

RECEIVED

JUL 19 2013

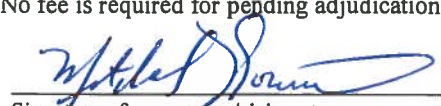
Department of Water Resources
Eastern RegionSTATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

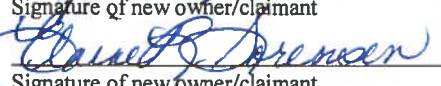
Notice of Change in Water Right Ownership

1. List the numbers of all water rights and/or adjudication claim records to be changed. If you only acquired a portion of the water right or adjudication claim, check "Yes" in the "Split?" column.

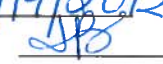
Water Right/Claim No.	Split?	Water Right/Claim No.	Split?	Water Right/Claim No.	Split?
34-2248	Yes ☐	34-14030	Yes ☐		Yes ☐
34-14022	Yes ☐		Yes ☐		Yes ☐
34-14024	Yes ☐		Yes ☐		Yes ☐
34-14026	Yes ☐		Yes ☐		Yes ☐
34-14028	Yes ☐		Yes ☐		Yes ☐

2. Previous Owner's Name: M. Carolyn Smith
Name of current water right holder/claimant
3. New Owner(s)/Claimant(s): Mitchell D. Sorensen / Elaine R. Sorensen
New owner(s) as listed on the conveyance document Name connector ☐ and ☒ or ☐ and/or
- 3871 W 2500 N Hamer ID 83255
Mailing address City State ZIP
- 208-527-3271 _____
Telephone Email
4. If the water rights and/or adjudication claims were split, how did the division occur?
☐ The water rights or claims were divided as specifically identified in a deed, contract, or other conveyance document.
☐ The water rights or claims were divided proportionately based on the portion of their place(s) of use acquired by the new owner.
5. Date you acquired the water rights and/or claims listed above: December 28, 2012
6. If the water right described herein has been rented from the Water Supply Bank, rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
- Rental payments will go to the lessor(s) of record at the beginning of the rental season.
 - If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - New lessor(s) of record will receive payment after the following rental season.
7. This form must be signed and submitted with the following **REQUIRED** items:
- A copy of the conveyance document – warranty deed, quitclaim deed, court decree, contract of sale, etc. The conveyance document must include a legal description of the property or description of the water right(s) if no land is conveyed.
 - Plat map, survey map or aerial photograph which clearly shows the place of use and point of diversion for each water right and/or claim listed above (if necessary to clarify division of water rights or complex property descriptions).
 - Filing fee (see instructions for further explanation):
 - \$25 per *undivided* water right.
 - \$100 per *split* water right.
 - No fee is required for pending adjudication claims.

8. Signature:  _____ May 28, 2013
Signature of new owner/claimant Title, if applicable Date

Signature:  _____ May 28, 2013
Signature of new owner/claimant Title, if applicable Date

For IDWR Office Use Only

Received by  Date 7/19/2013 Receipt No. E038909 Receipt Amt. \$150.-
Approved by  Processed by  Date 8/6/2013 SUPPORT DATA

IN FILE # 34-2248

WARRANTY DEED

FOR VALUE RECEIVED, **M. Carolyn Smith**, a married person dealing with her sole and separate property, of 5872 US Highway 93, Mackay, Idaho 83251, hereinafter called "Grantor", does hereby grant, bargain, sell and convey unto **Mitchell D. Sorensen and Elaine R. Sorensen**, husband and wife, residing at 3871 West 2500 North, Moore, Idaho 83255, hereinafter called "Grantees", the following described real property in Butte County, Idaho, to-wit:

Parcel 1

Beginning at a point which bears S 00°04'39" East 1,325.99 feet from the North One-Quarter Corner of SECTION 21, TOWNSHIP 5 NORTH, RANGE 26 EAST of the BOISE MERIDIAN, BUTTE COUNTY, IDAHO, and said One-Quarter Corner being described in Corner Perpetuation and Filing Record No. 20542; running thence S 89°55'56" West 1,320.33 feet to the West line of the E½ of the NW¼ of said Section 21; thence S 00°02'20" East 1,320.22 feet along said West line to the South line of the said NW¼; thence S 89°49'04" East 1,321.24 feet along said South line to the Center section line; thence N 00°04'39" West 1,325.99 feet along the North-South Center section line to the Point of Beginning.

Parcel 2

Beginning at a point which bears S 00°04'39" East 1,325.99 feet and S 89°55'56" West 1,320.33 feet from the North One-Quarter Corner of SECTION 21, TOWNSHIP 5 NORTH, RANGE 26 EAST of the BOISE MERIDIAN, BUTTE COUNTY, IDAHO, and said One-Quarter Corner being described in Corner Perpetuation and Filing Record No. 20542; running thence S 89°55'56" West 844.03 feet to the point of intersection with the Easterly Right-of-Way of the abandoned Mackay Branch of the Union Pacific Railroad Company; thence S 22°55'16" East 1,431.33 feet along said Railroad Right-of-Way to the South line of the NW¼ of said Section 21; thence S 89°49'04" East 287.48 feet along said South line to the West line of the E½ of said Section 21; thence N 00°02'20" West 1,320.22 feet along said West line to the Point of Beginning.

Less and Excepting the following Tract: (Exception to Parcels 1 & 2)

Part of the South ½ of the Northwest ¼ of Section 21; Township 5 North, Range 26 East of the Boise Meridian, Butte County, Idaho, described as:

WARRANTY DEED - Page 1

DC Smith CWD1 v3 wpd

NO. 0050832
RECORDED

JUN 27 2013

11:27 A.M.
BUTTE COUNTY RECORDER
Kim Samett

Commencing at the Center North 1/16 corner of Section 21, said point bearing S 00°32'52" E 1,326.11 feet from the North ¼ corner of said section; thence S 89°43'31" W 2,168.86 feet along the South line of the North ½ of the Northwest ¼ of Section 21 to the Easterly right-of-way of the Mackay Branch of the Union Pacific Railroad; thence S 23°24'29" E 10.70 feet along said railroad right-of-way to the Northwest corner of Deed Instrument Number 32712; thence N 89°27'54" E 2164.68 feet along the North line of Deed Instrument Numbers 32712 and 32711 to the Center North 1/16 corner and the point of beginning.

Parcel 3

Beginning at a point which bears S 00°04'39" East 2,651.98 feet from the North One-Quarter Corner of SECTION 21, TOWNSHIP 5 NORTH, RANGE 26 EAST of the BOISE MERIDIAN, BUTTE COUNTY, IDAHO, and said One-Quarter Corner being described in Corner Perpetuation and Filing Record No. 20542 and said point being the Center One-Quarter Corner of said Section 21; running thence North 89°49'04" West 1,608.72 feet to the point of intersection with the Easterly Right-of-Way of the abandoned Mackay Branch of the Union Pacific Railroad Company; thence S 22°55'16" East 1,041.04 feet along said Railroad Right-of-Way; thence S 89°49'04" East 1,204.56 feet to the North-South Center section line of said Section 21; thence N 00°04'39" West 957.56 feet along said Corner section line to the Point of Beginning.

