchased the water rights involved during 2008 is also requested through this transfer.

- B. **DESCRIPTION OF RIGHTS AFTER THE REQUESTED CHANGES. IF THE RIGHTS ARE BEING SPLIT TO A SEPARATE SYSTEM, DESCRIBE PORTIONS TO BE CHANGED TO A SEPARATE SYSTEM AS THEY WOULD APPEAR AFTER THE REQUESTED CHANGES.**

1. Detailed Water Right Description(s) Attached labeled Part 1.

Summary of Water Rights After the Approved Change

Transferred Right (All or Part)	Transfer Rate	Transfer Volume	Acre Limit	Total Acres	Original Right (Remaining Portion)	Remaining Rate	Remaining Volume	Remaining Acre Limit	Remaining Total Acres
35-2460B	4.360 cfs	1636.0 af	409.0	789.0		N/A	N/A	N/A	N/A
35-7155	2.000 cfs	720.0 af	180.0	789.0		N/A	N/A	N/A	N/A
35-7156	2.000 cfs	800.0 af	200.0	789.0		N/A	N/A	N/A	N/A
COMBINED TOTALS	8.360 cfs	3,156.0 af	789.0	789.0		N/A	N/A	N/A	N/A

2. Total amount of water proposed to be transferred or changed 836 cubic feet per second and/or _____ acre-feet per annum

3. Points(s) of Diversion:

☐ No changes to point(s) of diversion are proposed-the following chart is therefore not completed. (Proceed to #4.)

☒ As shown in Part 1.

☐ Attach Eastern Snake Plain Aquifer analysis if this transfer proposes to change a point of diversion affecting the ESPA. Label it **Attachment #5**.

4. Place of Use:

☐ No changes to place of use are proposed. (Proceed to #5.)

☒ As shown in Part 1.

☐ See Attachment.

IDAHO DEPARTMENT OF WATER RESOURCES
APPLICATION FOR TRANSFER OF WATER RIGHT
PART 1 Transfer Right After Requested Changes

Proposed Water Right No. 35-2460B

Current Water Right Owner L 3 LAND & CATTLE LLC
 548 N LEWIS LANE
 RIGBY, ID 83442

Priority Date: 4/30/1956

Origin: Water Right

Basis: Decreed

Status: Active

Source: GROUND WATER

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>	<u>Subuse Code</u>
IRRIGATION	4/01	10/31	4.360 CFS	1636.0 AFA	
Total Diversion			4.360 CFS	1636.0 AFA	

Source and Point(s) of Diversion:

GROUND WATER	L1(NENE)	Sec. 3 Twp 04N Rge 36E	JEFFERSON County
GROUND WATER	NESE	Sec. 3 Twp 04N Rge 36E	JEFFERSON County
GROUND WATER	NESW	Sec. 3 Twp 04N Rge 36E	JEFFERSON County
GROUND WATER	NWSW	Sec. 3 Twp 04N Rge 36E	JEFFERSON County

Describe the proposed diversion system

THREE WELLS MAINLINE TO LATERALS WITH SPRINKLERS
 THREE WELLS MAINLINE TO LATERALS WITH SPRINKLERS
 THREE WELLS MAINLINE TO LATERALS WITH SPRINKLERS

Place of Use: IRRIGATION

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
04N	36E	2						28.5	36.5			34.0	26.0						125.0
								L 4											
04N	36E	3	39.0	39.0	34.5	38.3	38.0			37.5	40.0	40.0	38.8	40.0	37.8	36.5	34.5	32.0	525.9
			L 1	L 2			L 3												
04N	36E	4													37.3			32.8	70.1
05N	36E	34															33.0	35.0	68.0

Right Acre Limit: 409.0

POU Total Acres: 789.0

IDAHO DEPARTMENT OF WATER RESOURCES
APPLICATION FOR TRANSFER OF WATER RIGHT
PART 1 Transfer Right After Requested Changes

Proposed Water Right No. 35-7155

Current Water Right Owner **L 3 LAND & CATTLE LLC**
548 N LEWIS LANE
RIGBY, ID 83442

Priority Date: 11/2/1970

Origin: Water Right

Basis: Decreed

Status Active

Source: GROUND WATER

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>	<u>Subuse Code</u>
IRRIGATION	5/01	10/01	2.000 CFS	720.0 AFA	
Total Diversion			2.000 CFS	720.0 AFA	

Source and Point(s) of Diversion:

GROUND WATER	NESE	Sec. 3 Twp 04N Rge 36E	JEFFERSON County
GROUND WATER	NESW	Sec. 3 Twp 04N Rge 36E	JEFFERSON County
GROUND WATER	NWSW	Sec. 3 Twp 04N Rge 36E	JEFFERSON County

Describe the proposed diversion system

THREE WELLS MAINLINE TO LATERALS WITH SPRINKLERS
 THREE WELLS MAINLINE TO LATERALS WITH SPRINKLERS
 THREE WELLS MAINLINE TO LATERALS WITH SPRINKLERS

Place of Use: IRRIGATION

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
04N	36E	2						28.5	36.5			34.0	26.0						125.0
								L 4											
04N	36E	3	39.0	39.0	34.5	38.3	38.0			37.5	40.0	40.0	38.8	40.0	37.8	36.5	34.5	32.0	525.9
			L 1	L 2			L 3												
04N	36E	4													37.3			32.8	70.1
05N	36E	34															33.0	35.0	68.0

Right Acre Limit: 180.0
 POU Total Acres: 789.0

IDAHO DEPARTMENT OF WATER RESOURCES
APPLICATION FOR TRANSFER OF WATER RIGHT
PART 1 Transfer Right After Requested Changes

Proposed Water Right No. 35-7156

Current Water Right Owner L 3 LAND & CATTLE LLC
 548 N LEWIS LANE
 RIGBY, ID 83442

