

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

Notice of Change in Water Right Ownership

RECEIVED
JUN 06 2013
IDWR / NORTH

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

Water Right/Claim No.	Split?	Water Right/Claim No.	Split?	Water Right/Claim No.	Split?
95-266	Yes ☐		Yes ☐		Yes ☐
95-14127	Yes ☐		Yes ☐		Yes ☐
	Yes ☐		Yes ☐		Yes ☐
	Yes ☐		Yes ☐		Yes ☐
	Yes ☐		Yes ☐		Yes ☐

2. Previous Owner's Name: Peter Rozin
Name of current water right holder/claimant

3. New Owner(s)/Claimant(s): Randal Heimark + Colleen Gardiner
New owner(s) as listed on the conveyance document Name connector ☒ and ☐ or ☐ and/or

12140 N Chicken Pt Rd Hayden ID 83835
Mailing address City State ZIP
208-762-6398 drrandalheimark@hotmail.com
Telephone Email

4. If the water rights and/or adjudication claims were split, how did the division occur?
☒ The water rights or claims were divided as specifically identified in a deed, contract, or other conveyance document.
☐ The water rights or claims were divided proportionately based on the portion of their place(s) of use acquired by the new owner.

5. Date you acquired the water rights and/or claims listed above: September 2012

6. If the water right described herein has been rented from the Water Supply Bank, rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:

- Rental payments will go to the lessor(s) of record at the beginning of the rental season.
- If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
- New lessor(s) of record will receive payment after the following rental season.

7. This form must be signed and submitted with the following **REQUIRED** items:

- A copy of the conveyance document – warranty deed, quitclaim deed, court decree, contract of sale, etc. The conveyance document must include a legal description of the property or description of the water right(s) if no land is conveyed.
- Plat map, survey map or aerial photograph which clearly shows the place of use and point of diversion for each water right and/or claim listed above (if necessary to clarify division of water rights or complex property descriptions).
- Filing fee (see instructions for further explanation):
 - \$25 per *undivided* water right.
 - \$100 per *split* water right.
 - No fee is required for pending adjudication claims.

8. Signature: Randal Heimark May 27 2013
Signature of new owner/claimant Title, if applicable Date
Signature: Colleen Gardiner May 30 2013
Signature of new owner/claimant Title, if applicable Date

For IDWR Office Use Only:

Received by _____ Date _____ Receipt No. _____ Receipt Amt. _____
Approved by _____ Processed by _____ Date _____

ESCROW INSTRUCTIONS

Date: August 30, 2012
Escrow Number: 78642
Escrow Officer: Twila G. Willcut

Buyer:
Randal Heimark and Colleen Gardiner

Seller:
Peter D. Rozin and Paola Andrea Rozin

The above stated Seller and Buyer employ Kootenai County Title Company to act as Escrow Holder in connection with a sale by seller to buyer, upon the following terms and conditions which shall be complied with by said parties on or before September 7, 2012, except as otherwise specified herein:

Purchase Price	\$775,000.00
Earnest money paid by Buyer	\$10,000.00
New Loan amount	\$
Seller Financing: Mortgage/Deed of Trust Amount	\$
Principal balance of loan being assumed	\$
At the close of escrow, Buyer will hand you the balance of down payment (plus closing costs, if applicable) in certified or wired funds payable to Kootenai County Title Company, Inc. in the sum of	\$(AS PER SETTLEMENT STATEMENT)

And, on or before said date, Escrow Holder will be handed additional funds and/or instruments required to enable Escrow Holder to comply with these instructions, which Escrow Holder is instructed to use when in a position to disburse sale proceeds and procure/issue the following policy(ies) of title insurance:

(X) Owners (X) Standard Title Policy / () Extended Title Policy, in the amount of \$775,000.00;
() ALTA Lenders () Standard Title Policy / () Extended Title Policy, in the amount of \$
with endorsements (if applicable): N/A;

issued from Chicago Title Insurance Company, covering the property located in the County of Kootenai, State of Idaho, more particularly described on the attached Exhibit "A":

SELLER/TRANSFEROR STATES THAT THE PROPERTY ADDRESS IS:

12140 N. Chicken Point Rd.
Hayden, ID 83835

INSTRUMENT(S) ESCROW HOLDER IS INSTRUCTED TO PREPARE TO TRANSFER TITLE:

(X) Warranty Deed -or- () Special Warranty Deed -or- () Other:

SHOW TITLE VESTED IN:

Randal Heimark and Colleen Gardiner, husband and wife

Escrow Holder is authorized and instructed to insert the Buyer's exact vesting on the Deed over the signatures thereon without further instructions or approval.

