



WESTCOR
LAND TITLE INSURANCE COMPANY

ALTA Commitment Form (6-17-06)

COMMITMENT FOR TITLE INSURANCE

ISSUED BY

WESTCOR LAND TITLE INSURANCE COMPANY

Westcor Land Title Insurance Company, a California corporation ("Company"), for a valuable consideration, commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the Proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest in the land described or referred to in Schedule A, upon payment of the premiums and charges and compliance with the Requirements; all subject to the provisions of Schedules A and B and to the Conditions of this Commitment.

This Commitment shall be effective only when the identity of the Proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A by the Company.

All liability and obligation under this Commitment shall cease and terminate six (6) months after the Effective Date or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue the policy or policies is not the fault of the Company.

The Company will provide a sample of the policy form upon request.

IN WITNESS WHEREOF, WESTCOR LAND TITLE INSURANCE COMPANY has caused its corporate name and seal to be hereunto affixed and by these presents to be signed in facsimile under authority of its by-laws, effective as of the date of Commitment shown in Schedule A.

Issued By:

ID1003 *

TitleOne Corporation

1101 W. River Street, Suite 201

Boise, ID 83702

WESTCOR LAND TITLE INSURANCE COMPANY



By:

Mary O'Donnell

President

Attest:

Patricia W. Power

Secretary

CONDITIONS

1. The term mortgage, when used herein, shall include deed of trust, trust deed, or other security instrument.
2. If the proposed Insured has or acquired actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the proposed Insured shall disclose such knowledge to the Company, or if the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions.
3. Liability of the Company under this Commitment shall be only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions and Conditions and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.
4. This Commitment is a contract to issue one or more title insurance policies and is not an abstract of title or a report of the condition of title. Any action or actions or rights of action that the proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of this Commitment.
5. *The policy to be issued contains an arbitration clause. 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 as the exclusive remedy of the parties. You may review a copy of the arbitration rules at <http://www.alta.org>.*



TitleOne Corporation

Authorized Agent for:

Westcor Land Title Insurance Company

File Number: A1093554 ST/DS

CONTACT INFORMATION

We would like to Thank You for your business. We appreciate the opportunity to serve you and the following contact information has been provided for your convenience during this transaction.

If you have any closing questions please contact your Escrow team:

Dianna Stork
Escrow Officer:
dstork@titleonecorp.com
868 E. Riverside Drive, Ste. 100
Eagle, Idaho 83616
(208) 246-8271 Phone
(208) 493-0201 Fax

Matt Bramwell
Escrow Assistant:
mbramwell@titleonecorp.com
868 E. Riverside Drive, Ste. 100
Eagle, Idaho 83616
(208) 947-1657 Phone
(208) 493-0201 Fax

If you have any title questions please contact your Title Officer:

Scott Thiel
Title Officer:
sthie1@titleonecorp.com
1101 W. River St., Ste 201
Boise, Idaho 83702
(208) 287-5314 Phone
(208) 287-5322 Fax

A copy of this commitment has been provided to:

Boyce Bailey
Corbett Bottles Real Estate Marketing
839 S. Bridgeway Place
Eagle, Idaho 83616
(208)377-5700

Visit us at our website: www.titleonecorp.com

1101 West River St., Ste 201 Boise, Idaho 83702 208.424.8511 fax 208.424.0049
1940 S. Bonito Way, Ste. 190 Meridian, Idaho 83642 208.493.6350 fax 208.493.6360
868 E. Riverside Dr., Ste. 101 Eagle, Idaho 83616 208.493.0200 fax 208.493.0201
5660 E. Franklin Rd., Ste 101 Nampa, Idaho 83687 208.475.1155 fax 208.475.1156



TitleOne Corporation
Authorized Agent for:
Westcor Land Title Insurance Company

ALTA Commitment (6/17/06)

File Number: A1093554 ST/DS

SCHEDULE A

1. **Effective Date:** August 6, 2010 at 07:30 AM

2. **Policy (or Policies) to be issued:**

Preliminary Research Report

Policy Amount:

Proposed Insured:

Premium:

Arroyo Indio LLC, its successors and/or assigns as their respective interests may appear.