Priority Date: 11/2/1970

Origin: Water Right

Basis: Decreed

Status: Active

Source: GROUND WATER

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>	<u>Subuse Code</u>
IRRIGATION	5/01	10/01	2.000 CFS	800.0 AFA	
Total Diversion			2.000 CFS	800.0 AFA	

Source and Point(s) of Diversion:

GROUND WATER	L1(NENE)	Sec. 3 Twp 04N Rge 36E	JEFFERSON County
GROUND WATER	NESE	Sec. 3 Twp 04N Rge 36E	JEFFERSON County
GROUND WATER	NESW	Sec. 3 Twp 04N Rge 36E	JEFFERSON County
GROUND WATER	NWSW	Sec. 3 Twp 04N Rge 36E	JEFFERSON County

Describe the proposed diversion system

THREE WELLS MAINLINE TO LATERALS WITH SPRINKLERS
 THREE WELLS MAINLINE TO LATERALS WITH SPRINKLERS
 THREE WELLS MAINLINE TO LATERALS WITH SPRINKLERS

Place of Use: IRRIGATION

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
04N	36E	2						28.5	36.5			34.0	26.0						125.0
								L 4											
04N	36E	3	39.0	39.0	34.5	38.3	38.0			37.5	40.0	40.0	38.8	40.0	37.8	36.5	34.5	32.0	525.9
			L 1	L 2			L 3												
04N	36E	4													37.3			32.8	70.1
05N	36E	34															33.0	35.0	68.0

Right Acre Limit: 200.0

POU Total Acres: 789.0

**APPLICATION FOR TRANSFER OF WATER RIGHT
PART 1 Continued**

5. General Information:

- a. Describe the complete diversion system, including how you will accommodate a measuring device and lockable controlling works should they be required now or in the future
The diversion systems will remain the same.

- b. Who owns the property at the point(s) of diversion

The applicant.

If other than the applicant, describe the arrangement enabling the applicant to access the property for the diversion system:

- c. Are the lands from which you propose to transfer the water right subject to any liens, deeds of trust, mortgages, or contracts?
No, ☒ If Yes, ☐

Attach a notarized statement from the holder of the lien, deed of trust, mortgage or contract agreeing to the proposed changes on official letterhead signed by an authorized representative. Label it **Attachment #6**. List the name of the entity and type of lien:

It is the applicant's responsibility to provide notice to lien holder, trustee, mortgagor, or contract holder of the proposed changes that may impact or change the value of the water rights or affected real property. Any misrepresentation of legal encumbrance on this application may result in rejection of the application or cancellation of an approval.

- d. Describe the effect on the land now irrigated if the place or purpose of use is changed pursuant to this transfer:

It will be dry.

- e. Describe the use of any other water right(s) for the same purpose or land, or same diversion system as right(s) proposed to be transferred at both the existing and proposed point(s) of diversion and place(s) use:

No other water rights are associated with points of diversion or lands involved in this transfer.

- f. To your knowledge, has/is any portion of the water right(s) proposed to be changed:

Yes

No

☐☒

undergone a period of five or more consecutive years of non-use,

☐☒

currently leased to the Water Supply Bank,

☐☒

currently used in a mitigation plan limiting the use of water under the right, or

☐☒

currently enrolled in a Federal set-aside program limiting the use of water under the rights?

If yes, describe:

**IDAHO DEPARTMENT OF WATER RESOURCES
APPLICATION FOR TRANSFER OF WATER RIGHT
PART 2A**

Current Water Right No. 35-2460B

Current Water Right Owner

THOMASON FARMS INC
5293 S 4300 W
REXBURG, ID 83440

Priority Date: 4/30/1956

Origin: Water Right

Basis: Decreed

Status: Active

Source: GROUND WATER

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Subuse Code</u>
IRRIGATION	4/01	10/31	4.360 CFS	
Total Diversion			4.360 CFS	

Source and Point(s) of Diversion:

GROUND WATER	NESE	Sec. 3 Twp 04N Rge 36E	JEFFERSON County
GROUND WATER	NESW	Sec. 3 Twp 04N Rge 36E	JEFFERSON County
GROUND WATER	NWSW	Sec. 3 Twp 04N Rge 36E	JEFFERSON County

Describe the proposed diversion system

THREE WELLS MAINLINES TO LATERALS WITH SPRINKLERS
THREE WELLS MAINLINES TO LATERALS WITH SPRINKLERS
THREE WELLS MAINLINES TO LATERALS WITH SPRINKLERS

Place of Use: IRRIGATION

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
04N	36E	2						10.0	40.0			40.0	31.0						121.0
								L 4											
04N	36E	3			40.0	40.0				40.0	39.0	39.0	39.0	39.0	40.0	40.0	37.0	39.0	432.0
04N	36E	4													18.0			18.0	36.0

Right Acre Limit: 409.0

POU Total Acres: 589.0

Conditions/Remarks:

1. THIS PARTIAL DECREE IS SUBJECT TO SUCH GENERAL PROVISIONS NECESSARY FOR THE DEFINITION OF THE RIGHTS OR FOR THE EFFICIENT ADMINISTRATION OF THE WATER RIGHTS AS MAY BE ULTIMATELY DETERMINED BY THE COURT AT A POINT IN TIME NO LATER THAN THE ENTRY OF A FINAL UNIFIED DECREE. SECTION 42-1412(6), IDAHO CODE.
2. USE OF THIS RIGHT WITH RIGHT NO. 35-07155 IS LIMITED TO A TOTAL COMBINED DIVERSION RATE OF 6.36 CFS, A TOTAL COMBINED ANNUAL DIVERSION VOLUME OF 2344 AF.
3. THIS RIGHT IS LIMITED TO THE IRRIGATION OF 409 ACRES WITHIN THE PLACE OF USE DESCRIBED ABOVE IN A SINGLE IRRIGATION SEASON. USE OF THIS RIGHT WITH RIGHT NO. 35-07155 IS LIMITED TO THE IRRIGATION OF A COMBINED TOTAL OF 589 ACRES IN A SINGLE IRRIGATION SEASON.
4. RIGHT NO. 35-07155 IS ALSO DIVERTED THROUGH THE POINTS OF DIVERSION DESCRIBED ABOVE.
5. RIGHT INCLUDES ACCOMPLISHED CHANGE IN PLACE OF USE PURSUANT TO SECTION 42-1425, IDAHO CODE.

