

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

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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)
34-2486	Permit		Assignment	of Permit	
34-855					
34-862					
34-258					

RECEIVED

APR 15 2010

Department of Water Resources
Eastern Region

SUPPORT DATA

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

IN FILE # 34-258

- 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)

David J. Lyle & Leslie D. Lyle

Po Box 65

Arco, ID 83213

4. New Owner/Claimant(s)

Mark S. and Paige W. Telford

Name Connector (Check one): ☒ and, ☐ or, ☐ and/or

New Mailing Address

PO Box 511

City, State and ZIP Code

Arco, ID 83213

New Telephone Number

(208) 527-5956 Email: mptelford@gmail.com

5. Date you acquired the property

April 1, 2010

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 (cubic feet per second or acre-feet per annum)	Description (acres, number and type of stock, homes, etc)
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)

Mark TelfordJaige W. Telford

(title if applicable)

(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 JR
 Received by JR
 Processed by AJ

 Date 4-15-10
 Date 4-15-10
 Date _____

 Receipt Amt. \$100.-
 Receipt No. E035743
 WR _____ Date _____

\$25.- for Assignment of permit.



United States Department of Agriculture
Farm Service Agency

Grid:

Butte County

1:8,151

Farm #742

Tract #214



January 29, 2008

Disclaimer: Wetland identifiers do not represent the size, shape or specific determination of the area. Refer to your original determination (CPA-026 and attached maps) for exact wetland boundaries and determinations, or contact NRCS.



WESTCOR
LAND TITLE INSURANCE COMPANY

ORIGINAL

POLICY NO.
OP-6-ID1009.01-2132576

ALTA OWNER'S POLICY (6-17-06)

ISSUED BY

**WESTCOR LAND
TITLE INSURANCE COMPANY**

OWNER'S POLICY OF TITLE INSURANCE

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

COVERED RISKS

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

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from
 - (a) A defect in the Title caused by
 - (i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
 - (ii) failure of any person or Entity to have authorized a transfer or conveyance;
 - (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
 - (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
 - (v) a document executed under a falsified, expired, or otherwise invalid power of attorney;
 - (vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
 - (vii) a defective judicial or administrative proceeding.
 - (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
 - (c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
3. Unmarketable Title.

COVERED RISKS Continued on next page

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

Issued By:

ID1009.01 * 100636BU

Idaho Title & Trust, Inc.

260 W. Grand Avenue, P.O. Box 802

Arco, ID 83213

WESTCOR LAND TITLE INSURANCE COMPANY



By:

Mary O'Donnell
President

Attest:

Patricia H. Power
Secretary

ALTA 6-17-06 OWNER'S POLICY

SCHEDULE A

Name and Address of Title Insurance Company: Westcor Land Title Insurance Company, 201 N. New York Avenue, Suite 200, Winter Park, Florida, 32789

State: Idaho

County: BUTTE

Address Reference: Township 3 North, Range 26 EBM, Section 12, Arco, ID

File Number: 100636BU	Policy Number: OP-6-ID-1009.01-2132576	Date of Policy: April 1, 2010	Effective Time: 10:56 am	Amount of Insurance: \$163,000.00
Simultaneous #:		Reinsurance #:		

1. Name of Insured:

MARK TELFORD and PAIGE TELFORD, Husband and Wife, as Community Property with right of survivorship

2. The estate or interest in the Land that is insured by this policy is: **Fee Simple**

3. Title is vested in:

MARK TELFORD and PAIGE TELFORD, Husband and Wife, as Community Property with right of survivorship

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

Township 3 North, Range 26 East of the Boise Meridian, County of Butte, State of Idaho.

Section 12: NW1/4NW1/4; S1/2NW1/4; N1/2SW1/4,

AND a One Acre parcel of land of an existing wellsite in the S1/2SE1/4SW1/4 of Section 1, Township 3 North, Range 26 E.B.M., and an existing Easement to the wellsite for ingress and egress.

Issued By **Idaho Title & Trust, Inc.**


Authorized Signatory

Note: This policy is of no force and effect unless Schedule A and Schedule B are attached together with any added pages incorporated by reference.