POLICY TO BE ISSUED SUBJECT TO: Exceptions General Exceptions #1 thru #6, Special Exceptions #8 thru #12 #14 thru #30 #32, as cited in Schedule B, Sections I and II of Commitment No. 78642, dated 08/08/12 and issued by Kootenai County Title Company, Inc., which the undersigned Buyer acknowledges they have read and approved. Exceptions to policy which will be created due to instrument recording concurrently herewith or other special circumstance: N/A

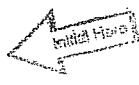
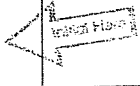
PRORATIONS:

You are authorized and instructed to adjust or prorate the following as of 09/04/12:

Property Taxes: Current year's taxes

Assessments: N/A

Other Items to Prorate: N/A

Seller Initials	Buyer Initials	
PR PR		The undersigned parties hereby acknowledge that all the contingencies and conditions of the original purchase and sale agreement and any and all related counter offers and/or addenda thereto, to which Escrow Holder is not an active party, have been met to the satisfaction of said parties.
PR PR		If personal property is to be transferred as a part of this transaction, a Bill of Sale will be handed to the Escrow Holder for delivery to Buyer at the close of escrow. Escrow Holder assumes no liability as to the sufficiency of said Bill of Sale, nor as to the disposition, ownership, lien holder status, or condition of said personal property.
PR PR		The undersigned parties hereby acknowledge that Kootenai Title has not performed any search regarding the ownership or claim of any water rights pertaining to said property, and makes no warranties or representations regarding same. Transfer of any water rights and/or adjudication claims should be handled outside of escrow; however, Escrow Holder may forward any transfer documents, as completed by the undersigned parties, to the Idaho Department of Water Resources, if they are deposited into escrow along with separate escrow instructions regarding same. Buyer acknowledges it is their responsibility to contact the Idaho Department of Water Resources regarding water rights and/or the adjudication claims process, if so applicable to the subject property.
		The undersigned Buyer hereby acknowledges that they have read and do hereby approve the Covenants, Conditions and Restrictions as shown on the title commitment acknowledged and approved herewith.
		The undersigned Buyer acknowledges that they may be eligible for a homeowner's exemption on subject property which would reduce the amount of property taxes they are required to pay. This exemption is <u>not automatic</u>. The undersigned Buyer is aware that they are responsible to file an application with the County Assessor's Office where subject property is located in order to obtain said exemption. This application cannot be done by Kootenai Title Company, but it must be done by the undersigned homeowners themselves. Therefore, the undersigned Buyer acknowledges that they have been notified of such potential exemption, that they are responsible for filing the application for said exemption, and hereby hold Kootenai Title Company harmless for any loss and/or legal action for same. Should the Buyer desire to file for a timber or agricultural exemption, such request must be filed with the County Assessor's Office no later than December 31 (for the timber exemption) and March 15th (for the agriculture exemption) of the current year, in order to apply to the following year's taxes.

GENERAL PROVISIONS TO ESCROW INSTRUCTIONS

DEFINITIONS:

1. The word "charges" as used herein, refers to all charges and advances made and obligations incurred by Escrow Holder in connection herewith, and all charges in connection with the issuance of title insurance policy or the cancellation of any order thereof.
2. The word "property" as used herein, refers to the real property described in and which is subject to these Escrow Instructions.
3. The word "party" as used herein, refers to Seller or Buyer as the case may be.
4. The phrase "Seller and Buyer" as used herein, refers to Seller and Buyer both jointly and severally unless otherwise specified.
5. The day provided within which compliance with any requirements must be met shall end at the close of the then regularly established public business hours of Escrow Holder for such day, provided, should Escrow Holder be closed during any of said business hours on said day, such requirement may be met on the next succeeding day on which Escrow Holder is open for business through said business hours.
6. "Close of Escrow" shall be date of recordation of deed, unless otherwise specified herein.
7. The word "mortgage" includes "deed of trust" when permitted by law.

SELLER:

8. Will deliver to Escrow Holder a deed from Seller to Buyer, regarding subject property, to be held by Escrow Holder until the terms hereof have been performed, at which time Escrow Holder shall record said deed.