**IDAHO DEPARTMENT OF WATER RESOURCES
APPLICATION FOR TRANSFER OF WATER RIGHT
PART 2A**

Current Water Right No. 35-7155

Current Water Right Owner THOMASON FARMS INC
5293 S 4300 W
REXBURG, ID 83440

Priority Date: 11/2/1970

Origin: Water Right

Basis: Decreed

Status: Active

Source: GROUND WATER

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Subuse Code</u>
IRRIGATION	5/01	10/01	2.000 CFS	
Total Diversion			2.000 CFS	

Source and Point(s) of Diversion:

GROUND WATER	NESW	Sec. 3 Twp 04N Rge 36E	JEFFERSON County
GROUND WATER	NESE	Sec. 3 Twp 04N Rge 36E	JEFFERSON County
GROUND WATER	NWSW	Sec. 3 Twp 04N Rge 36E	JEFFERSON County

Describe the proposed diversion system

THREE WELLS MAINLINE TO LATERALS WITH SPRINKLERS
THREE WELLS MAINLINE TO LATERALS WITH SPRINKLERS
THREE WELLS MAINLINE TO LATERALS WITH SPRINKLERS

Place of Use: IRRIGATION

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
04N	36E	2						10.0	40.0			40.0	31.0						121.0
								L 4											
04N	36E	3			40.0	40.0				40.0	39.0	39.0	39.0	39.0	40.0	40.0	37.0	39.0	432.0
04N	36E	4													18.0			18.0	36.0

POU Total Acres: 589.0

Conditions/Remarks:

1. THIS PARTIAL DECREE IS SUBJECT TO SUCH GENERAL PROVISIONS NECESSARY FOR THE DEFINITION OF THE RIGHTS OR FOR THE EFFICIENT ADMINISTRATION OF THE WATER RIGHTS AS MAY BE ULTIMATELY DETERMINED BY THE COURT AT A POINT IN TIME NO LATER THAN THE ENTRY OF A FINAL UNIFIED DECREE. SECTION 42-1412(6), IDAHO CODE.
2. USE OF THIS RIGHT WITH RIGHT NO. 35-02460B IS LIMITED TO A TOTAL COMBINED ANNUAL DIVERSION VOLUME OF 2344 AF.
3. THE USE OF WATER FOR IRRIGATION UNDER THIS RIGHT MAY BEGIN AS EARLY AS APRIL 1 AND MAY CONTINUE TO AS LATE AS OCTOBER 31, PROVIDED OTHER ELEMENTS OF THE RIGHT ARE NOT EXCEEDED. THE USE OF WATER BEFORE MAY 1 AND AFTER OCTOBER 1 UNDER THIS REMARK IS SUBORDINATE TO ALL WATER RIGHTS HAVING NO SUBORDINATED EARLY OR LATE IRRIGATION USE AND A PRIORITY DATE EARLIER THAN THE DATE A PARTIAL DECREE IS ENTERED FOR THIS RIGHT.
4. USE OF THIS RIGHT WITH RIGHT NO. 35-02460B IS LIMITED TO THE IRRIGATION OF A COMBINED TOTAL OF 589 ACRES IN A SINGLE IRRIGATION SEASON.
5. RIGHT INCLUDES ACCOMPLISHED CHANGE IN PLACE OF USE PURSUANT TO SECTION 42-1425, IDAHO CODE.

Conditions/Remarks:

6. RIGHT NO. 35-02460B IS ALSO DIVERTED THROUGH THE POINTS OF DIVERSION DESCRIBED ABOVE.

FO4

THOMASON FARMS INC
5293 S 4300 W
REXBURG, ID 83440

Source: GROUND WATER

<u>Source and Point(s) of Diversion:</u>		
GROUND WATER	L1(NENE)	Sec. 3 Twp 04N Rge 36E JEFFERSON County

ONE WELL/PUMP -MAINLINE TO LATERALS WITH SPRINKLERS

			NE				NW				SW				SE				Totals
Twp	Rng	Sec	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
04N	36E	2						5.0											5.0
								L 4											
04N	36E	3	39.0	39.0			39.0												117.0
			L 1	L 2			L 3												
05N	36E	34															39.0	39.0	78.0

POU Total Acres: 200.0

1. THIS PARTIAL DECREE IS SUBJECT TO SUCH GENERAL PROVISIONS NECESSARY FOR THE DEFINITION OF THE RIGHTS OR FOR THE EFFICIENT ADMINISTRATION OF THE WATER RIGHTS AS MAY BE ULTIMATELY DETERMINED BY THE COURT AT A POINT IN TIME NO LATER THAN THE ENTRY OF A FINAL UNIFIED DECREE. SECTION 42-1412(6), IDAHO CODE.
2. THE USE OF WATER FOR IRRIGATION UNDER THIS RIGHT MAY BEGIN AS EARLY AS APRIL 1 AND MAY CONTINUE TO AS LATE AS OCTOBER 31, PROVIDED OTHER ELEMENTS OF THE RIGHT ARE NOT EXCEEDED. THE USE OF WATER BEFORE MAY 1 AND AFTER OCTOBER 1 UNDER THIS REMARK IS SUBORDINATE TO ALL WATER RIGHTS HAVING NO SUBORDINATED EARLY OR LATE IRRIGATION USE AND A PRIORITY DATE EARLIER THAN THE DATE A PARTIAL DECREE IS ENTERED FOR THIS RIGHT.

