

Form 42-248/42-1409(6) 10/07

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

Please print or type. Attach pages with additional information. Instructions are included at the end of this form. Incomplete forms will be returned.

1. Please list the water right number(s) and/or adjudication claim number(s) (if any) for each water right to be changed. List just the adjudication claim number if there is no corresponding water right record on file with the department. Indicate, by checking in the space provided (under the "split" heading), if the change in ownership is limited to a portion of a water right in which case IDWR will produce new water right number(s) for the split(s).

Water Right No(s)	Adjudication Claim No(s)	Split(s)	Water Right No(s)	Adjudication Claim No(s)	Split(s)
WR 13-07345					

RECEIVED

SEP 16 2008

2. The following **REQUIRED** information must be submitted with this form:

- A. The appropriate **FILING FEE**. See instructions for fee amounts.
- B. A copy of the most recent **DEED, TITLE POLICY, CONTRACT OF SALE** or other legal document indicating your ownership of the property and water right(s) or claim(s) in question, **WITH ATTACHED LEGAL DESCRIPTION**.
- C. Either of the following (if necessary to clarify division of water rights or other complex property descriptions):
PLAT OF PROPERTY or **SURVEY MAP** clearly showing the location of the point(s) of diversion and place of use of your water right(s) and/or adjudication claim(s) (these are on file with the county Planning and Zoning or Recorder's Office).
- OR**
- D. If your water right(s) and/or adjudication claim(s) is for ten or more acres of irrigation, you must submit a USDA Farm Service Agency or equivalent **AERIAL PHOTO** with the irrigated acres outlined and point(s) of diversion clearly marked. The **AERIAL PHOTO** should be submitted in place of the **PLAT OF PROPERTY** or **SURVEY MAP**.

3. Name and Address of Former Owner/Claimant(s)

GARY + BECKY EDGE

PRESTON ID 83263

4. New Owner/Claimant(s)

KEN + HANA HAKE

Name Connector (Check one): [] and, [] or, [] and/or

New Mailing Address

P.O. Box 234

City, State and ZIP Code

PRESTON ID 83263

New Telephone Number

(208) 852 6203

Email:

Water Right and/or Adjudication Claim Number		
Irrigation		
Stock		
Domestic		
Other		
Totals		

Water Right and/or Adjudication Claim Number		
Irrigation		
Stock		
Domestic		
Other		
Totals		

Water Right and/or Adjudication Claim Number		
Irrigation		
Stock		
Domestic		
Other		
Totals		

For Snake River Basin Adjudication Claims: Please attach a Notice of Appearance completed by your attorney, if you wish IDWR to correspond with him/her for all matters related to your claims.

7. Signature(s) of New Owner(s) or Claimant(s) Kent Hake (title if applicable)
Chris Hake (title if applicable)

IT IS IMPORTANT TO FILE THIS COMPLETED FORM AT THE APPROPRIATE IDWR OFFICE, WITH PAYMENT OF THE FILING FEE AND THE OWNERSHIP DOCUMENT(S), AS REFERRED TO IN LINE 2.

For IDWR Office Use Only:

Received by BMYC
 Receipted by BMYC
 Processed by _____ AJ

Date 9/16/2008
 Date 9/16/2008
 Date _____

Receipt Amt. \$25.00
 Receipt No. E034415
 WR _____ Date _____

5. Date you acquired the property

6-28-05

6. If the change in ownership affects the entire water right for each water right or adjudication claim number listed in line 1, then skip this line and go to line 7. If the change in ownership divides the water right(s) among multiple owners, you must describe, in detail, your portion of each water right after the change. Fill in the appropriate spaces in the box(es) below to describe your water right(s) after the change (you may copy this page, if necessary). If your quantity of water is greater than a proportionate split, you must attach documentation to show justification for a larger amount. If you are not sure how to identify your portion of the original water right or adjudication claim records, please contact the nearest IDWR office for assistance.

DESCRIPTION OF YOUR PORTION OF WATER RIGHT (If the right will not be split, skip this area and proceed to line 7)		
Water Use	Diversion Rate or Volume	Description (acres, number and type of stock,

168379

WARRANTY DEED

For Value Received DEVON W. WARRICK and GWEN WARRICK,
husband and wife,

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

EUGENE COLE and RHEA G. COLE,
husband and wife,

whose current address is Lewiston, Utah 84320

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

Township 15 South, Range 39 East of the Boise Meridian
Section 4: Beginning at the Southwest corner of Section 4,
and running thence North 20°34'24" East 2767.67
feet to the TRUE POINT OF BEGINNING; thence
North 11°19'35" East 295.27 feet to an existing
fence line; thence South 74°39'00" East 103.70
feet along said fence line; thence South 12°26'25"
West 269.19 feet; thence North 89°22'30" West
100.00 feet to the true point of beginning.

TOGETHER WITH rights to a culinary water source located on adjoining
land and an easement for culinary water pipeline from culinary water
source to the above described property. Free from future monetary
assessments.

ALSO TOGETHER WITH a 16 foot wide right of way across Grantors
adjoining land for ingress and egress to a public right of way.

TO HAVE AND TO HOLD the said premises, with their 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 owner s in fee simple of said premises; that they are free
from all incumbrances

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

Dated:

STATE OF ~~IDAHO~~ ^{UTAH} COUNTY OF DAVIS

On this 7th day of SEPT., 1984,
before me, a notary public in and for said State, personally
appeared DEVON W. WARRICK and GWEN WARRICK
his wife

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

Residing at BOUNTIFUL,
Utah. Expires 12/3/1987

Notary Public

Recorded at the request of

9:35 a.m. JAN 22 1985 p.m.

CORRIE L. KELLER, RECORDER
By Theresa E. Volman Deputy
FRANKLIN COUNTY, IDAHO

Furnished by the AMERICAN LAND TITLE CO.

188434 1-2

Recorded at the request of

Steven R. Fuller

a.m. JUN 15 1993 4:15 p.m.

WARRANTY DEED

FOR VALUE RECEIVED

EUGENE C. COLE and RHEA G. COLE, husband and wife, Grantors
do hereby grant, bargain, sell and convey unto

PAUL AHLSTROM and PAMELA AHLSTROM, husband and wife,
whose current address is: 2815 North Hwy 91

the Grantees, the following described premises in Franklin County,
Idaho to wit:

See Exhibit "A" attached hereto

TO HAVE AND TO HOLD the said premises, with their appurtenances
unto the 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 they are
free from all encumbrances and that they will warrant and defend
the same from all lawful claims whatsoever.