Parcel 4

Beginning at a point which bears S 00°04'39" East 3,609.54 feet from the North One-Quarter Corner of SECTION 21, TOWNSHIP 5 NORTH, RANGE 26 EAST of the BOISE MERIDIAN, BUTTE COUNTY, IDAHO, and said One-Quarter Corner being described in Corner Perpetuation and Filing Record No. 20542; running thence N 89°49'04" West 1,204.56 feet to the point of intersection with the Easterly Right-of-Way of the abandoned Mackay Branch of the Union Pacific Railroad Company; thence S 22°55'16" East 1,215.84 feet along said Railroad Right-of-Way; thence S 56°43'55" East 118.33 feet; thence S 22°55'16" East 550.74 feet to the South line of said Section 21; thence S 89°57'58" East 419.89 feet to the South One-Quarter corner of said Section 21 as described in Corner Perpetuation and Filing Record No. 031116; thence N 00°04'39" West 1,688.43 feet along the Center section line to the Point of Beginning.

Less and Excepting the following Tract: (Exception to Parcel 4)

A parcel of land generally described as being a portion of the SE¼SW¼ Section 21, Township 5 North, Range 26 East of the Boise Meridian, Butte County, Idaho, and being more particularly described as follows:
Commencing at the South one-quarter corner of said Section 21, an iron rod with

cap (Recorded - Instrument No. 31116, Butte Co. records), point being the POINT OF BEGINNING, from which the North one-quarter corner of said Section 21, an iron rod with cap, (Recorded - Instrument No. 20542, Butte Co. records), bears N. 00°04'39" W., 5297.97 feet; thence N. 00°04'39" W. along the meridional centerline of Section 21, a distance of 189.47 feet to a survey spike with washer L.S. 8252; thence N. 89°57'58" W. and parallel to the South line of said Section 21, a distance of 499.76 feet to a point on the Old Railroad right-of-way and a capped half inch diameter steel rod L.S. 8252; thence S. 22°55'16" E. along said Old Railroad right-of-way, a distance of 205.76 feet to a point on the South line of Section 21, and a capped 5/8 inch diameter steel rod L.S. 3842; thence S. 89°57'58" E. along the South line of Section 21, a distance of 419.89 feet to the POINT OF BEGINNING.

LESS AND EXCEPTING THE FOLLOWING TRACT:

Beginning at a point which bears S00°04'39"E 1325.99 feet and S89°55'56"W 2164.36 feet and S22°55'16"E 955.62 feet from the North One-Quarter Corner of Section 21, T5N, R26EBM, Butte County, Idaho, and said One-Quarter Corner being further described in Corner Perpetuation and Filing Record No. 20542, and said point of beginning being on the Easterly Right-of-Way of the abandoned Mackay Branch of the Union Pacific Railroad Company and also said point being the True Point of Beginning; said point of beginning lying adjacent to an "existing post and rail fence" as described in Item 1 of Butte County Case No. CV-2008-12; running thence S22°55'16"E 516.4 feet along the said Easterly Right-of-Way of the abandoned Mackay Branch of the Union Pacific Railroad Company to a point lying 75 feet south of an existing garage as mentioned in aforesaid Case No. CV-2008-12; thence N67°04'44"E 10.4 feet more or less to a point lying 4 feet west of the crest (inside top of bank) of the canal; thence in the general direction of N22°55'W 516.5 feet more or less along a meander line parallel and lying 4 foot west of the crest (inside top of bank) of the canal to a point being opposite and adjacent with the aforesaid "existing post and rail fence" along the north boundary of the Cain property; thence S67°04'44"W 17.6 feet more or less to the True Point of Beginning.

Subject to easements, if any, of record or in existence for roads, streets, ditches, canals, pipelines and utilities.

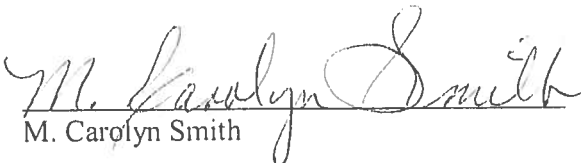
Together with all and singular the tenements, hereditaments, and appurtenances thereunto belonging or in any wise appertaining.

Together with all water rights appurtenant thereto, including but not limited to the following water rights: 34-2248, 34-14022, 34-14024, 34-14026, 34-14028, and 34-14030, and any and all storage water from the Big Lost Irrigation District that is

appurtenant to the property. Seller does not warrant the accuracy of the description of the water rights appearing herein.

Grantor covenants and warrants that fee simple title, to the property, is conveyed to Grantees by this Deed, free from all encumbrances, except any encumbrances set forth in the description of real property appearing above, any encumbrances assumed or placed thereon by Grantees and except for the printed exceptions appearing on the preliminary title report of TitleOne Corporation issued in connection with the sale of the above described property regarding the within Warranty Deed, and subject to the deed from Grantor to Donald William Cain, Sr. and Carolyn Ruth Cain referred to above.

DATED This 28th day of December, 2012.


M. Carolyn Smith

STATE OF IDAHO,)
County of Madison) ss.

On this 28th day of December, 2012, before me, the undersigned, a Notary Public in and for said State, personally appeared M. Carolyn Smith, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same.

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




Notary Public for Idaho
Residing at: Residing in St. Anthony, ID
My Commission Expires: Expires 11-30-2017

Wiley F. Smith

On this 28th day of December, 2012, before me, the undersigned, a Notary Public in and for said State, personally appeared Wiley F. Smith, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.

My Commission Expires:

Commission Expires: 11/15/2011



WESTCOR
LAND TITLE INSURANCE COMPANY

ORIGINAL

POLICY NO.

LP-13-ID1003.07-3158844

ALTA (6-17-06) LOAN POLICY

ISSUED BY

WESTCOR LAND TITLE INSURANCE COMPANY

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 the address shown in Section 17 of the Conditions.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, WESTCOR LAND TITLE INSURANCE COMPANY, a California corporation (the "Company") insures as of Date of Policy and, to the extent stated in Covered Risks 11, 13, and 14, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by 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 protection

if 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.

COVERED RISKS Continued on next page

IN WITNESS WHEREOF, WESTCOR LAND TITLE INSURANCE COMPANY has caused this policy to be signed and sealed as of the Date of Policy shown in Schedule A.

Issued By:

ID1003.07 * 13223693

TitleOne Corporation

260 W. Grand Avenue PO Box 802

Arco, ID 83213

WESTCOR LAND TITLE INSURANCE COMPANY



By:

Mary O'Donnell

President

Attest:

Patricia H. Power

Secretary



TitleOne Corporation: Arco
Authorized Agent for:
Westcor Land Title Insurance Company

TitleOne

a title & escrow co.