APPLICATION FOR TRANSFER OF WATER RIGHT

PART 3

A. PLAT MAP (See Part 3A of Instructions for application for transfer for complete requirements)

- ☐ Attach a map of the diversion, measurement, control, and distribution system. Label it **Attachment #7a**.
- ☐ If the transfer application proposes to change the place or purpose of use of an irrigation right attach a Geographic Information System (GIS) shape file, or an aerial photo or other image clearly delineating the location and extent of existing acres and changes to the place of use. Label it **Attachment #7b**. If the place of use currently consists of a permissible place of use, then the attachment is not required if the application contains a clear statement that the boundaries for the place of use are not proposed to be changed by the transfer and the total number of irrigated acres within the place of use before and after the transfer is clearly stated.

B. CHANGES IN NATURE OF USE (Water Balance)

- ☐ If you propose to change the nature of use or period of use of all or part of the right(s) listed in this application, attach documentation describing the extent of historic beneficial use of the portion of the right(s) proposed to be changed. Also attach documentation showing that the portion of the right(s) to be changed will not be enlarged in rate, volume, or consumptive use through the proposed change. Label it **Attachment #8a**.

C. PLACE OF USE CHANGES TO SUPPLEMENTAL IRRIGATION RIGHTS

- ☐ If you propose to change the place of use of a supplemental irrigation right, answer below and attach supporting documentation. Label it **Attachment #8b**

1. Describe how the supplemental water rights have been used historically in conjunction with other water rights at the existing place of use. Describe the time during the irrigation season that the supplemental rights have been used. Include information about the availability or reliability of the primary right(s) being supplemented, both before and after the change. If the applicant is proposing to change a supplemental irrigation right to a primary right, provide the information required on Part 3B above.:

This image shows a single sheet of white paper with horizontal blue or grey ruling lines, typical of notebook paper. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.

FOR DEPARTMENT USE ONLY

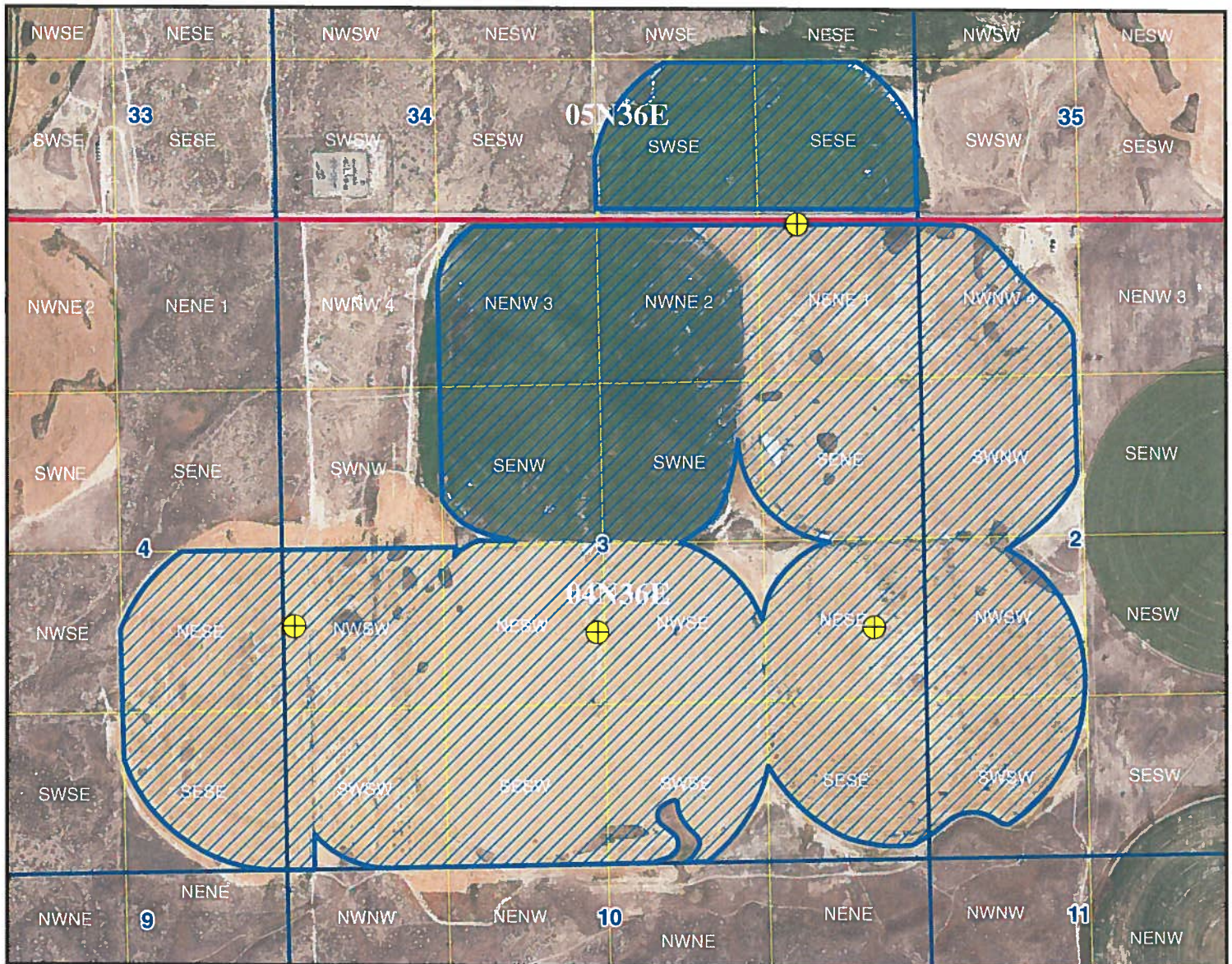
Transfer Contains 12 pages and 1 attachments.