DATED: June 1, 1993.

Eugene C. Cole
EUGENE C. COLE

Rhea G. Cole
RHEA G. COLE

STATE OF IDAHO)

County of Franklin)

On this 1st day of June, 1993, before me, the
undersigned a Notary Public in and for said State, personally
appeared EUGENE C. COLE and RHEA G. COLE, known to me to be the
persons whose names are subscribed to the within instrument and
acknowledged to me that they executed the same.

Steven R. Fuller
NOTARY PUBLIC for State of Idaho
Residing at: Preston, ID
Comm. Exp.: 2/19/99

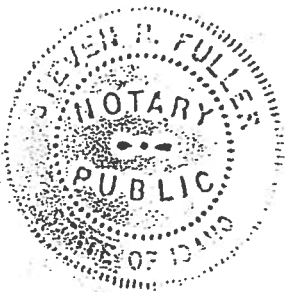


EXHIBIT "A"

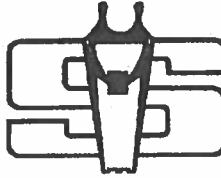
Township 15 South, Range 39 East of the Boise Meridian, Franklin County, Idaho

Section 4: Commencing at the Southwest corner of Section 4 and running thence North $20^{\circ}34'24''$ East 2767.67 feet to the TRUE POINT OF BEGINNING; thence North $11^{\circ}19'35''$ East 295.27 feet to an existing fence line; thence South $74^{\circ}39'00''$ East 103.70 feet along said fence line; thence South $12^{\circ}26'25''$ West 269.19 feet; thence North $89^{\circ}32'30''$ West 100.00 feet to the true point of beginning.

TOGETHER WITH rights to a culinary water source located on adjoining land and an easement for culinary water pipeline from culinary water source to the above described property. Free from future monetary assessments.

ALSO TOGETHER WITH a 16 foot wide right of way across Grantors' adjoining land for ingress and egress to a public right of way.

216551 1-3



Sanctity of Contract

STEWART TITLE

TRUSTEE'S DEED

Recorded at the request of
FIRST AMERICAN TITLE

MAR 12 2002 2:55 PM

V. ELLIOTT LARSEN, RECORDER
By Shauna Reddes Deputy
FRANKLIN COUNTY, IDAHO

STEWART TITLE OF BOISE, INC., (herein called Trustee) as Successor Trustee under the Deed Of Trust hereinafter particularly described, does hereby bargain, sell and convey, without warranty, to:

EQUICREDIT CORPORATION OF AMERICA

(herein called Grantee)

Whose current address is: C/O LAW OFFICE OF STEVEN J. MELMET, 2912 S. DAIMLER ST. ,
SANTA ANA, CA. 92705

All of the real property situated in the County of FRANKLIN State of Idaho, described as follows:

SEE ATTACHED EXHIBIT "A"

This conveyance is made pursuant to the powers conferred upon Trustee by the Deed Of Trust between PAUL AHLSTROM AND PAMELA AHLSTROM, as Grantors, and STEWART TITLE OF BOISE, INC., As Successor Trustee and BANK OF YORBA LINDA, A DIVISION OF BYL GROUP as Beneficiary, recorded January 24, 2000, as Instrument No. 208863 and assigned to Equicredit Corporation of America recorded on January 26, 2001 as Instrument No. 212073, Mortgage Records of Franklin County, Idaho, after the fulfillment of the conditions specified in said Deed Of Trust authorizing this conveyance as follows:

1). Default occurred in the obligations for which such deed of trust was given as security and the beneficiary made demand upon the said trustee to sell property pursuant to the terms of said deed of trust. Notice Of Default was recorded January 26, 2001, as Instrument No. 212075, Mortgage records of Franklin County, Idaho and in the office of each County in which the property described in said deed of trust, or any part thereof, is situated, the nature of such default being as set forth in said Notice Of Default. Such default still existed at the time of sale.

2). After recordation of said Notice Of Default, trustee gave notice of the time and place of the sale of said property by registered/certified mail return receipt requested, by personal service upon the occupants of said real property and/or by posting in a conspicuous place on said premises and by publishing in a newspaper of general circulation in each of the counties in which the property is situated as more fully appears in Affidavits recorded at least 20 days prior to the date of sale as Instrument No.'s 213321, records of FRANKLIN County, Idaho.

3). The provisions, recitals and contents of the Notice Of Default referred to in paragraph (1.) Supra and of the Affidavits referred to in paragraph (2) supra shall be and they are hereby incorporated herein and made an integral part hereof for all purposes as though set forth herein at length..

4). All requirements of law regarding the mailing, personal service, posting, publication and recording of the notice of default, and Notice Of Sale and for all other notices have been complied with.

5). Not less than 120 days elapsed between the giving of Notice Of Sale by registered or certified mail and the sale of said property

6). Trustee, at the time and place of sale fixed by said Notice, at public auction, in one parcel, struck off to Grantee, being the highest bidder thereof, the property herein described for the sum of \$83,600.00, subject however to all prior liens and encumbrances. No person or corporation offered to take any part of said property less than the whole thereof for the amount of principal, interest, advanced costs.

. IN WITNESS WHEREOF, The Trustee, pursuant to a resolution of its Board Of Directors has caused its Corporation name to be hereunto subscribed.

Title Order No. AHLSTROM

Dated: March 8th, 2002

STEWART TITLE OF BOISE, INC.

By: *Larry Kalvelage*

Larry Kalvelage
Vice-President

State Of Idaho

ss

County Of Ada

On this 8th day of March, 2002, before me, the undersigned, Linda D. Irwin
a Notary Public in and for the State, personally appeared **Larry Kalvelage** identified
to me to be the **Vice-President** of the Corporation that executed the instrument
or the person who executed the instrument on behalf of said corporation, and acknowledged to me that
such corporation executed the same.
Notary Public *Linda D. Irwin*

Residing at: Meridian, Id.

Commission Expires: 4-12-06



216551

3-3

ATTACHED LEGAL DESCRIPTION

Order No.: PR13711

Township 15 South, Range 39 East of the Boise Meridian, Franklin County, Idaho

Section 4: Commencing at the Southwest corner of Section 4, and running thence North 20°34'24" East 2767.67 feet to the TRUE POINT OF BEGINNING; thence North 11°19'35" East 295.27 feet to an existing fence line; thence South 74°39'00" East 103.70 feet along said fence line; thence South 12°26'25" West 269.19 feet; thence North 89°32'30" West 100.00 feet to the TRUE POINT OF BEGINNING.