ALTA 6-17-06 OWNER'S POLICY

SCHEDULE B

Agent #: ID1009

Order #:100636BU

EXCEPTIONS FROM COVERAGE

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

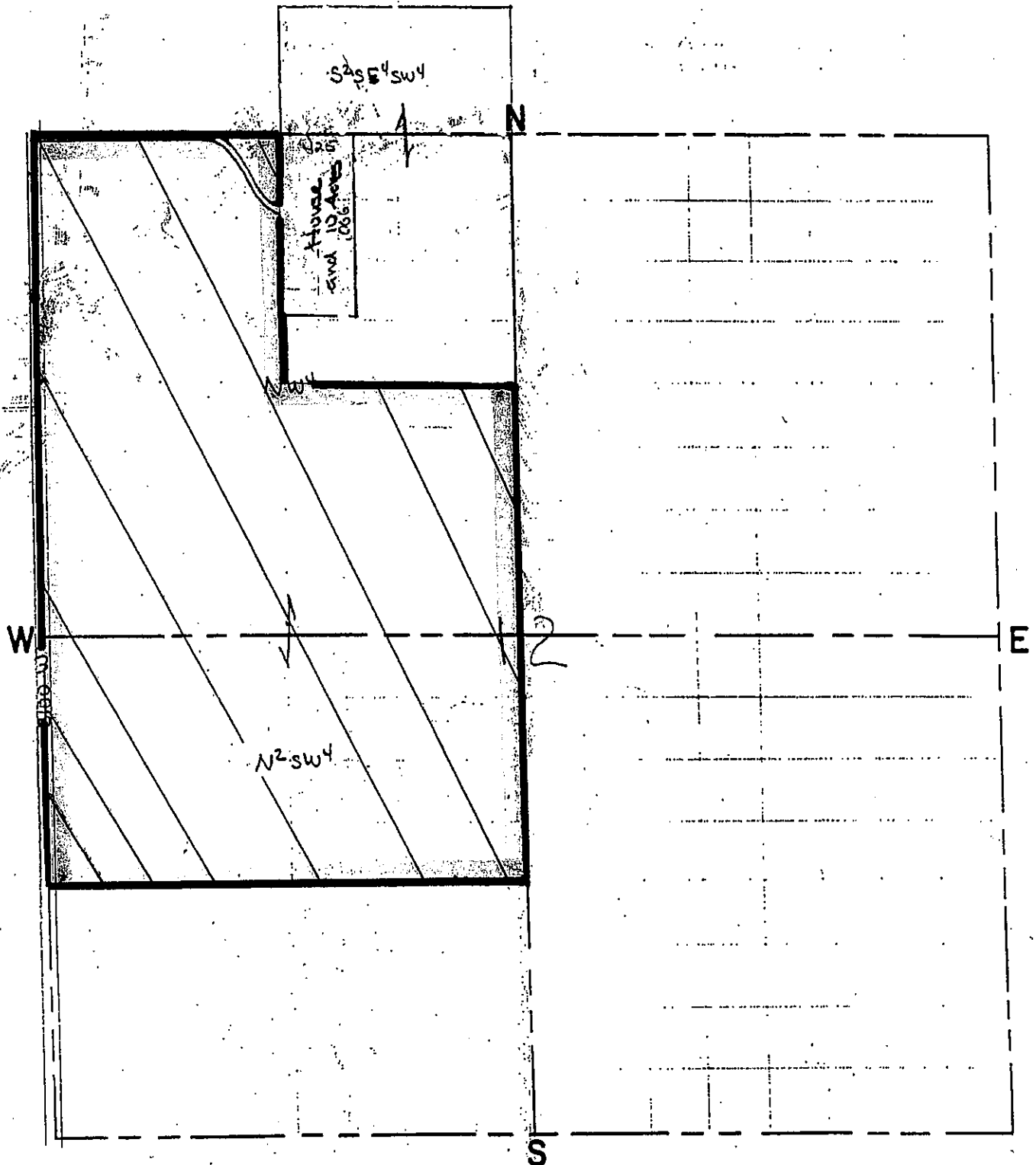
1. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
2. Any lien or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.
3. Encroachments, overlaps, boundary line disputes and any matters which would be disclosed by an accurate survey and inspection of the premises.
4. Rights of parties in actual possession of all or any part of the premises.
5. Easements or claims of easements, not shown by the public records.