Received By HB Date 5/5/14 Prelim. Check By _____ Date _____

Fee Paid 11.00 Date 11/11/11 Received By HB Receipt # E039815

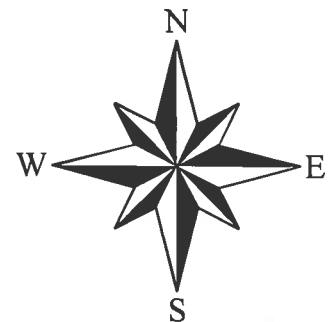
Add'l Fee Paid _____ Date _____ Received By HB Receipt # PD39814

L 3 Land & Cattle LLC Proposed Water Use



Legend

-  35-7156 Proposed PODs
-  35-7155, 35-7156 & 35-2460B Proposed POU
-  Township/Range
-  Sections
-  QQ



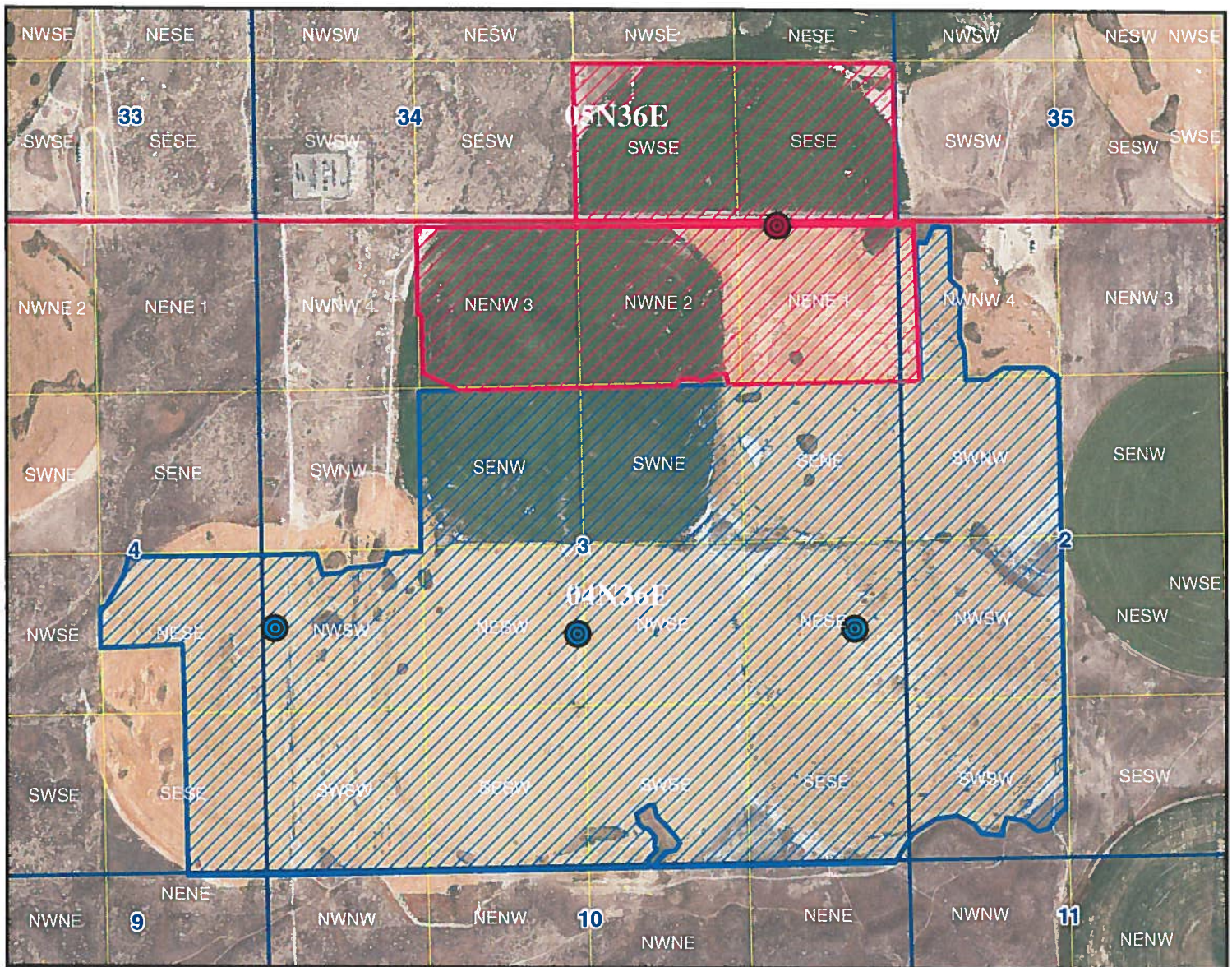
Imagery: 2013 NAIP

Idaho Department of Water Resources

Map Prepared by Heather Bohac, 5/6/2014

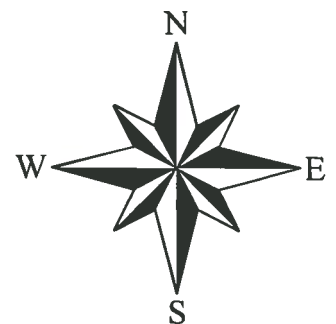
L 3 Land & Cattle LLC

Current Water Use



Legend

- 35-7156 Current POD
- 35-7155 & 2460B Current PODs
- 35-7156 Current POU
- 35-7155 & 35-2460B Current POU
- Township/Range
- Sections
- QQ



Imagery: 2013 NAIP

Idaho Department of Water Resources

79 11 4

Map Prepared by Heather Bohac, 5/6/2014



CERTIFICATE OF ORGANIZATION LIMITED LIABILITY COMPANY

(Instructions on back of application)