SCHEDULE A

Name and Address of Title Insurance Company: Westcor Land Title Insurance Company
2000 Colorado Blvd., Suite 1-3100
Denver, CO 80222

File Number: 13223693

Base File: 5900

Policy Number: LP-13-ID1003.07-3158844 ✓

Date of Policy: June 27, 2013 at 11:27 AM

Amount of Insurance: \$230,000.00

Premium: \$995.00

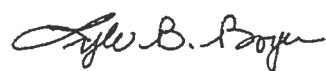
Property Address Reference: Agricultural land
Moore, ID 83255

1. **Name of Insured:**
Idaho AgCredit, FLCA, its successors and/or assigns as their respective interests may appear
2. **The estate or interest in the land that is encumbered by the Insured Mortgage is:**
Fee Simple as to Parcels 1, 2, 3 and 5
Easement Interest as to Parcel 4
3. **Title is vested in:**
Mitchell D. Sorensen and Elaine R. Sorensen, husband and wife ✓
4. **The insured Deed of Trust/Mortgage and its assignments, if any, are described as follows:**
Real Estate Mortgage to secure an original indebtedness as shown below and any other amounts or obligations secured thereby:
Amount: \$230,000.00
Mortgagor: Mitchell D. Sorensen, aka Mitchell Sorensen, aka Mitchell Dee Sorensen, and Elaine R. Sorensen, aka Elaine Sorensen, aka Elaine Reese Sorensen, husband and wife,
Mortgagee: Idaho AgCredit, FLCA, a wholly owned subsidiary of Idaho Agricultural Credit Association, a corporation, existing and operating under the Farm Credit Act of 1971, as amended
Dated: May 13, 2013
Recorded: May 28, 2013
Instrument No: 50744, records of Butte County, Idaho
5. **The Land referred to in this policy is described as follows:**
See Attached Schedule C

*Revised 7/16/13
Legal matches, Had minor misspellings
corrected. 2 commas difference (but does not affect legal)
KP*

TitleOne Corporation: Arco

By:

A handwritten signature in black ink, appearing to read "Lyle B. Boyer". The signature is fluid and cursive, with the first name "Lyle" being more prominent.

Lyle Boyer, Authorized Signatory

SCHEDULE B (Part I)
Exceptions from Coverage

File Number: 13223693

Policy Number: LP-13-ID1003.07-3158844

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

1. Rights or claims of parties in possession not shown by the public records.
2. 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, and that is not 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 materials 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 to 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. Proceedings by a public agency which may result in taxes or assessments, or notices to such proceedings whether or not shown by the records of such agency, or by the public records.
7. Taxes for the year 2012 and prior years are paid in full.
Taxes for 2013 are a lien, but not yet due and payable.
8. These premises are situated in the boundaries of the Big Lost River Irrigation District and are subject to the assessments thereof.
These are reported to be current at this time.
9. Ditch, road, and public utility easements as the same may exist over said premises.
10. Pipe Line Easement dated September 13, 1946, executed by Willard H. Sorensen to The United States of America; recorded April 23, 1947, in Book 3 of Misc., Page 190, as Instrument No. 25380, records of Butte County, Idaho. (Parcel 1, Sec. 2)
11. Terms, Conditions and Provisions of Easement Agreement dated April 3, 1980, between Boyd Burnett and Sandra Burnett, Husband and Wife, and Mitchell Sorensen and Elaine R. Sorensen, husband and wife; recorded April 25, 1980, as Instrument No. M-9315, records of Butte County, Idaho. (Parcel 1, Sec. 35)
12. Terms, Conditions and Provisions of Easement Agreement between Timberline Beef, Inc., and Mitchell Sorensen and Elaine R. Sorensen, husband and wife; recorded July 14, 1981, as Instrument No. M-10610, records of Butte County, Idaho (Parcel 1, Sec. 35)
13. Covenants, Conditions and Restrictions as contained in Warranty Deed dated May, 1981, executed by Norman and Leola Niederer, husband and wife, to Mitchell and Elaine Sorensen, husband and wife; recorded July 14, 1981, as Instrument No. 10612, records of Butte County, Idaho. (Parcel 1, Sec. 36)
14. Terms, Conditions and Provisions of Easement Agreement dated December 29, 1981, between Mitchell Sorensen and Elaine Sorensen, husband and wife, and Boyd Burnett and Sandra Burnett, husband and wife; recorded March 4, 1982, as Instrument No. 11172, records of Butte County, Idaho. (N 32' of NE1/4, Sec. 35, 4N 25E) (Parcel 1, Sec. 35)
15. Right-of-Way Easement dated July 2, 1980, executed by Boyd B. Burnett and Sandra P. Burnett, Grantors, to The Mountain States Telephone and Telegraph Company, Grantee; recorded July 14, 1986, as Instrument No. 18222, records of Butte County, Idaho. (Parcel 1, Sec. 35)

16. Agreement for Electric Service Irrigation dated May 14, 1987, between Lost River Electric Cooperative Inc., an Idaho Rural Electric Cooperative and Mitchell D. Sorensen and Elaine Sorensen, husband and wife; recorded June 24, 1987, as Instrument No. 19777, records of Butte County, Idaho. (Parcel 1, Sec. 35)

Amendment to Agreement for Electric Service Irrigation dated May 3, 2000, recorded July 31, 2001, as Instrument No. 37214, records of Butte County, Idaho.

17. Agreement for Electric Service Irrigation dated June 7, 1988, between Lost River Electric Cooperative Inc., an Idaho Rural Electric Cooperative, and Mitchell D. Sorensen and Elaine R. Sorensen, husband and wife; recorded August 4, 1988, as Instrument No. 21328, records of Butte County, Idaho. (Parcel 1, Sec. 34)

18. Agreement for Electric Service Irrigation dated May 17, 1989, between Lost River Electric Cooperative Inc., an Idaho Rural Electric Cooperative, and Mitchell D. Sorensen and Elaine R. Sorensen, husband and wife; recorded June 26, 1989, as Instrument No. 22276, records of Butte County, Idaho. (Parcel 1, Sec. 2)

19. Agreement for Electric Service Irrigation dated July 9, 1992, between Lost River Electric Cooperative, Inc., and Kurt P. Acor and Coralee J. Acor; recorded April 13, 1993, as Instrument Nos. 26759 and 26760, records of Butte County, Idaho (Parcel 1, Sec. 35)

20. Terms, Conditions and Provisions in Grant of Easement dated August 16, 1999, between the County of Butte, a political subdivision of the State of Idaho, Grantor, and Mitchell D. Sorensen and Elaine R. Sorensen, husband and wife, Grantee; recorded August 16, 1999, as Instrument No. 34782, records of Butte County, Idaho. (Parcel 1, Sec. 1, 2, 34, 35)

21. Underground Right-of-Way Easement dated August 26, 2002, executed by Mitchell D. Sorensen to Lost River Electric Cooperative, Inc.; recorded January 6, 2003, as Instrument No. 38862, records of Butte County, Idaho. (Parcel 1, Sec. 34)

22. Terms, Conditions and Provisions of Easement Agreement dated December 27, 2011, between Mitchell Sorensen and Elaine R. Sorensen, husband and wife, Telford Lands LLC, Standlee Family Limited Partnership, an Idaho Limited Partnership, and Todd Perkes and Norma Perkes, husband and wife, whereas each party agrees to convey easements to one another; recorded March 14, 2012, as Instrument No. 49389, records of Butte County, Idaho. (Parcel 1, Sec. 35, 36)

23. Terms, Conditions and Provisions in Easement Agreement dated January 1988, by and between Mitchell Sorensen and Elaine Sorensen, husband and wife, and Don Hymas and Georgianna Hymas, husband and wife, and Dean Anderson and Caralee Anderson, husband and wife; recorded May 24, 1988, as Instrument No. 21063, records of Butte County, Idaho (Parcel 1 and 2)

24. Financing Statement by and between Mitchell D. Sorensen and Elaine R. Sorensen, as Debtors, and Idaho AgCredit, PCA, as Secured Party; filed April 6, 2010, under Filing No. B 2010-1076989-3, records of the Idaho Secretary of State.