SPECIAL EXCEPTIONS

1. General Taxes for 2009 and prior years are paid. Taxes for 2010 are now an accruing lien, not yet due or payable.
2. These premises are situated within the boundaries of the Big Lost River Irrigation District; and are subject to the assessments thereof.
3. All easements and rights-of-way for highways, roads, railroads, ditches, canals, gas, pole, power and transmission lines as they may exist.
4. Easement for Irrigation Pipeline dated June 6, 1968, as granged by Willard O. Bell and Gladys Bell, Husband and Wife, to Crater Farms, Inc; recorded June 26, 1968, in Book 5 of Misc., at Page 140, Instrument No. 49576, records of Butte County, Idaho.
5. Subject to an existing 25 feet wide Access Easement in the NW1/4NW1/4 of Section 12, Township 3 North, Range 26 E.B.M., to access property in the NE1/4NW1/4 as contained in Quitclaim Deed dated October 23, 2007, under Instrument No. 45116, records of Butte County, Idaho.
6. Financing Statement by and between DAVID JAMES LYLE and LESLIE D. LYLE and FARM CREDIT SERVICES OF AMERICA PCA; recorded May 8, 2009, under Instrument No 46646, records of Butte County, Idaho.
7. Irrigation Well Easement dated March 31, 2010, executed by DAVID JAMES LYLE and LESLIE DANA LYLE, Husband and Wife, to MARK TELFORD and PAIGE TELFORD for a 25 foot wide Easement for Ingress and Egress; recorded April 1, 2010, under Instrument No. 47634, records of Butte County, Idaho.

Tn 3N Rg 26 E. Bm.

Scale: 1 in = 800 ft.



Each side large blue squares = 5 chains, 20 rods, 330 feet, area of square 2.5 acres
Each side small red squares = 1.25 chains, 5 rods, 82.5 feet, area of square .15625 of 1 acre

4. No right of access to and from the Land.
5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (a) the occupancy, use, or enjoyment of the Land;
 - (b) the character, dimensions, or location of any improvement erected on the Land;
 - (c) the subdivision of land; or
 - (d) environmental protection

if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.

6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.
7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.
9. Title being vested other than as stated in Schedule A or being defective
 - (a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or
 - (b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records
 - (i) to be timely, or
 - (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this Policy, but only to the extent provided in the Conditions.

EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
- (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
- (c) resulting in no loss or damage to the Insured Claimant;
- (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
- (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

CONDITIONS AND STIPULATIONS

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

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

without Knowledge. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.

- (j) "Title": The estate or interest described in Schedule A.
- (k) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE

The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

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

4. PROOF OF LOSS

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

5. DEFENSE AND PROSECUTION OF ACTIONS

- (a) Upon written request by the Insured, and subject to the options contained in Section 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of those causes of action that allege matters not insured against by this policy.
- (b) The Company shall have the right, in addition to the options contained in Section 7 of these Conditions, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to

CONDITIONS AND STIPULATIONS - CONTINUED

establish the Title, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.

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

6. DUTY OF INSURED CLAIMANT TO COOPERATE

- (a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter as insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.
- (b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

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

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

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

To pay or tender payment of the Amount of Insurance under this

policy together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay.

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

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

- (i) To pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or
- (ii) To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

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

8. DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.

- (a) The extent of liability of the Company for loss or damage under this policy shall not exceed the lesser of
- (i) the Amount of Insurance; or
- (ii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy.
- (b) If the Company pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title, as insured,
- (i) the Amount of Insurance shall be increased by 10%, and
- (ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.
- (c) In addition to the extent of liability under (a) and (b), the Company will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

9. LIMITATION OF LIABILITY

- (a) If the Company establishes the Title, or removes the alleged defect, lien, or encumbrance, or cures the lack of a right of access to or from the Land, or cures the claim of Unmarketable

- Title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.
- (b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title, as insured.
- (c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment.

11. LIABILITY NONCUMULATIVE

The Amount of Insurance shall be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is executed by an Insured after Date of Policy and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the Insured under this policy.

12. PAYMENT OF LOSS

When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days.

13. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT

- (a) Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall permit the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.

If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.

- (b) The Company's right of subrogation includes the rights of the Insured to indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.

14. ARBITRATION

Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be

no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured. All arbitrable matters when the Amount of Insurance is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT

- (a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.
- (b) Any claim of loss or damage that arises out of the status of the Title or by any action asserting such claim shall be restricted to this policy.
- (c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.
- (d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance.

16. SEVERABILITY

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

17. CHOICE OF LAW; FORUM

- (a) Choice of Law: The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located.

Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the Insured and to interpret and enforce the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.