08 JUL 16 AM 8:25

SECRETARY OF STATE
STATE OF IDAHO

FILED EFFECTIVE

1. The name of the limited liability company is:

3 L Land and Cattle, LLC

2. The complete street address, and mailing address if different, of the initial designated/ principal office:

548 N. Lewis Lane, Rigby, ID 83442

3. The name of the commercial registered agent; or the name and complete street address of the non-commercial registered agent:

Jared Lewis - 548 N. Lewis Lane, Rigby, ID 83442

4. The name and address of at least one member or manager of the limited liability company:

Name	Address
Jared Lewis	548 N. Lewis Lane, Rigby, ID 83442
Keith Lewis	4344 E. 500 N., Rigby, ID 83442
Richard T. Little	238 N. 4300 E., Rigby, ID 83442

5. Mailing address for future correspondence (annual report notices):

548 N. Lewis Lane, Rigby, ID 83442

6. Future effective date of filing (optional):

Signature of an organizer(s). (An organizer is a member, or is acting in behalf of a required, and existing, initial member or members).

Signature [Signature]
Typed Name: Jared Lewis

Signature _____
Typed Name: _____

Secretary of State use only

g:\corp\form\llc\form\llc_cert_org_llc_PMD
Revised 07/2008

IDAHO SECRETARY OF STATE
07/16/2008 05:00
CK: 287528 CT: 227904 BH: 1127268
1 @ 100.00 = 100.00 ORGAN LLC # 2

U076051



ARTICLES OF INCORPORATION

(General Business)

(Instructions on back of application)

The undersigned, in order to form a Corporation under the provisions of Title 30, Chapter 1, Idaho Code, submits the following articles of incorporation to the Secretary of State.

FILED EFFECTIVE

RECEIVED JAN 9:03

IDAHO

Article 1: The name of the corporation shall be:

Double L Farms, Inc.

Article 2: The number of shares the corporation is authorized to issue: 10,000

Article 3: The street address of the registered office is: 4344 East 500 North, Rigby, ID 83442

and the registered agent at such address is: Jared K. Lewis

Article 4: The name of the incorporator is: Jared K. Lewis

and address of the incorporator is: 4344 East 500 North, Rigby, ID 83442

Article 5: The mailing address of the corporation shall be:

4344 East 500 North, Rigby, ID 83442

Optional Articles:

Signature of at least one incorporator:

Typed Name: Jared K. Lewis

Typed Name: _____

Customer Acct #

(if using pre-paid account)

Secretary of State use only

g:\corp\forms\corp_forms\articles\incprait p65 Revised 07/2002

IDAHO SECRETARY OF STATE
02/19/2004 05:00
CK: 9390 CT: 25589 BH: 728234
1 @ 100.00 = 100.00 CORP # 2

C 153192



IDWD
Order No. 20-45733

RECEIVED

MAY 09 2014

Department of Water Resources
Eastern Region

Recorded Electronically

ID 371883

County JEFFERSON

Date 10/16/08 Time 3:01 PM

Simplifile.com 800.460.5657

WARRANTY DEED

For Value Received,

Horkley Self-Serve, Inc., an Idaho Corporation

GRANTOR(s), do(es) hereby GRANT, BARGAIN, SELL and CONVEY unto

Jared Lewis, a married man

GRANTEE(s), whose address is: , 548 N. Lewis Lane, Rigby, Id 83442

the following described real property, to-wit:

TRACT 1:

Township 5 North, Range 36 East of the Boise Meridian, County of Jefferson, State of Idaho.
Section 34: S 1/2 SE 1/4

TRACT 2:

Township 4 North, Range 36 East of the Boise Meridian, County of Jefferson, State of Idaho.
Section 4: E 1/2 SE 1/4

TRACT 3:

Township 4 North, Range 36 East of the Boise Meridian, County of Jefferson, State of Idaho.
Section 3: E 1/2
SW 1/4
E 1/2 NW 1/4

TRACT 4:

Township 4 North, Range 36 East of the Boise Meridian, County of Jefferson, State of Idaho.
Section 2: W 1/2 W 1/2

Beginning at the Northwest Corner of Government Lot 3 and running thence East 450.0 feet; thence South 350.0 feet; thence West 450.0 feet; thence North 350.0 feet to the Point of Beginning.

TO HAVE AND TO HOLD the premises with its appurtenances unto the said Grantees, their heirs and assigns forever. And the said Grantors do hereby covenant to and with the said Grantees, that they are the owners in fee simple of said premises that said premises are free from all encumbrances except the current year's taxes and assessments, conditions, covenants, restrictions, reservations, easements, rights and rights of way, apparent or of record and that they will warrant and defend the same from all lawful claims whatsoever.

DATED this 16TH day of OCTOBER, 2008.

Horkley Self-Serve, Inc.

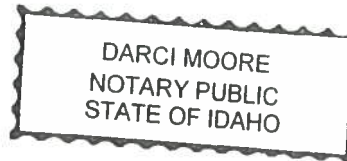
BY: James Horkley
James Horkley, Secretary

STATE OF IDAHO)
)ss
COUNTY OF Jefferson)

On this 16 day of October, 2008, before me, Darci Moore the undersigned, a Notary Public in and for said State, personally appeared James Horkley, known or identified to me to be the Secretary of Horkley Self-Serve, Inc. and that the within and foregoing instrument was signed in behalf of said corporation and acknowledged to me that such corporation executed the same.

In Witness whereof, I have hereunto set my hand and affixed my official seal the day and year first above written.