SELLER AND BUYER:

9. Will deliver to Escrow Holder all documents, pay to Escrow Holder all sums, and do or cause to be done all other things necessary, in the sole judgment of Escrow Holder, to enable it to comply herewith, and to enable any title insurance policy provided for herein to be issued.
10. Authorize Escrow Holder to pay, from any funds held in escrow for their respective credit hereunder, all amounts necessary to procure the delivery of such documents and to pay, on their behalf, all charges and obligations payable by them respectively.
11. Should these instructions contemplate a transfer of an interest pursuant to a purchase and sale agreement between said parties, Seller and Buyer will deliver to Escrow Holder such documents as Escrow Holder may, in its sole judgment, require for the benefit of any party to said agreement.
12. Will each pay to Escrow Holder upon demand, all charges payable by them respectively.
13. Authorize Escrow Holder to execute and process on their behalf, form assignments, or otherwise order changes in property and casualty insurance called for herein.
14. Authorize Escrow Holder, in the event conflicting demand is made upon it concerning these instructions or the escrow, at its election, to hold any funds and documents deposited hereunder until an action shall be brought in a court of competent jurisdiction to determine the rights of the Sellers and Buyers, or to interplead for said parties, any funds or documents. Deposit by Escrow Holder of said funds and documents, after deducting from said funds its charges, expenses and attorneys' fees incurred in connection with any such court action, shall relieve Escrow Holder of all further liability and responsibility.
15. Will indemnify and save harmless Escrow Holder against all costs, damages, attorney's fees, expenses and liabilities which it may incur or sustain in connection with these instructions to escrow, or any court action arising therefrom, and will pay the same upon demand.
16. Grant to Escrow Holder a lien upon, and authority to reimburse itself for its charges and for any damages or expenses which it may incur or sustain in connection herewith, from all of the rights, title and interest of Seller and Buyer, in all of the documents and money deposited hereunder.
17. Direct that no notice, demand or change in these instructions shall be in effect unless given in writing; and that said instructions, and any supplement thereto, given mutually by the parties to Escrow Holder, shall constitute the complete instructions, notwithstanding any agreement which Seller and Buyer may have to the contrary.
18. Direct that all money payable pursuant to these Escrow Instructions be paid to Escrow Holder. Disbursement of any funds from escrow may be made by check of Escrow Holder. Escrow Holder shall be under no obligation to disburse any funds represented by check or draft, and no check or draft shall be payment to Escrow Holder in compliance with any of the requirements hereof, until it is advised by the bank depository that such check or draft has been honored, unless Escrow Holder specifically agrees in writing to accept liability for the sufficiency thereof.
19. Escrow Holder to act upon any statement furnished by the holder or payee, or a collection agent for the holder or payee, of any lien on or charge or assessment in connection with the property concerning the amount of such charge or assessment or the amount secured by such lien without liability or responsibility for the accuracy of such statement.
20. Direct that when these instructions have been complied with and Chicago Title Insurance Company is willing to issue its title insurance policy, as hereinafter provided, and when Escrow Holder's charges have been paid, it shall file for record in the appropriate public office all necessary documents required to be filed or recorded.
21. Agree that the employment of Kootenai County Title Company as Escrow Holder shall not affect any rights or subrogation under the terms of any title insurance policy.

Initials: PR PR

hereto, which may also be given as a copy of any Termination Agreement to the Purchase and Sale Agreement. If either party has not returned their signed Escrow Instructions herein to Escrow Holder by the close of escrow date indicated hereon, Escrow Holder may, at its discretion, cancel this escrow.

23. Upon cancellation, Escrow Holder is to return all documents deposited hereunder to the party who delivered the same, except documents executed by both Seller and Buyer, which shall be marked "canceled" and retained in the files of Escrow Holder. Escrow Holder is then further authorized to release any funds deposited into escrow back the party who deposited same, with the exception of any earnest money deposited with Escrow Holder.
24. In the event Escrow Holder is in receipt of the Buyer's earnest money, Escrow Holder will need fully executed instructions from both parties regarding the distribution of said funds. If the parties have not come to an agreement, and Escrow Holder has not received said instructions within thirty (30) days of notification of cancellation of escrow, Escrow Holder may, at their option, deposit said funds with a court of competent jurisdiction for an interpleader action.