PCA to FLCA Subordination Agreement dated May 2, 2012, subordinating this Financing Statement to Financing Statement No. 2012-1106718-7; recorded May 10, 2012, under Instrument No. 49537, records of Butte County, Idaho.

25. Easement for Irrigation Water dated October, 1974, executed by Donald S. Hymas and Georgianna C. Hymas, husband and wife, to Grant Daniels and Rita Daniels, husband and wife, and Boyd B. Burnett and Sandra P. Burnett, husband and wife; recorded January 13, 1976, as Instrument No. M-4631, records of Butte County, Idaho. (Parcel 2)

26. The effect, if any, of Agreement dated May 27, 1978, by and between Norma K. Sorensen, a widow, and Ronald W. Sorensen, a Single Man, as Parties of the First Part, and Mitchell D. Sorensen and Elaine R. Sorensen, husband and wife, as Parties of the Second Part; recorded June 5, 1979, as Instrument No. M-8064, records of Butte County, Idaho. (Parcel 2)

27. Agreement for Electric Service and Irrigation dated March 31, 1994, executed by Lost River Electric Cooperative, Inc., "Seller," and Jerry L. and Teresa L. Browne, "Consumer"; recorded August 22, 1994, as Instrument Nos. 28350, 28351 and 28352, records of Butte County, Idaho. (Parcel 2)

28. Easement for Private Roadway and Power Line dated December 1, 1983, by and between Timberline Beef, Inc., an Idaho Corporation, as Grantors, and Hillcreek Properties, a partnership, as Grantee; recorded March 28, 1985, as Instrument No. 15724, records of Butte County, Idaho. (Note: Description says Range 35; should be Range 25 E.B.M.) (Parcel 3, Tract A)

29. Easement for Irrigation Water dated December 1, 1983, by and between Timberline Beef, Inc., an Idaho corporation, and Owen Loftus and Gloria Loftus, husband and wife, as Grantors, and Hillcreek Properties, a partnership, composed of Dick-Con, a California corporation, and Tim-Jon, a California corporation, as Water Users; recorded March 28, 1985, as Instrument No. 15725, records of Butte County, Idaho.

(Note: Description says Range 35; should be Range 25 E.B.M.) (Parcel 3, Tract A)

30. Agreement for Electric Service Irrigation dated May 24, 1990, between Lost River Electric Cooperative, "Seller", and Richard A. Tuthill dba PU Ranch, "Consumer"; recorded August 23, 1990, as Instrument No. 24017, records of Butte County, Idaho. (Parcel 3, Tract B)

31. Water Utility Easement executed by PU Ranch, a general partnership dba Hillcreek Properties, to Mitchell D. Sorensen and Elaine R. Sorensen, husband and wife, as Joint Tenants; recorded June 9, 2008, as Instrument No. 45726, record of Butte County, Idaho. (Parcel 3, Tract B)

32. The effects of Irrigation Easement dated December 18, 2008, between Ken Buckwalter and Julie Buckwalter, husband and wife, to Telford Lands, LLC of Section 20, NE1/4 and also to PU Ranch dba Hillcreek Properties to convey irrigation water from a well owned by PU Ranch; recorded March 17, 2009, as Instrument No. 46457, records of Butte County, Idaho (Parcel 3, Tract B)

Correction Grant of Irrigation Easement dated January 18, 2012, by Ken and Travis Buckwalter, father and son, as "Grantor", and Telford Lands LLC, an Idaho Limited Liability Company, Mitchell D. Sorensen and Elaine Sorensen, husband and wife, and PU Ranch, a general partnership, as "Grantees"; recorded January 19, 2012, as Instrument No. 49248, records of Butte County, Idaho.

(Note: This Correction Grant of Easement clarifies the legal description).

Assignment and Assumption of Irrigation Easement dated March 14, 2012, by and between PU Ranch, a general partnership, and Mitchell D. Sorensen and Elaine R. Sorensen, husband and wife; recorded May 1, 2012, as Instrument No. 49508, records of Butte County, Idaho.

33. The Effects and Provisions of Settlement Agreement dated June 30, 2009, by and between Telford Lands LLC, Michael Telford, Mitchell D. Sorensen, and PU Ranch, collectively, "Plaintiffs", and the Big Lost River Irrigation District, as well as each of their successors, legal representatives, officers, directors, agents, assigns, and all other persons or entities acting for, by or through them, collectively, "Parties"; recorded July 13, 2009, as Instrument No. 46957, records of Butte County, Idaho. (Parcel 3, Tract B)

Assignment and Assumption of Settlement Agreement dated March 14, 2012, by and between PU Ranch, a general partnership, and Mitchell D. Sorensen and Elaine R. Sorensen, husband and wife; recorded May 1, 2012, as Instrument No. 49514, records of Butte County, Idaho.

34. Terms, Conditions and Provisions as contained in Quitclaim Deed for Easement dated June 30, 2009, between the Big Lost River Irrigation District, "Grantor", and Telford Lands LLC, Michael Telford, Mitchell D. Sorensen and PU Ranch, "Grantee"; recorded July 13, 2009, as Instrument No. 46958, records of Butte County, Idaho. (Parcel 3, Tract B)

(Note: The description of this Easement is inadequate to determine the exact location of said Easement.)

Assignment of Easement dated March 14, 2012, by and between PU Ranch, a general partnership, and Mitchell D. Sorensen and Elaine R. Sorensen, husband and wife; recorded May 1, 2012, as Instrument No. 49510, records of Butte County, Idaho.

35. Mortgage, Assignment of Rents, Security Agreement and Fixture Filing, dated October 27, 2011, by and between, Standlee Hay Company, Inc., Standlee Ag Resources, Standlee Family Limited Partnership, Michael Gene Standlee aka Mike Standlee and Whendy Lee Standlee, Mortgagors, to Metropolitan Life Insurance Company, Mortgagee, to secure payment of \$26,600,000.00 and interest; recorded November 16, 2011, as Instrument No. 49073, records of Butte County, Idaho. (Parcel 4 No. 9)

(Note) This Mortgage is executed in four original counterparts for concurrent recording in Butte, Twin Falls, Jerome and Owyhee Counties, Idaho).

36. Financing Statement by and between Standlee Hay Company, Inc., Standlee Ag Resources, Standlee Family Limited Partnership, Michael Gene Standlee aka Mike Standlee and Whendy Lee Standlee, as Debtors, and Metropolitan Life Insurance Company, as Secured Party; recorded November 16, 2011, as Instrument No. B 2011-1100061-7, records of the Idaho Secretary of State. (Parcel 4 No. 9)

37. Terms, Conditions and Provisions of Grant of Irrigation Easement dated December 27, 2011, by and between Standlee Family Limited partnership, an Idaho Limited Partnership, and Mitchell D. Sorensen and Elaine R. Sorensen, husband and wife, and PU Ranch, a general partnership; recorded May 1, 2012, as Instrument No. 49511, records of Butte County, Idaho. (Parcel 4 No. 9)

Assignment and Assumption of Irrigation Easement dated March 14, 2012, by and between PU Ranch, a general partnership, and Mitchell D. Sorensen and Elaine R. Sorensen, husband and wife; recorded May 1, 2012, as Instrument No. 49512, records of Butte County, Idaho.