Darci Moore
Notary Public for Idaho
Residing at: RVBY, ID
My Commission Expires: 9.23.2010





~~(208) 524-6072 Fax~~

1650 Elk Creek Drive
P.O. Box 51690
Idaho Falls, Idaho 83405
(208) 524-6600
(208) 524-6072 Fax

MARCH 6, 2009

JARED LEWIS
548 N LEWIS LANE
RIGBY, ID 83442

OUR NO. : 20-45733
YOUR NO. : --
REGARDING : HORKLEY/LEWIS

WE ENCLOSE HERewith THE FOLLOWING:

- 1) POLICY OF TITLE INSURANCE
- 2) RECORDED DOCUMENT:
 - a) WARRANTY DEED/INSTRUMENT NO. 371883

THANK YOU FOR DOING BUSINESS WITH US!

SINCERELY,

AMERITITLE

A handwritten signature in cursive script that reads 'Kristin Orme'.

KRISTIN ORME

ENC.

OWNER'S POLICY OF TITLE INSURANCE
ISSUED BY



Any notice of claim and any other notice or statement in writing required to be given the Company under this Policy must be given to the Company at the address shown in Section 18 of the Conditions.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS, STEWART TITLE GUARANTY COMPANY, a Texas corporation, (the "Company") insures, as of Date of Policy and, to the extent stated in Covered Risks 9 and 10, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the insured be reason of:

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from
 - (a) A defect in the Title caused by
 - (i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
 - (ii) failure of any person or Entity to have authorized a transfer or conveyance;
 - (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
 - (iv) failure to perform those acts necessary to create a document by electronic means authorized by law
 - (v) a document executed under a falsified, expired, or otherwise invalid power of attorney
 - (vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
 - (vii) a defective judicial or administrative proceeding.
 - (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
 - (c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
3. Unmarketable Title.
4. No right of access to and from the Land.
5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (a) the occupancy, use, or enjoyment of the Land;
 - (b) the character, dimensions, or location of any improvement erected on the Land;
 - (c) the subdivision of land; or
 - (d) environmental protectionif a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.
6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.
7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.

Countersigned:

Kristen Dineen

Authorized Countersignature

AmeriTitle, Inc.

Company Name

Idaho Falls, ID

City, State

stewart
title guaranty company



Steven J. Morris
Senior Chairman of the Board

Michael S. Morris
Chairman of the Board

Michael Stalks
President

Policy
Serial No. **O-9301-001226162**

STD OWNER POLICY (6/17/06)
File No. 20-45733

Policy No.-O-9301-001226162

SCHEDULE A

Address Reference: N/A

Amount of Insurance: **\$2,050,000.00**

Premium: **\$1,500.00**

Date of Policy: **OCTOBER 16, 2008 AT 3:01 P.M.**

1. Name of Insured:

JARED LEWIS

2. The estate or interest in the land which is covered by this Policy is:

FEE SIMPLE

3. Title to the estate or interest in the land is vested in:

JARED LEWIS

4. The land herein described is encumbered by the following mortgage or trust deed, and assignments: 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:

TRACT 1:

**Township 5 North, Range 36 East of the Boise Meridian, County of Jefferson, State of Idaho.
Section 34: S $\frac{1}{2}$ SE $\frac{1}{4}$**

TRACT 2:

**Township 4 North, Range 36 East of the Boise Meridian, County of Jefferson, State of Idaho.
Section 4: E $\frac{1}{2}$ SE $\frac{1}{4}$**

TRACT 3:

**Township 4 North, Range 36 East of the Boise Meridian, County of Jefferson, State of Idaho.
Section 3: E $\frac{1}{2}$
SW $\frac{1}{4}$
E $\frac{1}{2}$ NW $\frac{1}{4}$**

TRACT 4:

**Township 4 North, Range 36 East of the Boise Meridian, County of Jefferson, State of Idaho.
Section 2: W $\frac{1}{2}$ W $\frac{1}{2}$**

Beginning at the Northwest Corner of Government Lot 3 and running thence East 450.0 feet; thence South 350.0 feet; thence West 450.0 feet; thence North 350.0 feet to the Point of Beginning.

SCHEDULE B**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 not 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 a 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 (c) 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. Proceeding 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 the public records.

Special Exceptions:

1. Taxes for the year 2007 and all prior taxes have been paid.
(Tax No. RP05N36E349000 \$343.68 full year, 2007).(Section 34)
(Tax No. RP04N36E047200 \$272.16 full year, 2007).(Section 4)
(Tax No. RP04N36E030000 \$2,127.84 full year, 2007).(Section 3)
(Tax No. RP04N36E022580 \$793.30 full year, 2007).(Section 2)
Taxes for the year 2008 are an accruing lien, not yet due or payable.
2. Transmission Line Easement given by Ella Welch, party of the first part to IDAHO POWER COMPANY, party of the second part, dated October 2, 1940, and recorded in Book 112 at Page 634, records of Jefferson County, Idaho. (Section 3)
3. Utah Power & Light Company Pole Line Easement given by Lowell C. Moore and Geraldine Moore, his wife, party of the first part to UTAH POWER & LIGHT COMPANY, a corporation, it's successors in interest and assigns, party of the second part, dated May 15, 1956, and recorded in Book 154 at Page 491, records of Jefferson County, Idaho. (Sections 2 and 3)
4. Utah Power & Light Company Pole Line Easement given by Lowell C. Moore and Geraldine Moore, his wife, party of the first part to UTAH POWER & LIGHT COMPANY, a corporation, it's successors in interest and assigns, party of the second part, dated January 18, 1966, and recorded in Book 179 at Page 120, records of Jefferson County, Idaho. (Section 3)
5. Utah Power & Light Company Easement given by Lowell C. Moore and Geraldine Moore, his wife, party of the first part to UTAH POWER & LIGHT COMPANY, a corporation, it's successors in interest and assigns, party of the second part, dated July 28, 1976, and recorded as Instrument No. 182590, records of Jefferson County, Idaho. (Section 3)
6. Utah Power & Light Company Easement given by Lowell C. Moore and Geraldine Moore, his wife, party of the first part to UTAH POWER & LIGHT COMPANY, a corporation, it's successors in interest and assigns, party of the second part, dated July 28, 1976, and recorded as Instrument No. 182591, records of Jefferson County, Idaho. (Section 2)