ADDITIONAL PROVISIONS:

25. Escrow Holder shall bear no responsibility to verify that the fire insurance provided for herein is renewed upon expiration, or otherwise kept in force. It is the responsibility of the insured to determine that such premiums are paid and that such policies are in effect.
26. A signed copy of these Escrow Instructions, or any addendum or supplement thereto, or any other closing document generated by Escrow Holder, may be returned to Escrow Holder via facsimile or email transmission, and be deemed an original for closing therewith, with the exception of any documents that are to be recorded with the County Recorder, or that the original signed document is necessary to be returned or held by Escrow Holder to perfect its validity thereof.
27. The Escrow Holder assumes no responsibility for determining that the parties to this escrow have complied with the requirements of the Consumer Credit Protection Act (Public Law 90-321).
28. Both parties acknowledge that Kootenai Title Company does not provide legal or financial advice. By their execution hereon, the parties hereto acknowledge it is their right to consult with a legal or financial professional at any time prior to closing.

NOTICES, DEMANDS OR DECLARATIONS

29. The respective addresses of Seller and Buyer as set forth herein or the last notice of change thereof filed with Escrow Holder shall be used by Escrow Holder in mailing any Notice, Demand or Declaration to either party.

TITLE INSURANCE

30. The title insurance provided for herein shall be subject to the conditions of and evidenced by the regular form of owner's title insurance policy with a limit of liability equal to the total amount reflected herein. Said policy, upon issuance, shall insure Buyer against loss by reason of defects in the title to the property on the date of filing for record of the documents as provided herein, subject to such of the following exceptions as may be applicable, in addition to the printed exceptions thereof.
 - a. Taxes and assessments payable by Buyer as set forth herein;
 - b. Building and other restrictive covenants to which the property is subject;
 - c. Easements and rights of way for roadways, canals, laterals, ditches and public utilities over and across the property;
 - d. Mortgages referred to herein;
 - e. Rights of parties under the Purchase and Sale Agreement referred to herein;
 - f. Any liens or encumbrances affecting said property suffered or incurred through any act of fault of the party insured or anyone deriving an interest in said property by or through the said party insured;
 - g. Liabilities and obligations imposed on the land by inclusion in any water or irrigation district;
31. NOTE: there are some matters that a title insurance company does not attempt to investigate or determine and for which it assumes no liability. While not a complete list, experience has shown that among these, the following deserve your particular consideration:
 - a) Unrecorded mechanic's liens and materialmen's liens.
 - b) Current personal property taxes
 - c) Utility charges, such as gas, electric, water, irrigation, and sewer.
 - d) Boundary lines, location of improvements and possession.
 - e) Compliance with limitations on use of the property, such as zoning and building ordinances and building and other restrictions.
 - f) Premiums for fire insurance policies provided for herein. (It is the obligation of the party wishing to be insured to determine that such premiums are paid and that such policies are in effect.)
 - g) Proposed improvement assessments, not yet liens.
32. The undersigned have read and received a copy of Chicago Title Insurance Company's Preliminary Commitment for Title Insurance No. 78642, which is hereby approved in form and content.

Initials: PR PR _____

EXHIBIT "A"

Parcel 1:

All of Lot 12 in Unit I of GEM SHORES ADDITION, and adjacent one-half of Lot 11 in said Unit I, according to the official plat thereof, filed in Book D of Plats at Page 145 Official Records of Kootenai County, Idaho, said adjacent half of Lot 11, being described as follows:

Beginning at the Northerly common corner between Lots 11 and 12 of Unit I of GEM SHORES ADDITION, which is marked by a steel rod; thence

North 31°41'4" East a distance of 32.66 feet; thence

South 47°12'4" East, a distance of 140.25 feet; thence

South 47°12'4" East 21.5 feet to a point on the shoreline of Hayden Lake; thence

Southwesterly on and along said shoreline to a point on a line bearing South 49°26.5' East from the POINT OF BEGINNING; thence

North 49°26'5" West 20 feet, more or less, to a 1 foot steel rod marking a common corner between Lots 11 and 12 of said Unit I along the South shoreline of Hayden Lake; thence

North 49°26'5" West a distance of 141.36 feet to the POINT OF BEGINNING.

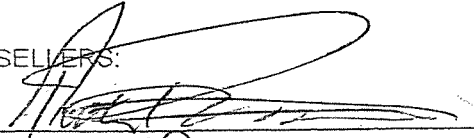
Parcel 2:

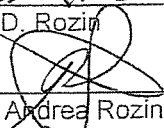
Parcel A, Block 1, GEM SHORES II SUBDIVISION, according to the plat recorded in the office of the County Recorder in Book F of Plats, Pages 77 and 77A, records of Kootenai County, Idaho.