- (b) Choice of Forum: Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

18. NOTICES, WHERE SENT

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at: Westcor Land Title Insurance Company, Attn.: Claims, 201 N. New York Ave., Ste. 200, Winter Park, Florida 32789.

NO. 0047633

RECORDED

APR 01 2010

10:55 A.M.
BUTTE COUNTY RECORDER
Jana Samell

WARRANTY DEED

Order No: 5858LRT

For Valuable Consideration Received

DAVID JAMES LYLE AND LESLIE DANA LYLE, Husband and Wife,

the Grantors, do hereby grant, bargain, sell, convey and warrant unto

MARK TELFORD AND PAIGE TELFORD, Husband and Wife, as Community Property with right of survivorship,

the Grantees, whose current address is:

P.O. Box 511, Arco, ID 83213

the following described premises, to-wit:

Township 3 North, Range 26 East of the Boise Meridian, County of Butte, State of Idaho.

Section 12: NW1/4NW1/4; S1/2NW1/4; N1/2SW1/4,

AND a One Acre parcel of land of an existing wellsite in the S1/2SE1/4SW1/4 of Section 1, Township 3 North, Range 26 E.B.M., and an existing Easement to the wellsite for ingress and egress.

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 owners in fee simple of said premises; that said premises are free from all encumbrances and that they will warrant and defend the same from all lawful claims whatsoever.

David James Lyle by Leslie Dana Lyle 3-31-10
David James Lyle by Leslie Dana Lyle, attorney in fact Date

Leslie Dana Lyle 3/31/10
Leslie Dana Lyle Date

State of Idaho

ss.

County of Butte

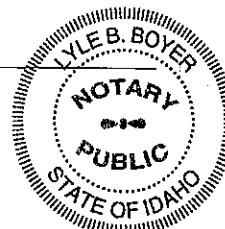
On this 31st day of March, 2010, before me, the undersigned, a Notary Public, in and for said State, personally appeared LESLIE DANA LYLE, known to me, and/or identified to me on the basis of satisfactory evidence, to be the person whose name is subscribed to the within instrument as attorney in fact of DAVID JAMES LYLE, and acknowledged to me that she subscribed the name of David James Lyle thereto as principal, and her own name as attorney in fact.

WITNESS MY HAND AND OFFICIAL SEAL

Lyne B. Boyer
Notary Public

Residing at:

Commission Expires:



Idaho Title & Trust, Inc.
260 West Grand Avenue
Arco, ID 83213

Purchaser Statement
03/30/2010

Escrow No: 100636BU
5858LRT

Purchaser: ~~Mark Telford~~
~~Paige Telford~~
P.O. Box 511
Arco, ID 83213

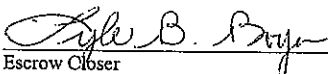
Seller: David James Lyle
Leslie Dana Lyle
PO Box 65
Arco, ID 83213

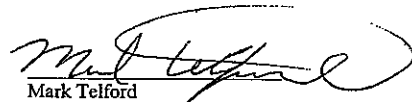
Property Address: Township 3 North, Range 26 EBM, Section 12
Arco, ID

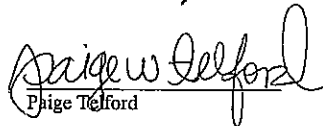
	Debits	Credits
Deposit or earnest money		\$10,000.00
County Tax Proration from 1-1-2010 thru 3-31-2010		\$301.97
Assumption of Pivot UCC to Farm Credit Services		\$104,719.15
Contract Sales Price	\$163,000.00	
Personal Property	\$105,000.00	
Settlement or closing fee to Idaho Title & Trust, Inc.	\$269.50	
Recording Fees to Idaho Title & Trust, Inc.	\$3.00	
Sub-totals	\$268,272.50	\$115,021.12
Balance Due From Purchaser		\$153,251.38

By:

I/We hereby acknowledge receipt of this statement.


Escrow Closer


Mark Telford


Paige Telford

ESCROW INSTRUCTIONS

FILE NO.: 100636BU / 5858LRT

We, the undersigned, hereby instruct **Idaho Title & Trust, Inc.**, hereinafter referred to as the "Closing Agent", when in receipt of all documents and monies as set forth herein, to act as their closing and escrow agent pursuant to the following terms and conditions:

The parties have entered into an agreement for the purchase and sale of real property dated **March 16, 2010**. The closing agent is hereby instructed to close the transaction in accordance with the terms of the parties Agreement as well as the instructions, HOWEVER, in the event the terms of the parties Agreement and the terms of these instructions shall conflict, the terms of these instructions shall control.