TOGETHER WITH rights to a culinary water source located on adjoining land and an easement for culinary water pipeline from culinary water source to the above described property. Free from future monetary assessments.

ALSO TOGETHER WITH a 16 foot wide right of way across Grantors adjoining land for ingress and egress to a public right of way.

2088631-10

WHEN RECORDED MAIL TO:

Bank of Yorba Linda, a division
of BYL Bank Group
18302 IRVINE BLVD., SUITE 100

TUSTIN, CALIFORNIA 92780

LOAN NO. 1002648

PR13049

Recorded at the request of

First American Title

10:45 a.m. JAN 24 2000 p.m.

V. ELLIOTT LARSEN, RECORDER

By Camille Larsen Deputy
FRANKLIN COUNTY, IDAHO

[Space Above This Line For Recording Data]

DEED OF TRUST

THIS DEED OF TRUST ("Security Instrument") is made on JANUARY 5, 2000. The grantor is PAUL AHLSTROM AND PAMELA AHLSTROM, HUSBAND AND WIFE

("Borrower").

The trustee is FIRST AMERICAN TITLE COMPANY

("Trustee").

The beneficiary is Bank of Yorba Linda, a division of BYL Bank Group,

which is organized and existing under the laws of CALIFORNIA, and whose address is 18302 IRVINE BLVD., SUITE 100, TUSTIN, CALIFORNIA 92780 ("Lender").

Borrower owes Lender the principal sum of EIGHTY-THREE THOUSAND FIVE HUNDRED AND NO/100 Dollars (U.S. \$ 83,500.00). This debt is evidenced by

Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on FEBRUARY 1, 2030.

This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in FRANKLIN County, Idaho:

LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF.

which has the address of 2815 NORTH HIGHWAY 91, PRESTON

(Street)

(City)

Idaho 83263
(Zip Code)

("Property Address").

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. Funds for Taxes and Insurance. Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") for: (a) yearly taxes and assessments which may attain priority over this Security Instrument as a lien on the Property; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if any; (e) yearly mortgage insurance premiums, if any; and (f) any sums payable by Borrower to Lender, in accordance with the provisions of paragraph 8, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow Items." Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. Section 2601 et seq. ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case Borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender's sole discretion.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If, under paragraph 21, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to any prepayment charges due under the Note; second, to amounts payable under paragraph 2; third, to interest due; fourth, to principal due; and last, to any late

LOAN NO. 1002648

IDAHO - Single Family- Fannie Mae/Freddie Mac UNIFORM INSTRUMENT
REF12412.FCL-9-94

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charges due under the Note.

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4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

5. Hazard or Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 21 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

6. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a default and reinstate, as provided in paragraph 18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender

LOAN NO. 1002648

(or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

7. Protection of Lender's Rights in the Property. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

8. Mortgage Insurance. If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in the amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

9. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

10. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

LOAN NO. 1002648

IDAHO - Single Family- Fannie Mae/Freddie Mac UNIFORM INSTRUMENT
REF23414.PCL-9-94

Form 3013-9-90

208863 5-10

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

11. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

12. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

13. Loan Charges. If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

14. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

15. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

16. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument.

17. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

18. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant

LOAN NO. 1002648

IDAHO - Single Family- Fannie Mae/Freddie Mac UNIFORM INSTRUMENT
REF22415.PCL-9-94

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to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 17.

19. Sale of Note; Change of Loan Servicer. The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 14 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

20. Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

21. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraph 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 21, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold, and shall cause such notice to be recorded in each county in which any part of the Property is located. Lender or Trustee shall mail copies of the notice as prescribed by applicable law to Borrower and to other persons prescribed by

LOAN NO. 1002648

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applicable law. Trustee shall give public notice of sale to the persons and in the manner prescribed by applicable law. After the time required by applicable law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

22. **Reconveyance.** Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs.

23. **Substitute Trustee.** Lender may, for any reason or cause, from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.

24. **Area and Location of Property.** Either the Property is not more than forty acres in area or the Property is located within an incorporated city or village.

25. **Riders to this Security Instrument.** If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box(es)]

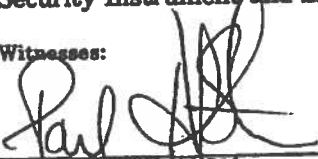
- ☒ Adjustable Rate Rider
☐ Graduated Payment Rider
☐ Balloon Rider
☐ Other(s) [specify]

- ☐ Condominium Rider
☐ Planned Unit Development Rider
☐ Rate Improvement Rider

- ☐ 1-4 Family Rider
☐ Biweekly Payment Rider
☐ Second Home Rider

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

Witnesses:


 _____ (Seal)
 PAUL AHLSTROM Borrower


 _____ (Seal)
 PAMELA AHLSTROM Borrower

 _____ (Seal)
 Borrower

 _____ (Seal)
 Borrower

 _____ (Seal)
 Borrower

 _____ (Seal)
 Borrower

STATE OF IDAHO,

On this 7th day of January, 2000

County ss: Franklin

, before me, the undersigned

, a Notary Public in and for said county and state,

personally appeared

Paul Ahlstrom and Pamela Ahlstrom

known or proved to me to be the person(s) who executed the foregoing instrument, and acknowledged to me that she/he/they 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.

LISA McCONKIE
 NOTARY PUBLIC
 STATE OF IDAHO


 Notary Public residing at: Trenton, UT

LOAN NO. 1002648

IDAHO - Single Family- Fannie Mae/Freddie Mac UNIFORM INSTRUMENT
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LOAN NO. 1002648

ADJUSTABLE RATE RIDER

THIS ADJUSTABLE RATE RIDER is made this 5th day of JANUARY, 2000, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to Bank of Yorba Linda, a division of BYL Bank Group, (the "Lender") of the same date and covering the property described in the Security Instrument and located at:
2815 NORTH HIGHWAY 91, PRESTON, IDAHO 83263
[Property Address]

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT THE BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWER MUST PAY.

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 11.500 %. The Note provides for changes in the interest rate and the monthly payments, as follows:

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The interest rate I will pay may change on the 1st day of FEBRUARY, 2002, and on that day every 6mos thereafter. Each date on which my interest rate could change is called a "Change Date."