Initials: PR PR

The undersigned Buyer and Seller have read and hereby acknowledge the escrow instructions contained herein, and hereby authorize and instruct Escrow Holder to proceed with closing this transaction in accordance with said instructions.

SELLERS:


Peter D. Rozin


Paola Andrea Rozin

Dated: 9-6-12

SIGN HERE

SIGN HERE

BUYERS:

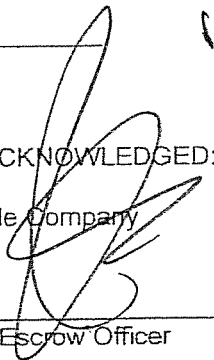
Randal Heimark

Colleen Gardiner

Dated: _____

ACCEPTED AND ACKNOWLEDGED:

Kootenai County Title Company

By: 

Twila G. Willcut, Escrow Officer

rec
9-7

ESCROW INSTRUCTIONS

Date: August 30, 2012
Escrow Number: 78642
Escrow Officer: Twila G. Willcut

Buyer:
Randal Heimark and Colleen Gardiner

Seller:
Peter D. Rozin and Paola Andrea Rozin

The above stated Seller and Buyer employ Kootenai County Title Company to act as Escrow Holder in connection with a sale by seller to buyer, upon the following terms and conditions which shall be complied with by said parties on or before September 7, 2012, except as otherwise specified herein:

Purchase Price	\$775,000.00
Earnest money paid by Buyer	\$10,000.00
New Loan amount	\$
Seller Financing: Mortgage/Deed of Trust Amount	\$
Principal balance of loan being assumed	\$
At the close of escrow, Buyer will hand you the balance of down payment (plus closing costs, if applicable) in certified or wired funds payable to Kootenai County Title Company, Inc. in the sum of	\$(AS PER SETTLEMENT STATEMENT)

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with endorsements (if applicable): N/A;

issued from Chicago Title Insurance Company, covering the property located in the County of Kootenai, State of Idaho, more particularly described on the attached Exhibit "A":

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Hayden, ID 83835

INSTRUMENT(S) ESCROW HOLDER IS INSTRUCTED TO PREPARE TO TRANSFER TITLE:

(X) Warranty Deed -or- () Special Warranty Deed -or- () Other:

SHOW TITLE VESTED IN:

Randal Heimark and Colleen Gardiner, husband and wife

Escrow Holder is authorized and instructed to insert the Buyer's exact vesting on the Deed over the signatures thereon without further instructions or approval.

POLICY TO BE ISSUED SUBJECT TO: Exceptions General Exceptions #1 thru #6, Special Exceptions #8 thru #12 #14 thru #30 #32, as cited in Schedule B, Sections I and II of Commitment No. 78642, dated 08/08/12 and issued by Kootenai County Title Company, Inc., which the undersigned Buyer acknowledges they have read and approved. Exceptions to policy which will be created due to instrument recording concurrently herewith or other special circumstance: N/A

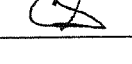
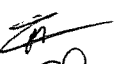
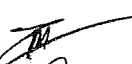
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6. "Close of Escrow" shall be date of recordation of deed, unless otherwise specified herein.
7. The word "mortgage" includes "deed of trust" when permitted by law.

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16. Grant to Escrow Holder a lien upon, and authority to reimburse itself for its charges and for any damages or expenses which it may incur or sustain in connection herewith, from all of the rights, title and interest of Seller and Buyer, in all of the documents and money deposited hereunder.
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21. Agree that the employment of Kootenai County Title Company as Escrow Holder shall not affect any rights or subrogation under the terms of any title insurance policy.

Initials: _____

hereto, which may also be given as a copy of any Termination Agreement to the Purchase and Sale Agreement. If either party has not returned their signed Escrow Instructions herein to Escrow Holder by the close of escrow date indicated hereon, Escrow Holder may, at its discretion, cancel this escrow.

23. Upon cancellation, Escrow Holder is to return all documents deposited hereunder to the party who delivered the same, except documents executed by both Seller and Buyer, which shall be marked "canceled" and retained in the files of Escrow Holder. Escrow Holder is then further authorized to release any funds deposited into escrow back the party who deposited same, with the exception of any earnest money deposited with Escrow Holder.
24. In the event Escrow Holder is in receipt of the Buyer's earnest money, Escrow Holder will need fully executed instructions from both parties regarding the distribution of said funds. If the parties have not come to an agreement, and Escrow Holder has not received said instructions within thirty (30) days of notification of cancellation of escrow, Escrow Holder may, at their option, deposit said funds with a court of competent jurisdiction for an interpleader action.