38. Financing Statement by and between Mitchell D. Sorensen and Elaine R. Sorensen, as Debtors, and Idaho AgCredit, FLCA, as Secured Party; Filed April 30, 2012, as Filing No. B 2012-1106718-7, records of the Idaho Secretary of State. (Parcels 1,2,3 and 4)

39. Terms, Conditions and Provisions of Ditch Abandonment and Easement Relocation Agreement dated April 27, 2012, by and between Telford Lands LLC, an Idaho Limited Liability Company, and Mitchell D. Sorensen and Elaine R. Sorensen, husband and wife; recorded May 1, 2012, as Instrument No. 49513, records of Butte County, Idaho.
(Parcel 4 No. 9)

40. Easement Agreement dated March 9, 2012, between Mitchell Sorensen and Elaine R. Sorensen, husband and wife; Telford Lands LLC; Standlee Family Limited Partnership, an Idaho limited Partnership; and Todd Perkes and Norma Perkes, whereas each party agrees to convey easements to one another; recorded March 14, 2012, as Instrument No. 49389, records of Butte County, Idaho. (Ptn Parcel 1)

41. Easement for Irrigation Canal as disclosed on Record of Survey; recorded November 19, 1998, as Instrument No. 33777, records of Butte County, Idaho. (Parcel 5)

42. A Mortgage to secure an indebtedness as shown below and any other obligations secured thereby:

Amount: \$1,650,000.00

Mortgagor: Mitchell D. Sorensen aka Mitchell Sorensen and Elaine R. Sorensen aka Elaine Sorensen, husband and wife

Mortgagee: Idaho AgCredit, FLCA, a wholly owned subsidiary of Idaho Agricultural Credit Association, a corporation, existing and operating under the Farm Credit Act of 1971, as amended

Dated: April 20, 2012

Recorded: May 1, 2012

Instrument No.: 49515, records of Butte County, Idaho

(Parcels 1, 2, 3 and 4)

43. A Financing Statement filed in the Office of the Idaho Secretary of State showing:

Debtor: Mitchell Sorensen and Elaine Sorensen

Secured Party: Diversified Financial Services, LLC

Filed: June 15, 2012

Filing No.: B 2012-1109022-0

Records of the Idaho Secretary of State

An amendment change to the above Financing Statement.

Nature of Change: Change Collateral Description

Filed: June 20, 2012

Filing No.: B 6585501

Records of the Idaho Secretary of State

An amendment change to the above Financing Statement.

Nature of Change: Change Collateral Description

Filed: June 20, 2012

Filing No.: B 6585516

Records of the Idaho Secretary of State

44. A Financing Statement filed in the Office of the Idaho Secretary of State showing:

Debtor: Mitchell Sorensen and Elaine Sorensen

Secured Party: Diversified Financial Services, LLC

Filed: December 28, 2012

Filing No.: B 2012-1117033-0

Records of the Idaho Secretary of State

45. A Financing Statement filed in the Office of the County Recorder showing:

Debtor: Mitchell Sorensen and Elaine Sorensen

Secured Party: Diversified Financial Services, LLC

Recorded: January 2, 2013

Instrument No.: 50301, records of Butte County, Idaho

(Note: Description SE1/4, Sec. 39, T-4N R-25 E, Butte County, ID---No such Section 39)

46. Real Estate Mortgage to secure an indebtedness as shown below and any other obligations secured thereby:

Amount: \$1,650,000.00

Mortgagor: Mitchell D. Sorensen, aka Mitchell Sorensen, and Elaine R. Sorensen, aka Elaine Sorensen, husband and wife

Mortgagee: Idaho AgCredit, FLCA, a wholly owned subsidiary of Idaho Agricultural Credit Association, a corporation, existing and operating under the Farm Credit Act of 1971, as amended

Dated: May 13, 2013

Recorded: May 28, 2013

Instrument No.: 50745, records of Butte County, Idaho

(Pertains to Parcel 5 Smith Farm only)

SCHEDULE B (Part II)
Subordinate Matters

In addition to the matters set forth in Part I of this Schedule, the Title to the Estate or Interest in the Land described or referred to in Schedule A, is subject to the following matters, if any are shown, but the Company insures that these matters are subordinate to the Lien or Charge of the Insured Mortgage upon the Estate or Interest.

1. Real Estate Mortgage dated March 11, 2010, executed by Mitchell D. Sorensen, aka Mitchell Sorensen, and Elaine R. Sorensen, aka Elaine Sorensen, husband and wife, as Mortgagor, and Idaho AgCredit, PCA, as Mortgagee, to secure payment of \$1,112,000.00 and interest; recorded April 6, 2010, as Instrument No. 47647, records of Butte County, Idaho. (Parcel 1 and 2; Parcel 4 Nos. 1-5)

PCA to FLCA Subordination Agreement dated May 2, 2012, subordinating this Mortgage to Mortgage No. 49515; recorded May 10, 2012, as Instrument No. 49537, records of Butte County, Idaho.

The lien of this Real Estate Mortgage has been subordinated to the lien of the Real Estate Mortgage recorded May 28, 2013, as Instrument No. 50744 and 50745, respectively, as set forth in a PCA to FLCA Subordination Agreement.

Recorded: June 11, 2013

Instrument No.: 50784, records of Butte County, Idaho

2. A Mortgage to secure an indebtedness as shown below and any other obligations secured thereby:

Amount: \$1,112,000.00

Mortgagor: Mitchell D. Sorensen aka Mitchell Sorensen and Elaine R. Sorensen aka Elaine Sorensen, husband and wife

Mortgagee: Idaho AgCredit, PCA, a wholly owned subsidiary of Idaho Agricultural Credit Association, a corporation, existing and operating under the Farm Credit Act of 1971, as amended

Dated: March 19, 2012

Recorded: May 1, 2012

Instrument No.: 49516, records of Butte County, Idaho

(Parcels 1, 2, 3 and 4)

The lien of this Real Estate Mortgage has been subordinated to the lien of the Real Estate Mortgage recorded May 28, 2013, as Instrument No. 50744 and 50745, respectively, as set forth in a PCA to FLCA Subordination Agreement.

Recorded: June 11, 2013

Instrument No.: 50784, records of Butte County, Idaho

SCHEDULE C
Legal Description

PARCEL 1

Township 3 North, Range 25 East of the Boise Meridian, Butte County, Idaho

Section 2: Lot 3 and 4 (N1/2NW1/4); S1/2NW1/4

Section 3: Lot 1, 2, 3 and 4 (N1/2N1/2)

Section 4: Lot 1 and 2 (N1/2NE1/4)

Township 4 North, Range 25 East of the Boise Meridian, Butte County, Idaho

Section 27: E1/2; SE1/4SW1/4

Section 33: Lot 1 and 2 and 7 (NE1/4NE1/4; SE1/4NE1/4; SE1/4SE1/4); SW1/4NE1/4

Section 34: ALL, EXCEPT the NW1/4SW1/4

Section 35: NW1/4; SW1/4

Section 36: North 32 feet

PARCEL 2

Township 4 North, Range 26 East of the Boise Meridian, Butte County, Idaho

Section 5: Lot 1 and 2 (N1/2NE1/4); SW1/4NE1/4; SE1/4NE1/4; E1/2SE1/4

PARCEL 3

Tract A:

Township 3 North, Range 25 East of the Boise Meridian, Butte County, Idaho

Section 2: SW1/4

Section 3: S1/2SE1/4

→ Section 10: N1/2NE1/4

Tract B:

Township 5 North, Range 26 East of the Boise Meridian, Butte County, Idaho

Section 21: That portion of the NW1/4NW1/4, more particularly described as follows:

Beginning at the Northwest corner of the said NW1/4NW1/4, thence East 1,230 feet;
thence South to the North boundary of the Moore Canal;
thence following said Moore Canal boundary Southwesterly to the Railroad right-of-way;
thence Northwesterly along said right-of-way to a point where it intersects a county road running North and South;
thence North along county road right-of-way to the Point of Beginning.