Endorsements: None Requested

Charge:

3. **The estate or interest in the land described or referred to in this Commitment and covered herein is:**

Fee Simple

4. **The land described in this Commitment is owned, at the Effective Date, by:**

Ilean L. Balls, a single person as to a Life Estate, with the remainder in Arroyo Indio, L.L.C., an Idaho limited liability company

5. **The land referred to in the Commitment is described as follows:**

See "Exhibit A" Attached Hereto

(End of Schedule A)

TitleOne Corporation

By: 

Scott Thiel, Authorized Officer

SCHEDULE B - SECTION I
REQUIREMENTS AND NOTES

ALTA Commitment (6/17/06)

File Number: A1093554 ST/DS

The following are the requirements to be complied with:

- a. TitleOne Corporation reserves the right to add additional requirements and/or exceptions upon receipt of the details of the forthcoming transaction.
- b. The Company will require delivery of and approval by the Company of an Indemnity and Affidavit as to Debts, Liens and Possession, prior to the issuance of the policy.
- c. The Company will require a copy of the Articles of Organization, Operating Agreement, and other related documents for Arroyo Indio, L.L.C. showing the power and authority of the party or parties who plan to execute the forthcoming conveyance or mortgage on behalf of said limited liability company.
- d. NOTE: According to the available records, the purported address of said land is:

2900 N. Black Cat Road
Kuna, Idaho 83634

(End of Schedule B - Section I)

SCHEDULE B - SECTION II

ALTA Commitment (6/17/06)

EXCEPTIONS FROM COVERAGE

File Number: A1093554 ST/DS

Note: The Policy (or Policies) of insurance may contain a clause permitting arbitration of claims at the request of either the Insured or the Company. Upon request, the Company will provide a copy of this clause and the accompanying arbitration rules prior to the closing of the transaction.

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

1. Rights or claims of parties in possession not shown by the public records.
2. Encroachments, overlaps, boundary disputes, and any other matters which would be disclosed by an accurate survey or inspection of the premises including, but not limited to, insufficient or impaired access or matters contradictory to any survey plat shown by the public records.
3. Easements, or claims of easements, not shown by the public records.
4. Any lien, or right to a lien, for services, labor, or materials heretofore or hereafter furnished, imposed by law and not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims to title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.
6. Taxes or special assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices to such proceedings whether or not shown by the records of such agency, or by the public records.
7. Taxes, including assessments collected therewith, for the year 2009 for which the first installment is paid and the second installment is delinquent.
Parcel Number: S1315223100
Code Area: 04
Original Amount: \$737.94 plus penalty and interest.
8. Taxes, including any assessments collected therewith, for the year 2010 which are a lien not yet due and payable.

Taxes for the year 2009 are paid in full.
Parcel Number: S1315233800
Code Area: 04
Original Amount: \$2,596.22
9. Special assessments, if any, for the City of Kuna.
10. Liens, Levies and Assessment of any and all irrigation districts, including but not limited to the Boise-Kuna Irrigation District.

SCHEDULE B - SECTION II

ALTA Commitment (6/17/06)

EXCEPTIONS FROM COVERAGE

(Continued)

File Number: A1093554 ST/DS

11. Liens, Levies and Assessment of any and all irrigation districts, including but not limited to the Kuna Municipal Irrigation District and the rights, powers, and easements of said district as provided by law.
12. Any question of location, boundary, or area related to the Indian Creek, including, but not limited to, any past or future changes in it.
13. Right-of-way for Black Cat Road.
14. Reservations and exceptions in a United States Patent, and in the act authorizing the issuance thereof.
Recorded: November 5, 1915
Book 5 of Patents at Page 271
Instrument No.: 61388
15. Exceptions and reservations contained in a Deed from the State of Idaho to Ira Estel Putman.
Recorded: April 4, 1923
Instrument No.: 104964
Book 143 at Page 38
Wherein mineral rights are reserved to the state (47-701 Idaho Code).
16. An easement for the purpose shown below and rights incidental thereto as set forth in a Power Line Easement.
Granted to: Idaho Power Company
Purpose: A right-of-way and easement for the erection and continued operation, maintenance, repair, alteration, inspection, relocation, and replacement of the electric transmission, distribution and telephone lines and circuits.
Recorded: October 13, 1948
Instrument No.: 280514
Book 21 of Miscellaneous Records at Page 186.
17. An easement for the purpose shown below and rights incidental thereto as set forth in a Easement.
Granted to: Quenton L. Balls and Ilean L. Balls, husband and wife
Purpose: Ingress and egress
Recorded: November 21, 1963
Instrument No.: 570540
Book 48 of Miscellaneous Records at Page 617-618.
18. All matters, and any rights, easements, interests or claims as disclosed by Record of Survey No. 385 recorded September 7, 1982 as Instrument No. 8237398.