ADDITIONAL PROVISIONS:

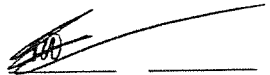
25. Escrow Holder shall bear no responsibility to verify that the fire insurance provided for herein is renewed upon expiration, or otherwise kept in force. It is the responsibility of the insured to determine that such premiums are paid and that such policies are in effect.
26. A signed copy of these Escrow Instructions, or any addendum or supplement thereto, or any other closing document generated by Escrow Holder, may be returned to Escrow Holder via facsimile or email transmission, and be deemed an original for closing therewith, with the exception of any documents that are to be recorded with the County Recorder, or that the original signed document is necessary to be returned or held by Escrow Holder to perfect its validity thereof.
27. The Escrow Holder assumes no responsibility for determining that the parties to this escrow have complied with the requirements of the Consumer Credit Protection Act (Public Law 90-321).
28. Both parties acknowledge that Kootenai Title Company does not provide legal or financial advice. By their execution hereon, the parties hereto acknowledge it is their right to consult with a legal or financial professional at any time prior to closing.

NOTICES, DEMANDS OR DECLARATIONS

29. The respective addresses of Seller and Buyer as set forth herein or the last notice of change thereof filed with Escrow Holder shall be used by Escrow Holder in mailing any Notice, Demand or Declaration to either party.

TITLE INSURANCE

30. The title insurance provided for herein shall be subject to the conditions of and evidenced by the regular form of owner's title insurance policy with a limit of liability equal to the total amount reflected herein. Said policy, upon issuance, shall insure Buyer against loss by reason of defects in the title to the property on the date of filing for record of the documents as provided herein, subject to such of the following exceptions as may be applicable, in addition to the printed exceptions thereof.
 - a. Taxes and assessments payable by Buyer as set forth herein;
 - b. Building and other restrictive covenants to which the property is subject;
 - c. Easements and rights of way for roadways, canals, laterals, ditches and public utilities over and across the property;
 - d. Mortgages referred to herein;
 - e. Rights of parties under the Purchase and Sale Agreement referred to herein;
 - f. Any liens or encumbrances affecting said property suffered or incurred through any act of fault of the party insured or anyone deriving an interest in said property by or through the said party insured;
 - g. Liabilities and obligations imposed on the land by inclusion in any water or irrigation district;
31. **NOTE:** there are some matters that a title insurance company does not attempt to investigate or determine and for which it assumes no liability. While not a complete list, experience has shown that among these, the following deserve your particular consideration:
 - a) Unrecorded mechanic's liens and materialmen's liens.
 - b) Current personal property taxes
 - c) Utility charges, such as gas, electric, water, irrigation, and sewer.
 - d) Boundary lines, location of improvements and possession.
 - e) Compliance with limitations on use of the property, such as zoning and building ordinances and building and other restrictions.
 - f) Premiums for fire insurance policies provided for herein. (It is the obligation of the party wishing to be insured to determine that such premiums are paid and that such policies are in effect.)
 - g) Proposed improvement assessments, not yet liens.
32. The undersigned have read and received a copy of Chicago Title Insurance Company's Preliminary Commitment for Title Insurance No. **78642**, which is hereby approved in form and content.

Initials:  

Parcel 1:

All of Lot 12 in Unit I of GEM SHORES ADDITION, and adjacent one-half of Lot 11 in said Unit I, according to the official plat thereof, filed in Book D of Plats at Page 145 Official Records of Kootenai County, Idaho, said adjacent half of Lot 11, being described as follows:

Beginning at the Northerly common corner between Lots 11 and 12 of Unit I of GEM SHORES ADDITION, which is marked by a steel rod; thence

North 31°41'4" East a distance of 32.66 feet; thence

South 47°12'4" East, a distance of 140.25 feet; thence

South 47°12'4" East 21.5 feet to a point on the shoreline of Hayden Lake; thence

Southwesterly on and along said shoreline to a point on a line bearing South 49°26.5' East from the POINT OF BEGINNING; thence

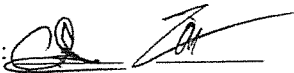
North 49°26'5" West 20 feet, more or less, to a 1 foot steel rod marking a common corner between Lots 11 and 12 of said Unit I along the South shoreline of Hayden Lake; thence

North 49°26'5" West a distance of 141.36 feet to the POINT OF BEGINNING.