PARCEL 4

The following Easements:

(1) Easement in that Easement Agreement dated December 29, 1981, by and between Mitchell Sorensen and Elaine R. Sorensen, husband and wife, of Butte County, Idaho, hereinafter referred to as "Sorensen", and Boyd Burnett and Sandra Burnett, husband and wife, of Butte County, Idaho, hereinafter referred to as "Burnett", granting an easement across the North 32 feet of the NE1/4 of Section 35, Township 4 North, Range 25 East of the Boise Meridian; recorded March 4, 1982, as Instrument No. 11172, records of Butte County, Idaho.

(2) Easement in the Easement Agreement dated April 3, 1980, by and between Boyd Burnett and Sandra Burnett, husband and wife, and Mitchell Sorensen and Elaine R. Sorensen, husband and wife; recorded April 25, 1980, as Instrument No. M-9315, records of Butte County, Idaho.

(T4N, R25 EBM, along South line of NE1/4 of Sec. 35)

(3) Easement in the Easement Agreement dated July 14, 1981, by and between Timberline Beef, Inc., an Idaho Corporation, and Mitchell Sorensen and Elaine R. Sorensen, husband and wife; recorded July 14, 1981, as Instrument No. M-10610, records of Butte County, Idaho.

(T4N, R25 EBM, Sec.35 SE1/4NE1/4)

(4) Easement in the Easement Agreement dated January, 1988, by Mitchell Sorensen and Elaine Sorensen, husband and wife, and Don Hymas and Georgianna Hymas, husband and wife, and Dean Anderson and Caralee Anderson, husband and wife; recorded May 24, 1988, as Instrument No. 21063, records of Butte County, Idaho.

(T4N, R26 EBM, Sec. 5 NE1/4; E1/2SE1/4)

(5) Easement in the Grant of Easement dated August 16, 1999, between the County of Butte, a political subdivision of the State of Idaho, hereinafter referred to as "Grantor," and Mitchell D. Sorensen and Elaine R. Sorensen, husband and wife; recorded August 16, 1999, as Instrument No. 34782, records of Butte County, Idaho.

Note: This Easement is also signed and hereby Consent to this Easement by the owners of land adjacent to the county road--Robert Waddoups, Charmaine Waddoups, Keith Waddoups, Debbie Waddoups, and Winona Willis, a widow. (T4N, R26 EBM, Sec. 8 along the North line of NW1/4NE1/4; NW1/4)

(6) Irrigation Easement dated December 18, 2008, between Ken Buckwalter and Julie Buckwalter, husband and wife, to Telford Lands, LLC; recorded March 17, 2009, as Instrument No. 46457, records of Butte County, Idaho.

Correction Grant of Irrigation Easement to clarify legal description dated January 18, 2012, by and between Ken and Travis Buckwalter, father and son, "Grantor," and Telford Lands, LLC, an Idaho Limited Liability Company; Mitchell D. Sorensen and Elaine R. Sorensen, husband and wife; and PU Ranch, a General Partnership, having as its partners the Marie Tuthill Family Trust and Slocum Investments, LLC, "Grantees"; recorded January 19, 2012, as Instrument No. 49248, records of Butte County, Idaho. (T5N, R26 EBM, Sec. 20 NE1/4; N1/2NW1/4SE1/4; NE1/4NE1/4)

Assignment and Assumption of Irrigation Easement dated March 14, 2012, by and between PU Ranch, a General Partnership, and Mitchell D. Sorensen and Elaine R. Sorensen, husband and wife; recorded May 1, 2012, as Instrument No. 49508, records of Butte County, Idaho.

(7) Quitclaim Deed for Irrigation Easement dated February 8, 2012, by and between Telford Lands, LLC, an Idaho Limited Liability Company, "Grantor," and Mitchell D. Sorensen and Elaine R. Sorensen, husband and wife, "Grantee"; recorded February 8, 2012, as Instrument No. 49305, records of Butte County, Idaho. (T5N R26 EBM, Sec. 21 NW1/4 West of Highway 93)

Amended and Restated Quitclaim Deed for Irrigation Easement dated April 27, 2012, by and between Telford Lands, LLC, an Idaho Limited Liability Company, and Mitchell D. Sorensen and Elaine R. Sorensen, husband and wife; recorded May 1, 2012, as Instrument No. 49509, records of Butte County, Idaho.

(8) Quitclaim Deed for Easement dated June 30, 2009, between the Big Lost River Irrigation District, "Grantor," and Telford Lands LLC, Michael Telford, Mitchell D. Sorensen, and PU Ranch, "Grantee"; recorded July 13, 2009, as Instrument No. 46958, records of Butte County, Idaho. (Segment of "U-C" or Blaine Canal, T5N, R26 EBM, Sec. 20 NW1/4NE1/4 to T4N, R26 EBM Sec. 5 NE1/4NW1/4)

Assignment of Easement dated March 14, 2012, by and between PU Ranch, a General Partnership, and Mitchell D. Sorensen and Elaine R. Sorensen, husband and wife; recorded May 1, 2012, as Instrument No. 49510, records of Butte County, Idaho.

(9) Grant of Irrigation Easement dated December 27, 2011, by and between Standlee Family Limited Partnership, an Idaho Limited Partnership, "Grantor," and Mitchell D. Sorensen and Elaine R. Sorensen, husband and wife, and PU Ranch, a General Partnership, having as its partners The Marie Tuthill Family Trust and Slocum Investments, LLC, "Grantees"; recorded May 1, 2012, as Instrument No. 49511, records of Butte County, Idaho. (T3N R25 EBM, Sec. 2 SE1/4)

Assignment and Assumption of Irrigation Easement dated March 14, 2012, by and between PU Ranch, a General Partnership, and Mitchell D. Sorensen and Elaine R. Sorensen, husband and wife; recorded May 1, 2012, as Instrument No. 49512, records of Butte County, Idaho.

(10) Ditch Abandonment and Easement Relocation Agreement dated April 27, 2012, by and between Telford Lands LLC, an Idaho Limited Liability Company, "Grantor," and Mitchell D. Sorensen and Elaine R. Sorensen, husband and wife, "Grantee"; recorded May 1, 2012, as Instrument No. 49513, records of Butte County, Idaho.

PARCEL 5

Tract A:

Beginning at a point which bears S. 00°04'39" E., 1,325.99 feet from the N1/4 Corner of Section 21, Township 5 North, Range 26 East of the Boise Meridian, Butte County, Idaho, and said One-Quarter Corner being described in Corner Perpetuation and Filing Record No. 20542; running thence S. 89°55'56" W., 1,320.33 feet to the West line of the E1/2NW1/4 of said Section 21; thence S. 00°02'20" E., 1,320.22 feet along said West line to the South line of the said NW1/4; thence S. 89°49'04" E., 1,321.24 feet along said South line to the Center section line; thence N. 00°04'39" W., 1,325.99 feet along the North-South Center section line to the Point of Beginning.