(B) The Index

Beginning with the first Change Date, my interest rate will be based on an Index. The "Index" is the 6 month London Interbank Offer Rate ("LIBOR") as published in The Wall Street Journal. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index".

The "Original Index" was the Index published on JANUARY 5, 2000, which was 6.209.

If the Index is no longer available, the Note Holder will choose a new index which is based upon comparable information. The Note Holder will give my notice of this choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding SIX AND THREE/FOURTHS----- percentage points (6.750 %) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-quarter of one percentage point (0.250%). Subject to the limits stated in Section 4 (D) below, this rounded amount will be my new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in substantially equal installments based on an amortization term equal to 30 years minus the number of years elapsed from the date hereof to the applicable Change Date (i.e., on the First Change Date, the payment amount would be based on a 28 year amortization period.)

(D) Limits on Interest Rate Changes

The interest rate I am required to pay at the first Change Date will not be greater than 13.000% or less than 11.500 %. Thereafter, my interest rate will never be increased or decreased on

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any single Change Date by more than 1.500 percentage pts from the rate of interest I have been paying for the preceding 6 mos. My interest rate will never be greater than 18.500 %. My interest rate will never be less than 11.500 %.

(E) Effective Date of Changes

My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.

(F) Notice of Changes

The Note Holder will deliver or mail to me a notice of any changes in my interest rate and the amount of my monthly payment before the effective date of any change. The notice will include information required by law to be given me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

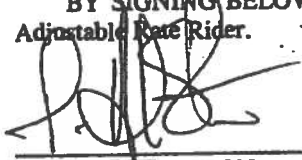
Uniform Covenant 17 of the Security Instrument is amended to read as follows:

Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent. Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by applicable law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender may also require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.



PAUL AHLSTROM

(Seal)
Borrower



PAMELA AHLSTROM

(Seal)
Borrower

(Seal)
Borrower

(Seal)
Borrower

(Seal)
Borrower

(Seal)
Borrower

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4. The Land referred to in this Commitment is described as follows:

Township 15 South, Range 39 East of the Boise Meridian, Franklin County, Idaho

Section 4: Commencing at the Southwest corner of Section 4, and running thence North 20°34'24" East 2767.67 feet to the TRUE POINT OF BEGINNING; thence North 11°19'35" East 295.27 feet to an existing fence line; thence South 74°39'00" East 103.70 feet along said fence line; thence South 12°26'25" West 269.19 feet; thence North 89°32'30" West 100.00 feet to the TRUE POINT OF BEGINNING.

TOGETHER WITH rights to a culinary water source located on adjoining land and an easement for culinary water pipeline from culinary water source to the above described property. Free from future monetary assessments.

ALSO TOGETHER WITH a 16 foot wide right of way across Grantors adjoining land for ingress and egress to a public right of way.

QUITCLAIM DEED 220416

FEB 10 2003 2:35 p.m.

For Value Received Equicredit Corporation of America

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

Becky Edge and Gary Edge

whose address is: **2815 North Hwy. 91, Preston, Idaho 83263**

V. ELLIOTT LARSEN, RECORDER
 By Shauna Geddes Deputy
FRANKLIN COUNTY, IDAHO

Hereinafter called the Grantee, the following described premises situated in Franklin County, Idaho, to-wit:

Township 15 South, Range 39 East of the Boise Meridian, Franklin County, Idaho

Section 4: Commencing at the Southwest corner of Section 4, and running thence North 20°34'24" East 2767.67 feet to the TRUE POINT OF BEGINNING; thence North 11°19'35" East 295.27 feet to an existing fence line; thence South 74°39'00" East 103.70 feet along said fence line; thence South 12°26'25" West 269.19 feet; thence North 89°32'30" West 100.00 feet to the TRUE POINT OF BEGINNING.

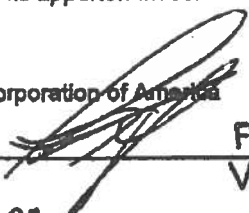
TOGETHER WITH a 16 foot wide right of way across adjoining land for ingress and egress to a public right of way as contained in Instrument 188434.

together with its appurtenances.

Dated:

Equicredit Corporation of America

BY:



FRANK VISOCKY
VICE PRESIDENT

STATE OF **PA**

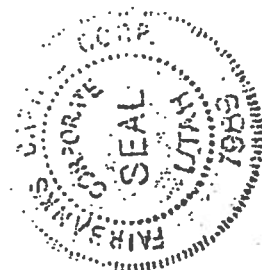
)ss.

COUNTY OF **Montgomery**

On this **5** Day of February, 2003, before me **John A LaRue III**, personally appeared **Frank Visocky**, known or identified to me (or proved to me on the oath of), to be the president, or vice president or secretary or assistant secretary, of the corporation that executed the instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

John A LaRue III
 Notary Public of **PA**
 Residing at: **Montgomery Co.**
 Commission Expires:

Notarial Seal
 John A. LaRue III, Notary Public
 Harborside, Montgomery County
 My Commission Expires Mar. 26, 2006



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Recorded at the request of
STEVEN R. FOLEY

1:50
a.m. NOV 16 2004 p.m.

V. ELLIOT LARSEN, RECORDER
By Shauna Geddes Deputy
FRANKLIN COUNTY, IDAHO

EASEMENTS AND JOINT USE AGREEMENT
FOR CULINARY SPRING AND PIPELINE

THIS AGREEMENT entered into this 12th ^{November} ~~October~~, 2004, by and between IVAN TALBOT AND ANN TALBOT (hereinafter "Grantors") and DEVON WARRICK, LAVERN TALBOT AND IVAN TALBOT (hereinafter "Grantees").

WITNESSETH

WHEREAS, Grantors are the owners of certain real property upon which a culinary spring is located; and

WHEREAS, Grantees are the owners of three single family residences serviced by said spring; and

WHEREAS, the rights to said spring are evidenced as Water Right License No. 13-07345 with the Idaho Department of Water Resources, a copy of which is attached hereto and incorporated herein by reference; and

WHEREAS, it is the desire of all of the parties hereto to continue to use the spring and pipeline for their joint use, to obtain appropriate easements for such use and access thereto and to reach an agreement for the sharing of maintenance, repairs and any improvements that may be needed in connection with said culinary water system.