Parcel 2:

Parcel A, Block 1, GEM SHORES II SUBDIVISION, according to the plat recorded in the office of the County Recorder in Book F of Plats, Pages 77 and 77A, records of Kootenai County, Idaho.

Initials:

Handwritten initials and signature in black ink.

The undersigned Buyer and Seller have read and hereby acknowledge the escrow instructions contained herein, and hereby authorize and instruct Escrow Holder to proceed with closing this transaction in accordance with said instructions.

SELLERS:

Peter D. Rozin

Paola Andrea Rozin

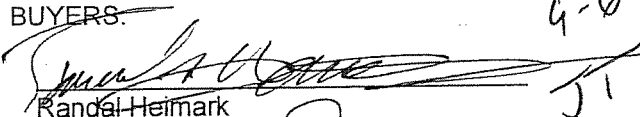
Dated: _____

ACCEPTED AND ACKNOWLEDGED:

Kootenai County Title Company

By: _____
Twila G. Willcut, Escrow Officer

BUYERS:



Randal Heimark



Colleen Gardiner

Dated: _____

SUPPLEMENTAL ESCROW INSTRUCTIONS
Close Without Hazard Insurance

Re: Escrow No. **78642**

In the event of a conflict between these Supplemental Escrow Instructions and the instructions contained in the original escrow named hereinabove, the instructions contained herein shall prevail.

The instructions to Kootenai Title Company as contained in the above numbered escrow are hereby supplemented and/or amended as follows:

The undersigned Buyer acknowledges that it is advisable that hazard insurance coverage be obtained for the property being transferred herein prior to the close of escrow, although same is not a requirement of this transaction.

The undersigned buyer hereby instructs escrow holder to proceed to close the above numbered escrow without homeowners/hazard insurance. Buyer herein assumes all liability and responsibility with regard to not having an evidence/binder of hazard insurance placed into escrow prior to the close. Buyer is aware that in the event of any loss including but not limited to theft, fire, personal property, injury or any other disasters, buyer WILL NOT hold Kootenai County Title Company and/or their employees responsible and/or liable in compliance with buyers above request. Buyer shall not take any legal action against Kootenai County Title Company and/or their employees for closing without proof of hazard insurance.

Date: August 30, 2012



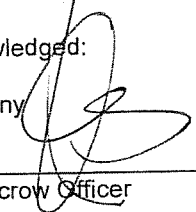
Randal Heimark



Colleen Gardiner

Accepted and Acknowledged:

Kootenai Title Company

By: 

Twila Willcut, Escrow Officer

TAX AGREEMENT

ESCROW NO. 78642

CLOSING DATE: 09/10/12

Real estate taxes in the State of Idaho are computed each year in an annual assessment made of the property as of January 1st. However, the actual amount due for real property taxes is not available until late in the year. For this reason the following applies as a basis for prorating taxes between Buyer and Seller.

The tax prorations shown on the closing statement are based on the 2011 tax figure of \$6,214.04. This figure does not include any solid waste fee, if applicable. Buyer and Seller hereby affirm and agree that Kootenai County Title Company, its employees, agents or assigns have not made any warranties as to the accuracy of the tax figures being used.

Relative to the sale of the property in the above referenced escrow, the Buyer has received from the Seller a credit for the current years taxes in the amount of **\$4,295.50** (for that portion of the year that they own the property), and both buyer and seller agree that:

	The credit for current year's taxes is to be considered final settlement
X	The tax credit will be re-adjusted between buyer and seller when actual tax statement becomes available. The parties herein shall assume full responsibility for any further prorations or payment of taxes and hereby release Kootenai Title Company from any further obligation.

The Buyer is aware that they are responsible for the full 2012 tax bill.

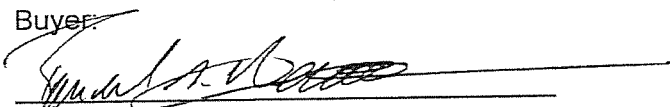
In the event this property is taxed under Bare Land and Yield Tax Option, and the designation is subsequently changed to a Productivity Option, any resulting tax and penalty shall be the sole responsibility of the prior owner.