Tract B:

Beginning at a point which bears S. 00°04'39" E., 1,325.99 feet and S. 89°55'56" W., 1,320.33 feet from the N1/4 Corner of Section 21, Township 5 North, Range 26 East of the Boise Meridian, Butte County, Idaho, and said One-Quarter Corner being described in Corner Perpetuation and Filing Record No. 20542; running thence S. 89°55'56" W., 844.03 feet to the point of intersection with the Easterly Right-of-Way of the abandoned Mackay Branch of the Union Pacific Railroad Company; thence S. 22°55'16" E., 1,431.33 feet along said Railroad Right-of-Way to the South line of the NW1/4 of said Section 21; thence S. 89°49'04" E., 287.48 feet along said South line to the West line of the E1/2 of said Section 21; thence N. 00°02'20" W., 1,320.22 feet along said West line to the Point of Beginning.

LESS and EXCEPTING the following Tract: (Exception to Tracts A & B)

Part of the S1/2NW1/4 of Section 21, Township 5 North, Range 26 East of the Boise Meridian, Butte County, Idaho, described as:

Commencing at the Center N1/16 Corner of Section 21, said point bearing S. 00°32'52" E., 1,326.11 feet from the N1/4 Corner of said Section;

thence S. 89°43'31" W., 2,168.86 feet along the South line of the N1/2NW1/4 of Section 21 to the Easterly Right-of-Way of the Mackay Branch of the Union Pacific Railroad;

thence S. 23°24'29" E., 10.70 feet along said Railroad Right-of-Way to the Northwest corner of Deed Instrument No. 32712;

thence N. 89°27'54" E., 2,164.68 feet along the North line of Deed Instrument Nos. 32712 and 32711 to the Center N1/16 Corner and the Point of Beginning.

Tract C:

Beginning at a point which bears S. 00°04'39" E., 2,651.98 feet from the N1/4 Corner of Section 21, Township 5 North, Range 26 East of the Boise Meridian, Butte County, Idaho, and said One-Quarter Corner being described in Corner Perpetuation and Filing Record No. 20542 and said point being the Center One-Quarter Corner of said Section 21;
 running thence N. 89°49'04" W., 1,608.72 feet to the point of intersection with the Easterly Right-of-Way of the abandoned Mackay Branch of the Union Pacific Railroad Company;
 thence S. 22°55'16" E., 1,041.04 feet along said Railroad Right-of-Way;
 thence S. 89°49'04" E., 1,204.56 feet to the North-South Center section line of said Section 21;
 thence N. 00°04'39" W., 957.56 feet along said Corner section line to the Point of Beginning.

LESS and EXCEPTING the following Tract: (Exception to Tract B & C)

Beginning at a point which bears S. 00°04'39" E., 1,325.99 feet and S. 89°55'56" W., 2,164.36 feet and S. 22°55'16" E., 955.62 feet from the North 1/4 Corner of Section 21, Township 5 North, Range 26 EBM, Butte County, Idaho, and said 1/4 Corner being described in Corner Perpetuation and Filing Record No. 20542, and said Point of Beginning being on the Easterly Right-of-Way of the abandoned Mackay Branch of the Union Pacific Railroad Company and also said point being the True Point of Beginning; said Point of Beginning lying adjacent to an "existing post and rail fence" as described in Item 1 of Butte County Case No. CV-2008-12;
 running thence S. 22°55'16" E., 516.4 feet along the said Easterly Right-of-Way of the abandoned Mackay Branch of the Union Pacific Railroad Company to a point lying 75 feet South of an existing garage as mentioned in aforesaid Case No. CV-2008-12;
 thence N. 67°04'44" E., 10.4 feet, more or less, to a point lying 4 feet West of the crest (inside top of bank) of the canal;
 thence in the general direction of N. 22°55' W., 516.5 feet, more or less, along a meander line parallel and lying 4 foot West of the crest (inside top of bank) of the canal to a point being opposite and adjacent with the aforesaid "existing post and rail fence" along the North boundary of the Cain property;
 thence S. 67°04'44" W., 17.6 feet, more or less, to the True Point of Beginning.

Aforesaid description is in conformance with Butte County Case No. CV-2008-12, Item No. 1, conforming with and describing a parcel between the canal and the Cain structures.

Tract D:

Beginning at a point which bears S. 00°04'39" E., 3,609.54 feet from the N1/4 Corner of Section 21, Township 5 North, Range 26 East of the Boise Meridian, Butte County, Idaho, and said One-Quarter Corner being described in Corner Perpetuation and Filing Record No. 20542;
 running thence N. 89°49'04" W., 1,204.56 feet to the point of intersection with the Easterly Right-of-Way of the abandoned Mackay Branch of the Union Pacific Railroad Company;
 thence S. 22°55'16" E., 1,215.84 feet along said Railroad Right-of-Way;
 thence S. 56°43'55" E., 118.33 feet;
 thence S. 22°55'16" E., 550.74 feet to the South line of said Section 21;
 thence S. 89°57'58" E., 419.89 feet to the S1/4 Corner of said Section 21 as described in Corner Perpetuation and Filing Record No. 31116;
 thence N. 00°04'39" W., 1,688.43 feet along the Center section line to the Point of Beginning.

LESS and EXCEPTING the following Tract: (Exception to Tract D)

A parcel of land generally described as being a portion of the SE1/4SW1/4, Section 21, Township 5 North, Range 26 East of the Boise Meridian, Butte County, Idaho, and being more particularly described as follows:

Commencing at the S1/4 Corner of said Section 21, an iron rod with cap (Recorded - Instrument No. 31116, Butte Co. records), point being the Point of Beginning, from which the N1/4 Corner of said Section 21, an iron rod with cap, (Recorded - Instrument No. 20542, Butte Co. records), bears N. 00°04'39" W., 5,297.97 feet;
 thence N. 00°04'39" W., along the meridional center line of Section 21, a distance of 189.47 feet to a survey spike with washer L.S. 8252;
 thence N. 89°57'58" W., and parallel to the South line of said Section 21, a distance of 499.76 feet to a point on the Old Railroad Right-of-Way and a capped half-inch diameter steel rod L.S. 8252;
 thence S. 22°55'16" E., along said Old Railroad right-of-Way, a distance of 205.76 feet to a point on the South line of Section 21, and a capped 5/8 inch diameter steel rod L.S. 3842;
 thence S. 89°57'58" E., along the South line of Section 21, a distance of 419.89 feet to the Point of Beginning.