SCHEDULE B - SECTION II

ALTA Commitment (6/17/06)

EXCEPTIONS FROM COVERAGE

(Continued)

File Number: A1093554 ST/DS

19. Terms, covenants, conditions, restrictions, easements, and obligations, if any, contained in a Ordinance No. 2006-58.
Recorded: July 17, 2006
Instrument No.: 106113980
Re-recorded: October 12, 2006
Instrument No.: 106161979
Re-re-record: December 19, 2006
Instrument No.: 106196404

20. Terms, conditions, easements and, obligations, if any, contained in Development Agreement by and between City of Kuna and Evans Construction Management Company.
Recorded: November 3, 2006
Instrument No: 106174307

21. Covenants, Conditions, and Restrictions, and, Easements but omitting any covenant or restriction based on race, color, religion, sex, handicap, familial status, or national origin, unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons as set forth in the document.
Recorded: November 30, 2006
Instrument No.: 106187246

22. Terms, covenants, conditions, restrictions, easements, and obligations, if any, contained in a Ordinance No. 2007-13.
Recorded: March 22, 2007
Instrument No.: 107040488

23. Terms, covenants, conditions, restrictions, easements, and obligations, if any, contained in a Ordinance No. 2007-20.
Recorded: April 20, 2007
Instrument No.: 107056125

24. An easement for the purpose shown below and rights incidental thereto as set forth in a Right-of-Way Easement (Temporary Turnaround).
Granted to: Arroyo Indio, LLC an Idaho limited liability company
Purpose: Construction and placement of a temporary turn-around
Recorded: December 13, 2007
Instrument No.: 107164817

25. Terms, covenants, conditions, restrictions, easements, and obligations, if any, contained in a Entrance Access and Sewer Agreement.
Recorded: January 14, 2008
Instrument No.: 108004599

SCHEDULE B - SECTION II

ALTA Commitment (6/17/06)

EXCEPTIONS FROM COVERAGE

(Continued)

File Number: A1093554 ST/DS

26. An easement for the purpose shown below and rights incidental thereto as set forth in a Seepage Bed Maintenance Easement.
Granted to: Ada County Highway District
Purpose: Access for repair and maintenance of underground seepage beds located within the public right-of-way
Recorded: May 1, 2008
Instrument No.: 108051633
27. A Mortgage to secure an indebtedness as shown below and any other obligations secured thereby:
Amount: \$7,462,500.00
Mortgagor: Arroyo Indio, LLC, an Idaho limited liability company
Mortgagee: Idaho Banking Company
Dated: January 25, 2007
Recorded: January 29, 2007
Instrument No.: 107013133
28. A pending court action as disclosed by a recorded notice:
Plaintiff: Idaho Banking Company, an Idaho banking company
Defendant: Arroyo Indio, LLC, an Idaho limited liability company; Roger J. Smith; Brian D. Smith; Patrick D. Vankleek; and Richard D. Evans
Court: District
Case No.: CV-OC-09-21372
Nature of Action: Foreclose Plaintiff's lien
Recorded: November 12, 2009
Instrument No.: 109126998
29. Terms, covenants, conditions, restrictions, easements, and obligations, if any, contained in Ordinance No. 2010-3.
Recorded: February 19, 2010
Instrument No.: 110015526
Re-Recorded: April 8, 2010
Instrument No.: 110032002

(End of Schedule B-II)