PROPERTY:	Township 3 North, Range 26 EBM, Section 12 Arco, ID	SALES PRICE:	\$163,000.00
BUYER:	Mark Telford and Paige Telford	EARNEST MONEY OF:	\$10,000.00
SELLER:	David James Lyle and Leslie Dana Lyle	Deposited With:	Idaho Title & Trust, Inc.

When closing agent has received all properly executed documents and all funds necessary for completion of the transaction, you are hereby authorized and directed to use the funds and documents held in escrow to close in accordance with the instructions herein.

TITLE INSURANCE: Idaho Title & Trust, Inc., is instructed to provide an Owner's Policy for Mark Telford Paige Telford, Husband and Wife, in the amount of \$163,000.00. This Policy shall be subject to the usual printed general exceptions, exceptions #1-5, shown in Idaho Title & Trust, Inc.'s Title Commitment No. 100636BU, dated March 23, 2010, and any additional exceptions that may become apparent or of record subsequent to that date. Each of the parties acknowledges that they have read and approved said Title Commitment, or hereby waive the reading of said Commitment.

The closing agent is hereby authorized to record or file all necessary documents and disburse funds deposited in accordance with the amounts shown on the closing statement. Minor adjustments may be made for additional interest due, or any delay in disbursing beyond the control of the closing agent, for which the respective party shall be given an accounting.

PRORATIONS: Pro-rate as of Close of Escrow the following checked items and charge or credit my account accordingly:

☒ Real Property Taxes	☐ Homeowners Assoc. Dues
☐ Rents	☐ Irrigation Dues
	☐ Sewer Dues

Assume a 365 day year in any proration herein provided, unless the parties otherwise instruct you. You are to use the information contained in the last available tax statement, rental statement (and any estimated increases), rental statement as provided by the seller, beneficiary's statement, and insurance policies delivered into escrow for the prorates provided above. Unless otherwise set forth, it is understood that water, heating, utility charges, or connection fees will be adjusted between the buyer and seller outside this escrow and it is understood that Closing Agent will assume no responsibility or liability therefore.

TRANSFER OF CERTAIN INSURANCES: Unless otherwise specifically provided in these instructions, the cancellation, transfer, or purchase, of fire or other casualty insurance shall be handled by the parties outside of this escrow.

PAYOFFS: You are authorized to deduct from seller's proceeds any additional interest due on loan payoffs to lender after closing if a loan payoff is being made as a part of the transaction, or other payoffs or assessments required to clear title. The parties understand that there may be adjustments on unusual recording fees after the signing of these instructions. You are further authorized to deduct same from seller's proceeds and/or deduct from buyer's funds any payments made by you for said recording fees. If any payoff used in the settlement of this transaction is found to be insufficient, the party responsible for such payoff agrees to promptly pay any shortages; furthermore, said party agrees

to fully indemnify and hold harmless Idaho Title & Trust, Inc. from any liability these shortages may cause.

TAX PRORATIONS: It is understood and agreed that the real property tax proration herein is based on the amount of the 2009 tax assessed, in the amount of \$1238.4

Buyer and Seller therein hereby affirm and agree that Idaho Title & Trust, Inc., its employees, agents or assigns have not made any warranties as to the accuracy of these tax figures. Further, Buyer and Seller agree that should the actual tax, as shown in the tax statement forwarded by the Assessors Office during the year of sale, differ from the figure represented above, the following will occur:

- A. In the event buyer has received excess credit based on the estimated tax, buyer agrees to reimburse seller; or,
- B. In the event seller has received excess credit based on the estimated tax, seller agrees to reimburse buyer.

It is agreed between the parties herein that they shall assume full responsibility for any further prorations or payment of taxes and hereby release Closing Agent from any further obligation.

_____ (please initial) **HOMEOWNERS EXEMPTIONS ALL COUNTIES:** The undersigned will need to go to the County Assessors office in person to fill out and file the appropriate Homeowners Exemption Form. We, the undersigned buyers hereby acknowledge and accept that it is our sole responsibility to fill out and file the said Homeowners Exemption Form with the appropriate agency/department. Closing Agent is hereby held harmless for any loss or claim for loss resulting from any application for the Homeowners Exemption that is incomplete, and/or filed with the wrong agency/department, and/or NOT filed within the proper deadline(s).