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.
9. The invalidity or unenforceability of the lien of the Insured Mortgage upon the Title. This Covered Risk includes but is not limited to insurance against loss from any of the following impairing the lien of the Insured Mortgage
 - (a) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
 - (b) failure of any person or Entity to have authorized a transfer or conveyance;
 - (c) the Insured Mortgage not being properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
 - (d) failure to perform those acts necessary to create a document by electronic means authorized by law;
 - (e) a document executed under a falsified, expired, or otherwise invalid power of attorney;
 - (f) 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
 - (g) a defective judicial or administrative proceeding.
10. The lack of priority of the lien of the Insured Mortgage upon the Title over any other lien or encumbrance.
11. The lack of priority of the lien of the Insured Mortgage upon the Title
 - (a) as security for each and every advance of proceeds of the loan secured by the Insured Mortgage over any statutory lien for services, labor, or material arising from construction of an improvement or work related to the Land when the improvement or work is either
 - (i) contracted for or commenced on or before Date of Policy; or
 - (ii) contracted for, commenced, or continued after Date of Policy if the construction is financed, in whole or in part, by proceeds of the loan secured by the Insured Mortgage that the Insured has advanced or is obligated on Date of Policy to advance; and
 - (b) over the lien of any assessments for street improvements under construction or completed at Date of Policy.
12. The invalidity or unenforceability of any assignment of the Insured Mortgage, provided the assignment is shown in Schedule A, or the failure of the assignment shown in Schedule A to vest title to the Insured Mortgage in the named Insured assignee free and clear of all liens.
13. The invalidity, unenforceability, lack of priority, or avoidance of the lien of the Insured Mortgage upon the Title
 - (a) resulting from the avoidance in whole or in part, or from a court order providing an alternative remedy, of any transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction creating the lien of the Insured Mortgage because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or
 - (b) because the Insured Mortgage 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.
14. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 13 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 Insured Mortgage in the Public Records.

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 11, 13, or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.

4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.

5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.

6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transac-

tion creating the lien of the Insured Mortgage, is

(a) a fraudulent conveyance or fraudulent transfer, or

(b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.

7. 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 Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

CONDITIONS AND STIPULATIONS

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 Section 10 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) "Indebtedness": The obligation secured by the Insured Mortgage including one evidenced by electronic means authorized by law, and if that obligation is the payment of a debt, the Indebtedness is the sum of

(i) the amount of the principal disbursed as of Date of Policy;

(ii) the amount of the principal disbursed subsequent to Date of Policy;

(iii) the construction loan advances made subsequent to Date of Policy for the purpose of financing in whole or in part the construction of an improvement to the Land or related to the Land that the Insured was and continued to be obligated to advance at Date of Policy and at the date of the advance;

(iv) interest on the loan;

(v) the prepayment premiums, exit fees, and other similar fees or penalties allowed by law;

(vi) the expenses of foreclosure and any other costs of enforcement;

(vii) the amounts advanced to assure compliance with laws or to protect the lien or the priority of the lien of the Insured Mortgage before the acquisition of the estate or interest in the Title;

(viii) the amounts to pay taxes and insurance; and

(ix) the reasonable amounts expended to prevent deterioration of improvements; but the Indebtedness is reduced by the total of all payments and by any amount forgiven by an Insured.

(e) "Insured": The Insured named in Schedule A.

(i) The term "Insured" also includes

(A) the owner of the Indebtedness and each successor in ownership of the Indebtedness, whether the owner or successor owns the Indebtedness for its own account or as a trustee or other fiduciary, except a successor who is an obligor under the provisions of Section 12(c) of these Conditions;

(B) the person or Entity who has "control" of the "transferable record," if the Indebtedness is evidenced by a "transferable record," as these terms are defined by applicable electronic transactions law;

(C) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization;

(D) successors to an Insured by its conversion to another kind of Entity;

(E) 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, or

(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;

(F) any government agency or instrumentality that is an insurer or guarantor under an insurance contract or guaranty insuring or guaranteeing the Indebtedness secured by the Insured Mortgage, or any part of it, whether named as an Insured or not;

(ii) With regard to (A), (B), (C), (D), and (E) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured, unless the successor acquired the Indebtedness as a purchaser for value without Knowledge of the asserted defect, lien, encumbrance, or other matter insured against by this policy.

(f) "Insured Claimant": An Insured claiming loss or damage.

(g) "Insured Mortgage": The Mortgage described in paragraph 4 of Schedule A.

(h) "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.

(i) "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.

(j) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means

CONDITIONS AND STIPULATIONS - CONTINUED

authorized by law.

- (k) "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.
- (l) "Title": The estate or interest described in Schedule A.
- (m) "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 or a prospective purchaser of the Insured Mortgage 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 after acquisition of the Title by an Insured or after conveyance by 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.

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 of any claim of title or interest that is adverse to the Title or the lien of the Insured Mortgage, 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 or the lien of the Insured Mortgage, 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 or the lien of the Insured Mortgage, 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, the lien of the Insured Mortgage, or any other matter 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.
- (b) 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.

CONDITIONS AND STIPULATIONS - CONTINUED

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 or to Purchase the Indebtedness.
- (i) 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; or
- (ii) To purchase the Indebtedness for the amount of the Indebtedness on the date of purchase, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of purchase and that the Company is obligated to pay.

When the Company purchases the Indebtedness, the Insured shall transfer, assign, and convey to the Company the Indebtedness and the Insured Mortgage, together with any collateral security.

Upon the exercise by the Company of either of the options provided for in subsections (a)(i) or (ii), all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in those subsections, 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 least of
 - (i) the Amount of Insurance,
 - (ii) the Indebtedness,
 - (iii) 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, or
 - (iv) if a government agency or instrumentality is the Insured Claimant, the amount it paid in the acquisition of the Title or the Insured Mortgage in satisfaction of its insurance contract or guaranty.

- (b) If the Company pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title or the lien of the Insured Mortgage, as insured,

- (i) the Amount of Insurance shall be increased by 10%, and
 - (ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.

- (c) In the event the Insured has acquired the Title in the manner described in Section 2 of these Conditions or has conveyed the Title, then the extent of liability of the Company shall continue as set forth in Section 8(a) of these Conditions.
- (d) In addition to the extent of liability under (a), (b), and (c), 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, or establishes the lien of the Insured Mortgage, 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 or to the lien of the Insured Mortgage, 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

- (a) 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. However, any payments made prior to the acquisition of Title as provided in Section 2 of these Conditions shall not reduce the Amount of Insurance afforded under this policy except to the extent that the payments reduce the Indebtedness.
- (b) The voluntary satisfaction or release of the Insured Mortgage shall terminate all liability of the Company except as provided in Section 2 of these Conditions.

11. 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.

12. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT

- (a) The Company's Right to Recover

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 or Insured Mortgage 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

CONDITIONS AND STIPULATIONS - CONTINUED

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 Insured's Rights and Limitations

- (i) The owner of the Indebtedness may release or substitute the personal liability of any debtor or guarantor, extend or otherwise modify the terms of payment, release a portion of the Title from the lien of the Insured Mortgage, or release any collateral security for the Indebtedness, if it does not affect the enforceability or priority of the lien of the Insured Mortgage.
- (ii) If the Insured exercises a right provided in (b)(i), but has Knowledge of any claim adverse to the Title or the lien of the Insured Mortgage insured against by this policy, the Company shall be required to pay only that part of any losses insured against by this policy that 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.

(c) The Company's Rights Against Noninsured Obligors

The Company's right of subrogation includes the Insured's rights against non-insured obligors including 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.

The Company's right of subrogation shall not be avoided by acquisition of the Insured Mortgage by an obligor (except an obligor described in Section 1(e)(i)(F) of these Conditions) who acquires the Insured Mortgage as a result of an indemnity, guarantee, other policy of insurance, or bond, and the obligor will not be an Insured under this policy.

13. 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.

14. 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 lien of the Insured Mortgage 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.

15. 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.

16. 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 therefor 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 or the lien of the Insured Mortgage 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.

- (b) 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.

17. 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 Westcor Land Title Insurance Company, Attn.: Claims, 201 N. New York Ave., Ste. 200, Winter Park, Florida 32789. Telephone: (407) 629-5842.