7. Utah Power & Light Company Easement given by Lowell C. Moore and Geraldine Moore, his wife, party of the first part to UTAH POWER & LIGHT COMPANY, a corporation, it's successors in interest and assigns, party of the second part, dated February 5, 1976, and recorded as Instrument No. 184665, records of Jefferson County, Idaho. (Section 3)
8. Utah Power & Light Company Easement given by Thomason Farms, Inc., party of the first part to UTAH POWER & LIGHT COMPANY, a corporation, it's successors in interest and assigns, party of the second part, dated August 29, 1984, and recorded as Instrument No. 229384, records of Jefferson County, Idaho. (Section 3)
9. Easement given by Thomason Farms, Inc., party of the first part to PACIFICORP, an Oregon corporation, dba UTAH POWER & LIGHT COMPANY, party of the second part, dated August 7, 1991, and recorded as Instrument No. 262804, records of Jefferson County, Idaho. (Section 34)
10. Terms, and conditions contained in that certain Farm Lease with J. H. HORKLEY as Lessor, and BRENT LOTT and MICHELLE LOTT, husband and wife as Lessee, dated December 20, 2000 and recorded as Instrument No. 366264, records of Jefferson County, Idaho, and the effect of any failure to comply with said terms, and conditions.
Farm Lease Notification dated February 27, 2008, and recorded as Instrument No. 366265, records of Jefferson County, Idaho
Assignment of Lease dated October 2, 2008 and recorded as Instrument No. 371885, records of Jefferson County, Idaho.
11. Easements and right of ways for highways, roads, railroads, ditches, canals, gas, pole, power and transmission lines as they may exist.

COVERED RISKS (Continued)

9. Title being vested other than as stated in Schedule A or being defective
- (a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or
 - (b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records
- (i) to be timely, or
 - (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.
- The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this Policy, but only to the extent provided in the Conditions.

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 that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
- (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
- or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
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 (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
- (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

CONDITIONS

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

- (a) "Amount of Insurance": The amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b), or decreased by Sections 10 and 11 of these Conditions.
- (b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.
- (c) "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity.
- (d) "Insured": The Insured named in Schedule A.
 - (i) The term "Insured" also includes
 - (A) successors to the Title of the Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;
 - (B) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization;
 - (C) successors to an Insured by its conversion to another kind of Entity;
 - (D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title
 - (1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,
 - (2) if the grantee wholly owns the named Insured,
 - (3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity, or
 - (4) if the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate planning purposes.
 - (ii) With regard to (A), (B), (C), and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured.
- (e) "Insured Claimant": An Insured claiming loss or damage.
- (f) "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.
- (g) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.
- (h) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.
- (i) "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 Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.
- (j) "Title": The estate or interest described in Schedule A.
- (k) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE

The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation 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 warranties in any transfer or conveyance of the Title. 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 obligation secured by a purchase money Mortgage given to the Insured.

CONDITIONS (Continued)

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 5(a) of these Conditions, (ii) in case Knowledge shall come to an Insured hereunder of any claim of title or interest that is adverse to the Title, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if the Title, as insured, is rejected as Unmarketable Title. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.

4. PROOF OF LOSS

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this policy that 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.

5. DEFENSE AND PROSECUTION OF ACTIONS

- (a) Upon written request by the Insured, and subject to the options contained in Section 7 of these Conditions, 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 covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters 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. It 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 that allege matters not insured against by this policy.
- (b) The Company shall have the right, in addition to the options contained in Section 7 of these Conditions, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title, 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 to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.
- (c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal any adverse judgment or order.

6. DUTY OF INSURED CLAIMANT TO COOPERATE

- (a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right 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 securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter as insured. If
- (b) 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.
- (c) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as

may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that 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 of these records in the custody or control of a third party that 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 any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

7. 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 that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay. Upon the exercise by the Company of this option, all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.
- (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. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that 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 that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company's obligations 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.

8. DETERMINATION AND EXTENT OF LIABILITY

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.

- (a) The extent of liability of the Company for loss or damage under this policy shall not exceed the lesser of
 - (i) the Amount of Insurance; or
 - (ii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy.
- (b) If the Company pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title, as insured,
 - (i) the Amount of Insurance shall be increased by 10%, and the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was

CONDITIONS (Continued)

- (ii) made by the Insured Claimant or as of the date it is settled and paid.
 - (c) In addition to the extent of liability under (a) and (b), the Company will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.
- 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 Unmarketable Title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.
 - (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, adverse to the Title, as insured.
 - (c) The Company shall not be liable for loss or damage to the 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 Insurance by the amount of the payment.
- 11. **LIABILITY NONCUMULATIVE**

The Amount of Insurance shall be reduced by any amount the Company pays 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 executed by an Insured after Date of Policy and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the Insured under this policy.
- 12. **PAYMENT OF LOSS**

When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days.
- 13. **RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT**
 - (a) Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. 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 and remedies. If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.
 - (b) The Company's right of subrogation includes the rights of the Insured to indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.
- 14. **ARBITRATION**

Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. 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 in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is \$2,000,000 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 \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.
- 15. **LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT**
 - (a) This policy together with all endorsements, if any, attached to it 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 that arises out of the status of the Title or by any action asserting such claim shall be restricted to this policy.
 - (c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.
 - (d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance.
- 16. **SEVERABILITY**

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision or such part held to be invalid, but all other provisions shall remain in full force and effect.
- 17. **CHOICE OF LAW; FORUM**
 - (a) **Choice of Law:** The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefore in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located. Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the Insured and to interpret and enforce the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.
 - (c) **Choice of Forum:** Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.
- 18. **NOTICES, WHERE SENT**

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at Claims Department at P.O. Box 2029, Houston, TX 77252-2029.