FAILURE OF TRANSACTION TO CLOSE: the event this transaction does not close for any reason, the closing agent shall be entitled to reimbursement for any and all costs expended by it and shall be further entitled to an escrow cancellation fee not to exceed one half of the normal fee and the parties hereto agree to be jointly and severally liable for same. Any earnest money deposited with the closing agent shall be refunded only upon written instructions from the parties hereto, EXCEPT that, in the event the earnest money has been deposited by the Broker, the closing agent is hereby authorized to refund same to the broker's trust account for his disposition to the parties and in the event the closing agent has incurred expenses in connection herewith, the closing agent shall be entitled to retain so much of the earnest money as it is entitled to hereunder for the reimbursement of expenses. If for any reason funds are retained or remain in escrow after closing date, closing agent may deduct therefrom a reasonable monthly charge as custodian thereof. The closing agent shall have no responsibility for compliances with federal or state truth-in-lending, usury or consumer protection laws.

COUNTERPART EXECUTION: These escrow closing instructions may be executed in counterparts with like effect as if all signatures appeared on single copy.

FIRPTA: Unless otherwise instructed, Closing Agent assumes no liability or responsibility for verification of the nationality or foreign status of any transferor/seller in this transaction and had no responsibility for the collection, withholding, reporting, or payment of any amounts due under Section 1445 and 6039C of the Internal Revenue Code commonly called FIRPTA, or any agency with state authority or jurisdiction.

RELEASE OF INFORMATION: Closing Agent is instructed to furnish to any broker or lender identified with this transaction or anyone acting on behalf of such lender, any information concerning this escrow upon request of said broker or lender.

DISPUTES BETWEEN PARTIES: Should any dispute arise between parties interested in property of funds covered by these instructions, Closing Agent shall have the option to hold all matters pending in their then existing status or to join in or commence a court action, or to bring an action in interpleader, at your option. Upon Closing Agent's determination to hold this escrow open for determination of the rights of the parties, Closing Agent will be relieved of all responsibility to proceed until the rights of the parties are settled to its satisfaction. Further, Closing Agent shall be entitled to continue to so refrain to act until (a) the parties hereto have reached an agreement in their differences and shall have notified the Closing Agent in writing of such agreement, or (b) the rights of the parties have been duly adjudicated by a Court of competent jurisdiction. It is further agreed that in the event of any suit or claim made against Closing Agent by either or both parties to this escrow or in the event any suit is instituted by Closing Agent to resolve its responsibility regarding conflicting claims of the parties to this escrow, that said parties, jointly and severally, shall be required to pay all expenses, costs and reasonable attorney's fees incurred by Closing Agent in connection therewith.

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

1. The closing agent is not acting as a representative or advocate of either party. The parties are advised to seek the advice of their own independent legal counsel if any part of this transaction is not fully understood.
2. The documents prepared in connection with this legal transaction will affect the legal rights of the parties and the parties' rights or interests in those documents may differ.
3. Any documents prepared by the closing agent have been done at our direction or the direction of our counsel.
4. Neither legal advice as to the content of the documents, nor advice as to the merits of the transaction has been offered by the closing agent.
5. They or any one of them, are not personally aware of any encumbrances or defects of title on the subject property other than those identified in the commitment for Title Insurance prepared in anticipation of this closing.
6. These escrow closing instructions constitute the entire agreement between the escrow holder and the undersigned parties. Any amendment and/or supplement to these instructions must be in writing.

**THE UNDERSIGNED HAVE READ AND FULLY UNDERSTAND THE FOREGOING
ESCROW CLOSING INSTRUCTIONS AND ALSO THE DECLARATION SET FORTH ABOVE
AND AGREE TO THE SAME.**

BUYER(S) SIGNATURES

Mark Telford 3-31-2010
Mark Telford Date
Paige W. Telford 3/31/2010
Paige Telford Date

Mailing Address: _____

SELLER(S) SIGNATURES

David James Lyle 3/31/10
David James Lyle Date
By Leslie Dana Lyle
Leslie Dana Lyle 3-31-10
Leslie Dana Lyle Date

Mailing Address: PO Box 65 arco, Id 83213

IDAHO TITLE & TRUST, INC.

BY: Lylo B. Boyer