NOW, THEREFORE, for and in exchange of the mutual covenants, promises and conditions contained herein, the parties agree as follows:

1. Joint Use of Spring. The jointly used spring is located on the property of the Grantors with its point of diversion at Township 15 South, Range 39 East, Section 5: SW1/4NE1/4 in Franklin County, Idaho. The Collection Area for said spring is located at the point of diversion approximately 200 feet wide and 300 feet long (hereafter referred to as "Collection Area"). The parties agree that the Collection Area shall be fenced BY Grantors, or their successors, and protected from contamination by livestock and/or animals. The parties agree that each of the Grantees shall own a one-third (1/3) interest in said spring and the use thereof. If the parties are unable to agree as to the amount each party is using from said spring, the parties shall jointly pay for the installation of a measuring device to be placed on each party's water connection to determine the amount of use in order to equalize the same.

2. Repair and Maintenance Costs. Maintenance and repair of the culinary water system shall be shared equally by the Grantees with regards to the maintenance of the spring and the main pipeline shared by the parties. Any repairs to laterals or separate connections from the main pipeline shall be paid separately by each of the Grantees.

3. No Additional Connections. No additional connections to the culinary water system may be made without the written consent of all of the Grantees.

4. Damage to System. If any party damages the culinary water system through such party's own negligence, that party shall be responsible to pay for the repairs to the water system.

5. Easements. The Grantors hereby grant and convey to the Grantees an

easement for the placement, use, maintenance and operation of the culinary spring, Collection Area and pipeline, together with reasonable access thereto for such purposes, the location of which is generally described as beginning at the point of diversion in the SW1/4NE1/4 of Section 5, Township 15 South, Range 39 East of the Boise Meridian and running to the respective homes of the Grantees, described generally as being located in the SW1/4NW1/4 of Section 4, Township 15 South, Range 39 East of the Boise Meridian. Said easement shall allow for reasonable access to said water lines for the purpose of digging, repairing, removal and replacement thereof.

6. Assignment. This agreement of the parties and their respective rights contained herein shall be appurtenant to and run with the lands described herein and may be freely transferred or assigned in conjunction with the transfer of said lands.

7. Legal Action. In the event it becomes necessary for any party to commence legal action to enforce the terms and conditions of this agreement, the prevailing party shall be entitled to recover reasonable attorneys fees and costs.

8. Binding Effect. This agreement shall replace all prior agreements relating to the culinary water system described herein and shall be binding on the parties hereto, their heirs, successors and assigns.

9. Recordation. It is contemplated this agreement shall be recorded in the land records of Franklin County, Idaho.

THIS AGREEMENT is entered into the day and year first written above.

228102 4-7

GRANTORS

Ivan Talbot
IVAN TALBOT

Ann Talbot
ANN TALBOT

GRANTEES

Devon Warrick
DEVON WARRICK

Lavern Talbot
LAVERN TALBOT

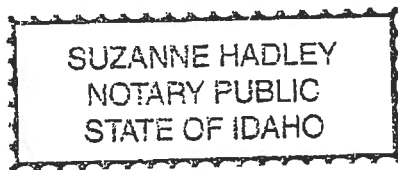
Ivan Talbot
IVAN TALBOT

STATE OF IDAHO

County of Franklin

)
) ss
)

On this 12th day of November, 2004, before me, the undersigned, a Notary Public in and for said State, personally appeared IVAN TALBOT and ANN TALBOT known or identified to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.



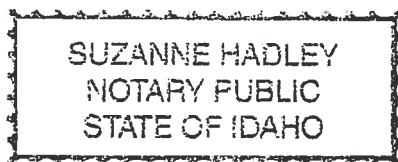
Suzanne Hadley
NOTARY PUBLIC for State of Idaho
Residing at: Preston, Idaho
Comm. Exp: 2/19/05

STATE OF IDAHO

County of Franklin

)
) ss
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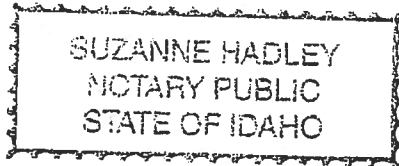
On this 8th day of November, 2004, before me, the undersigned, a Notary Public in and for said State, personally appeared DEVON WARRICK known or identified to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.



Suzanne Hadley
NOTARY PUBLIC for State of Idaho
Residing at: Preston, Idaho
Comm. Exp: 2/19/05 8-11-09

STATE OF IDAHO)
)ss
County of Franklin)

On this 9th day of November, 2004, before me, the undersigned, a Notary Public in and for said State, personally appeared LAVERN TALBOT known or identified to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.





NOTARY PUBLIC for State of Idaho
Residing at: Preston, Idaho
Comm. Exp: 2/19/05 8-11-01

WATER RIGHT LICENSE

WATER RIGHT NO. 13-07345

Priority: December 6, 1981

Maximum Diversion Rate:

0.10 CFS

Maximum Diversion Volume:

4.8 AF

This is to certify, that IVAN TALBOT
D WARRICK
LAVERN TALBOT

2865 N HWY 91
PRESTON ID 83263

has complied with the terms and conditions of the permit, issued pursuant to Application for Permit dated May 22, 1981; and has submitted Proof of Beneficial Use on April 22, 1988. An examination indicates that the works have a diversion capacity of 0.100 cfs of water from:

SPRING

tributary to BATTLE CREEK

source, and a water right has been established as follows:

<u>BENEFICIAL USE</u>	<u>PERIOD OF USE</u>	<u>RATE OF DIVERSION</u>	<u>ANNUAL VOLUME</u>
DOMESTIC	01/01 to 12/31	0.10 CFS	4.8 AF
<u>LOCATION OF POINT(S) OF DIVERSION:</u> SWNE, Sec. 5, Township 15S, Range 39E FRANKLIN County			
<u>PLACE OF USE:</u> DOMESTIC			
<u>TWN RGE SEC</u>			
15S 39E 4	SWNW	SENE	NWSW

CONDITIONS OF APPROVAL AND REMARKS

1. The maximum diversion volume is defined as the maximum allowable volume of water that may be diverted annually from the source under this right. The use of water confirmed by this right is limited to the amount which can actually be beneficially used. The maximum diversion volume may be adjusted to more accurately describe the beneficial use or to implement accepted standards of diversion and use efficiency.
2. This water right is appurtenant to the described place of use.
3. This right is subject to all prior water rights and may be forfeited by five years of non-use.
4. Modifications to or variance from this license must be made within the limits of Section 42-222, Idaho Code, or the applicable Idaho law.
5. A lockable device subject to the approval of the Department shall be maintained on the diverting works in a manner that will provide the watermaster suitable control of the diversion.
6. Use of water under this water right will be regulated by the watermaster of State Water District No. 13L.

WATER RIGHT LICENSE

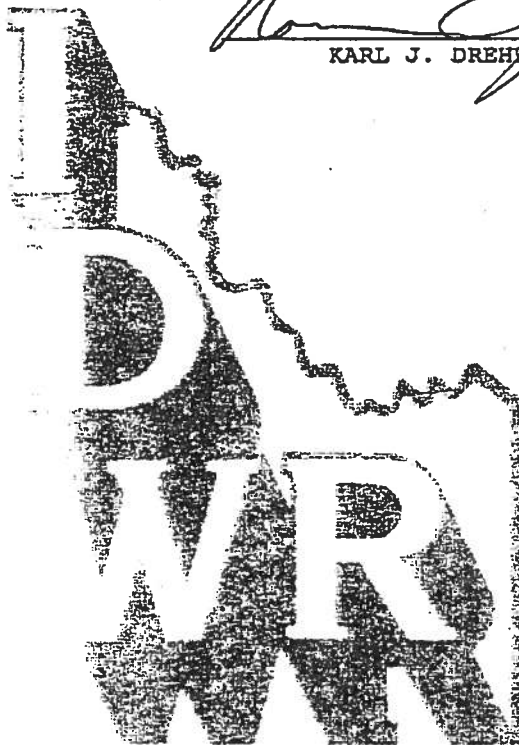
WATER RIGHT NO. 13-07345

CONDITIONS OF APPROVAL AND REMARKS

7. Domestic use is for 4 homes.

This license is issued pursuant to the provisions of Section 42-219, Idaho Code.
Witness the seal and signature of the Director, affixed at Boise, this 16TH
day of MAY, 1977.


KARL J. DREHER, Director





First American Title Company
28 West Oneida, Preston, Idaho 83263
(208) 852-2810, (208) 852-2811

Title Transmittal

Ken Hake and Ann Hake
P. O. Box 987
Pinedale, WY 82941

July 11, 2005
File No.: 121628-PR

PROPERTY: ,

ENCLOSED please find the following for your records:

- Policy of Title Insurance
-

The new home or other real estate you have purchased is protected with a Policy of Title Insurance issued by **FIRST AMERICAN TITLE COMPANY**. We have assigned the above number to your records to assure prompt processing of future title orders involving the property.

We appreciate the opportunity of serving you and will be glad to assist you in any way, remembering that **PROTECTION OF YOUR PROPERTY IS YOUR FIRST CONSIDERATION - AND OURS.**

Sincerely,

Pam Rawlings

enc.

Policy of Title Insurance



ISSUED BY

First American Title Insurance Company

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

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

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

First American Title Insurance Company

By:  President

Attest:  Secretary

ELECTRONIC ORIGINAL

Countersigned
First American Title Company Inc.

© 2000 The First American Corporation.
All Rights Reserved





SCHEDULE A

Date of Policy: **July 5, 2005 at 9:25 A.M.**

Policy No.: **121628-PR**

Policy Amount: **\$15,000.00**

Premium: **\$230.00**

1. Name of Insured:

Ken Hake and Ann Hake, husband and wife

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:

Ken Hake and Ann Hake, husband and wife

4. The Land referred to in this Policy is described as:

A parcel of land being a portion of the parcel of land described in instrument number 205856, as recorded in the official records of Franklin County, located in Section 4, Township 15 South, Range 39 East, Boise Meridian, Franklin County, Idaho, and more particularly described as follows:

Commencing at the Southwest corner of said Section 4, from which the Northwest corner of Section 4 bears North 00° 01' 34" West;

Thence North 29° 25' 42" East 2962.99 feet to a 5/8" rebar and cap labeled "Allen Land Surveying, PLS 9163" at the west right of way line of Highway 91 (F.A.P. NH-F-1491(9)), the Point of Beginning.

**Thence South 81° 45' 31" West 313.11 feet to a 5/8" rebar and cap at a fence line;
Thence South 83° 22' 17" West 80.47 feet along said fence line to a 5/8" rebar and cap at a fence corner;**

Thence North 02° 52' 26" East 270.64 feet along a fence line and its northerly extension to a 5/8" rebar and cap at a fence line;

Thence South 79° 04' 54" East 165.42 feet along said fence line to a 5/8" rebar and cap;

Thence South 83° 46' 54" East 243.72 feet along said fence line to a 5/8" rebar and cap at said west right of way line of Highway 91;

Thence South 10° 11' 10" West 160.94 feet along said right of way line to the Point of Beginning.

Reserving unto the Grantor an easement for utility lines under, over and across the Northerly 12 feet of the above describe land.

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:

PART ONE

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by 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. Any lien, or right to a lien, for services, labor or materials or medical assistance heretofore or hereafter furnished, imposed by law and not shown by the public records.
7. 2005 taxes are in an accruing lien not yet due or payable.
8. Right-of-way or easement of Highway 91 and County road..
9. Oil and Gas Lease Lease upon the terms, conditions and covenants contained therein:
Recorded: April 18, 1979, as Instrument No. 146003
Lessor: Robert H. Steadman and Barrett T. Steadman
Lessee: Placid Oil Company, a Delaware Corporation.
10. The effect of conditions contained in Quit Claim Deed recorded February 28, 1980 as Instrument No. 152345. (Oil and gas rights, geothermal and mineral rights.)
11. The effect of conditions contained in Warranty Deed recorded January 30, 1981 as Instrument No. 155088. (Oil and gas rights, geothermal and mineral rights.)
12. The effect of conditions contained in Order Adopting proposed Memorandum Decision and Order from State of Idaho to LaVern Talbot, Ivan Talbot and/or D. Warrick, recorded February 23, 1983 as Instrument No. 161877. (Pertains to rights in a spring)
13. The effect of conditions contained in Warranty Deed recorded September 23, 1988 as Instrument No. 178426, to the State of Idaho from DeVon W. Warrick and Gwen Warrick, husband and wife. (Highway 91)
14. Easement for County Road granted to Franklin County, recorded September 13, 1993 as Instrument No. 189130.

15. Easements and Joint Use for Culinary Spring and Pipeline Agreement upon the terms, conditions and provisions contained therein:
Parties: Ivan Talbot and Ann Talbot; and Devon Warrick, LaVern Talbot and Ivan Talbot
Recorded: November 16, 2004, Instrument No. 228102
16. The following matters, and any rights, easements, interests or claims which may exist by reason thereof, disclosed by an ALTA/ACSM survey made by Allen Land Surveying, P.C. on June 30, 2005, designated Job for Ken Hake.
 - a. Highway 91
 - b. County Road



First American Title Company

28 West Oneida, Preston, ID 83263
Phone (208) 852-2810 - Fax (208) 852-2811

PRIVACY POLICY

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information – particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our parent company, The First American Corporation, we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its *Fair Information Values*, a copy of which can be found on our website at www.firstam.com.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies, and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's *Fair Information Values*. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

EXCLUSIONS FROM COVERAGE

THE FOLLOWING MATTERS ARE EXPRESSLY EXCLUDED FROM THE COVERAGE OF THIS POLICY AND THE COMPANY WILL NOT PAY LOSS OR DAMAGE, COSTS, ATTORNEYS' FEES OR EXPENSES WHICH ARISE BY REASON OF:

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

CONDITIONS AND STIPULATIONS

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

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

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

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

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

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

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

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

2. CONTINUATION OF INSURANCE AFTER CONVEYANCE OF TITLE

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

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

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

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

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

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

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

(d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action

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

5. PROOF OF LOSS OR DAMAGE.

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

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

insured claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

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

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

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

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

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

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

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

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

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

7. DETERMINATION, EXTENT OF LIABILITY AND COINSURANCE.

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

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

(i) the amount of insurance stated in Schedule A; or

(ii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.

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

(i) where no subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that the Amount of Insurance at Date of Policy bears to the total value of the insured estate or interest at Date of Policy; or (ii) where a subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that 120 percent of the Amount of Insurance stated in Schedule A bears to the sum of the Amount of Insurance stated in Schedule A and the amount expended for the improvement.

The provisions of this paragraph shall not apply to costs, attorneys' fees and expenses for which the Company is liable

under this policy and shall only apply to that portion of any loss which exceeds in the aggregate, 10 percent of the Amount of Insurance stated in Schedule A.

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

8. APPORTIONMENT

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

9. LIMITATION OF LIABILITY.

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

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

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

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY.

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

11. LIABILITY NON-CUMULATIVE.

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

12. PAYMENT OF LOSS.

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

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

13. SUBROGATION UPON PAYMENT OR SETTLEMENT

(a) The Company's Right of Subrogation.

Whenever the Company shall have settled and paid a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant. The Company shall be subrogated to and be entitled to all rights and remedies which the insured claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the insured claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The insured claimant shall permit the Company to sue, compromise or settle in the name

of the insured claimant and to use the name of the insured claimant in any transaction or litigation involving these rights or remedies.

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

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

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

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

14. ARBITRATION.

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

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

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

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT.

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

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

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

16. SEVERABILITY.

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

17. NOTICES, WHERE SENT

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to the Company at 1 First American Way, Santa Ana, California 92707, or to the office which issued this policy.



First American Title Company
28 West Oneida, Preston, ID 83263
Phone (208) 852-2810 - Fax (208) 852-2811

Escrow Officer: **Mary Hinrichs**
Title Officer: **Pam Rawlings**

To: **Kenneth Hake**
Po Box 987
Pinedale, WY 82941

Order No.: **121590-PR**

Attn:

EDGE HOUSE

Your Ref:

Re: Property Address: **2815 No. Hwy 91, Preston, ID**

COMMITMENT FOR TITLE INSURANCE

Issued by

FIRST AMERICAN TITLE INSURANCE COMPANY

Agreement to Issue Policy

We agree to issue a policy to you according to the terms of this Commitment.

When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the Commitment Date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under this Commitment is limited by the following:

- The Provisions in Schedule A.
- The Requirements in Schedule B-1.
- The Exceptions in Schedule B-2.
- The Conditions.

This Commitment is not valid without Schedule A and Section 1 and 2 of Schedule B.

First American Title Insurance Company

By: *Greg J. Bennett* President

Attest: *Mark R. Arnsen* Secretary
Countersigned

First American Title Company Inc.

Quinn H. Hoffmann

AFTER RECORDING MAIL TO:

Ken Hake and Ann Hake
P. O. Box 987
Pinedale, WY 82941

Recorded at the request of

FIRST AMERICAN TITLE9:30
a.m. JUL 06 2005 p.m.

V. ELLIOTT LARSEN, RECORDER
By Shauna Gaddes Deputy
FRANKLIN COUNTY, IDAHO

WARRANTY DEEDFile No.: **121590-PR (mh)**Date: **June 28, 2005**

For Value Received, **Gary Edge and Rebecca Edge, husband and wife**, hereinafter called the Grantor, hereby grants, bargains, sells and conveys unto **Ken Hake and Ann Hake, husband and wife**, hereinafter called the Grantee, whose current address is **P. O. Box 987, Pinedale, WY 82941**, the following described premises, situated in **Franklin County, Idaho**, to-wit:

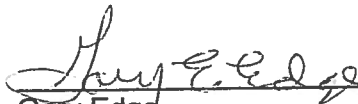
Township 15 South, Range 39 East of the Boise Meridian, Franklin County, Idaho

Section 4: Commencing at the Southwest corner of Section 4, and running thence North 20°34'24" East 2767.67 feet to the TRUE POINT OF BEGINNING; thence North 11°19'35" East 295.27 feet to an existing fence line; thence South 74°39'00" East 103.70 feet along said fence line; thence South 12°26'25" West 269.19 feet; thence North 89°32'30" West 100.00 feet to the TRUE POINT OF BEGINNING.

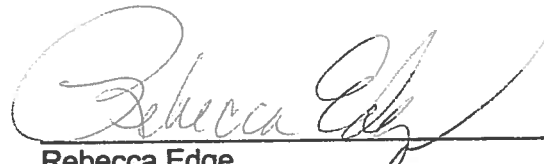
TOGETHER WITH a 16 foot wide right of way across adjoining land for ingress and egress to a public right of way as contained in Instrument 188434.

SUBJECT TO all easements, right of ways, covenants, restrictions, reservations, applicable building and zoning ordinances and use regulations and restrictions of record, and payment of accruing present year taxes and assessments as agreed to by parties above.

TO HAVE AND TO HOLD the said premises, with its appurtenances, unto the said Grantee, and to the Grantee's heirs and assigns forever. And the said Grantor does hereby covenant to and with the said Grantee, that the Grantor is the owner in fee simple of said premises; that said premises are free from all encumbrances except current years taxes, levies, and assessments, and except U.S. Patent reservations, restrictions, easements of record and easements visible upon the premises, and that Grantor will warrant and defend the same from all claims whatsoever.



Gary Edge



Rebecca Edge

OF

Idaho

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SS.

230390 2-2

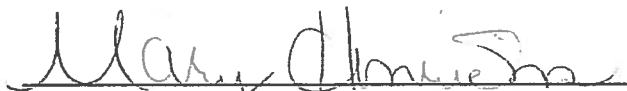
COUNTY OF

Franklin

)

On this **Fifth day of July, 2005**, before me, a Notary Public in and for said State, personally appeared **Gary Edge and Rebecca Edge**, known or identified to me to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same.

MARY HINRICHS
NOTARY PUBLIC
STATE OF IDAHO



Notary Public for the State of Idaho

Residing at: Preston, Idaho

My Commission Expires: 04-28-2008

**FIRST COMMITMENT
SCHEDULE A**

1. Commitment Date : **June 24, 2005 at 7:30 A.M.**

2. Policy or Policies to be issued:

	Policy Amount	Premium Amount
Owner's Policy		
Standard Owner's Policy (10/17/92) Form 1402-92	\$ 125,000.00	\$ 680.00
with applied credit of		\$ None
Proposed Insured:		
Ken Hake		
Loan Policy		
Loan Policy (10-17-92) Form 1056-92	\$ 0.00	\$
with applied credit of		\$ None
Proposed Insured:		
Endorsements:		\$

3. A fee simple interest in the land described in this Commitment is owned, at the Commitment Date by:

Gary Edge and Rebecca Edge, husband and wife

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

Township 15 South, Range 39 East of the Boise Meridian, Franklin County, Idaho

Section 4: Commencing at the Southwest corner of Section 4, and running thence North 20°34'24" East 2767.67 feet to the TRUE POINT OF BEGINNING; thence North 11°19'35" East 295.27 feet to an existing fence line; thence South 74°39'00" East 103.70 feet along said fence line; thence South 12°26'25" West 269.19 feet; thence North 89°32'30" West 100.00 feet to the TRUE POINT OF BEGINNING.

TOGETHER WITH a 16 foot wide right of way across adjoining land for ingress and egress to a public right of way as contained in Instrument 188434.

Commonly known as: 2815 No. Hwy 91 Preston, ID

124,971.82

SCHEDULE B-SECTION ONE
REQUIREMENTS

The following requirements must be met:

- (a) Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
- (b) Pay us the premiums, fees and charges for the policy.
- (c) Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded.
- (d) You must tell us in writing the name of anyone not referred to in this Commitment who will get an interest in the land or who will make a loan on the land. We may then make additional requirements and exceptions.
- (e) Release(s) or Reconveyance(s) of items(s) .

SCHEDULE B -SECTION TWO

EXCEPTIONS

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction.

PART I:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
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. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
7. 2005 taxes are an accruing lien, not yet due and payable until the fourth Monday in November of the current year. The first one-half is not delinquent until after December 20 of the current year, the second one-half is not delinquent until after June 20 of the following year.
Taxes which may be assessed and entered on the property roll for 2005 with respect to new improvements and first occupancy, which may be included on the regular property, which are an accruing lien, not yet due and payable.

General taxes as set forth below. Any amounts not paid when due will accrue penalties and interest in addition to the amount stated herein:

Year	Original Amount	Amount Paid	Parcel Number
2004	\$768.82	\$768.82	1660.05

Homeowners Exemption IS NOT in effect for 2004.
Circuit breaker IS NOT in effect for 2004.

8. Right-of-way or easement of Idaho State Highway 91.
9. Conditions in WARRANTY DEED recorded January 30, 1981, as Instrument No. 155088, as follows: "Grantors hereby reserves one-half (1/2) of all such oil and gas rights, and geothermal and mineral rights."
10. Culinary Water Agreement upon the terms, conditions and provisions contained therein:
Parties: Eugene C. Cole and Paul Ahlstrom
Recorded: June 15, 1993, Instrument No. 188434

NOTE: The foregoing numbered exceptions (1-6) may be eliminated in an ALTA Extended or EAGLE Coverage Policy.

INFORMATIONAL NOTES

- K. Pursuant to the State of Idaho Insurance Regulations: A cancellation fee will be charged on all cancelled orders, unless notified to the contrary, all orders shall be cancelled and a billing sent within 6 months of the effective date on the commitment.

CONDITIONS

1. DEFINITIONS

- (a) "Mortgage" means mortgage, deed of trust or other security instrument.
(b) "Public Records" means title records that give constructive notice of matters affecting the title according to the state law where the land is located.

2. LATER DEFECTS

The Exceptions in Schedule B - Section Two may be amended to show any defects, liens or encumbrances that appear for the first time in the public records or are created or attached between the Commitment Date and the date on which all of the Requirements (a) and (c) of Schedule B - Section One are met. We shall have no liability to you because of this amendment.

3. EXISTING DEFECTS

If any defects, liens or encumbrances existing at Commitment Date are not shown in Schedule B, we may amend Schedule B to show them. If we do amend Schedule B to show these defects, liens or encumbrances, we shall be liable to you according to Paragraph 4 below unless you knew of this information and did not tell us about it in writing.

4. LIMITATION OF OUR LIABILITY

Our only obligation is to issue to you the Policy referred to in this Commitment, when you have met its Requirements. If we have any liability to you for any loss you incur because of an error in this Commitment, our liability will be limited to your actual loss caused by your relying on this Commitment when you acted in good faith to:

comply with the Requirements shown in Schedule B - Section One
or
eliminate with our written consent any Exceptions shown in Schedule B - Section Two.

We shall not be liable for more than the Policy Amount shown in Schedule A of this Commitment and our liability is subject to the terms of the Policy form to be issued to you.

5. CLAIMS MUST BE BASED ON THIS COMMITMENT

Any claim, whether or not based on negligence, which you may have against us concerning the title to the land must be based on this commitment and is subject to its terms.



First American Title Company
28 West Oneida, Preston, ID 83263
Phone (208) 852-2810 - Fax (208) 852-2811

PRIVACY POLICY

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information – particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our parent company, The First American Corporation, we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its *Fair Information Values*, a copy of which can be found on our website at www.firstam.com.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies, and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's *Fair Information Values*. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Range No. 39