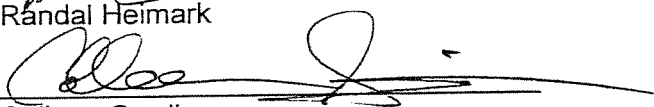
Seller:

 Peter D. Rozin

 Paola Andrea Rozin

Buyer:


 Randal Heimark


 Colleen Gardiner

In the event the Seller receives the tax bill, it is their responsibility to forward the bill to the Buyer:

Seller Forwarding Address:

Buyer Forwarding Address:

 Site 16 Box 9 RR 1
 Cochrane AB CAN T4C 1A1

ESCROW NO. 78642

CLOSING DATE: 09/10/12

Real estate taxes in the State of Idaho are computed each year in an annual assessment made of the property as of January 1st. However, the actual amount due for real property taxes is not available until late in the year. For this reason the following applies as a basis for prorating taxes between Buyer and Seller.

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	The credit for current year's taxes is to be considered final settlement
X	The tax credit will be re-adjusted between buyer and seller when actual tax statement becomes available. The parties herein shall assume full responsibility for any further prorations or payment of taxes and hereby release Kootenai Title Company from any further obligation.

The Buyer is aware that they are responsible for the full 2012 tax bill.

In the event this property is taxed under Bare Land and Yield Tax Option, and the designation is subsequently changed to a Productivity Option, any resulting tax and penalty shall be the sole responsibility of the prior owner.

Seller

Peter D. Rozin

Paola Andrea Rozin

Buyer
SIGN HERE

Randal Heimark

SIGN HERE

Colleen Gardiner

In the event the Seller receives the tax bill, it is their responsibility to forward the bill to the Buyer.

Seller Forwarding Address:

Buyer Forwarding Address:

9959 E. Edgestone Dr.

Scottsdale, AZ 85255

Complete

WARRANTY DEED

For Value Received

Peter D. Rozin and Paola Andrea Rozin, husband and wife

The Grantor, does hereby grant, bargain, sell and convey unto

Randal Heimark and Colleen Gardiner, husband and wife

Address: , Site 16 Box 9 RR 1 Cochrane AB CAN T4C1A

The Grantee, the following described premises, in Kootenai County, Idaho, to wit:

Approved
By: <u>[Signature]</u>
Date: _____

Parcel 1:

All of Lot 12 in Unit I of GEM SHORES ADDITION, and adjacent one-half of Lot 11 in said Unit I, according to the official plat thereof, filed in Book D of Plats at Page 145 Official Records of Kootenai County, Idaho, said adjacent half of Lot 11, being described as follows:

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South 47°12'4" East, a distance of 140.25 feet; thence

South 47°12'4" East 21.5 feet to a point on the shoreline of Hayden Lake; thence

Southwesterly on and along said shoreline to a point on a line bearing South 49°26.5' East from the POINT OF BEGINNING; thence

North 49°26'5" West 20 feet, more or less, to a 1 foot steel rod marking a common corner between Lots 11 and 12 of said Unit I along the South shoreline of Hayden Lake; thence

North 49°26'5" West a distance of 141.36 feet to the POINT OF BEGINNING.

Parcel 2:

Parcel A, Block 1, GEM SHORES II SUBDIVISION, according to the plat recorded in the office of the County Recorder in Book F of Plats, Pages 77 and 77A, records of Kootenai County, Idaho.

TO HAVE AND TO HOLD the said premises, with their appurtenances unto the said Grantee(s), his/her/their heirs and assigns forever. And the said Grantor(s) does(do) hereby covenant to and with the said Grantee(s), that he/she/they is/are the owner(s) in fee simple of said premises; that they are free from all encumbrances EXCEPT those to which this conveyance is expressly made subject to those made, suffered or done by the Grantee(s); current taxes, levies, assessments, easements, reservations and rights of way of view and covenants, conditions, restrictions, easements, reservations, dedications, rights of way and agreements of record and that he/she/they will warrant and defend the same from all lawful claims whatsoever.

Dated: August 30, 2012

Peter D. Rozin

Paola Andrea Rozin

1. Effective Date: August 8, 2012 at 05:00 PM

2. Policy (or Policies) to be issued:

(a) Owner's Policy	(ALTA Own. Policy (6/17/06))	Amount:	\$ 775,000.00
Proposed Insured:		Premium:	\$ 2,504.00
Randal Heimark and Colleen Gardiner		Credit:	
		Total:	\$ 2,504.00

(b) Loan Policy	(ALTA Loan Policy (6/17/06))	Amount:	
Extended Coverage		Premium:	
Proposed Insured:		Credit:	
		Total:	

Requested Endorsements: Endorsement Premium:

(c)	()	Amount:	
Standard Coverage		Premium:	
Proposed Insured:		Credit:	
		Total:	

Requested Endorsements: Endorsement Premium:

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

Fee Simple

4. Title to the FEE SIMPLE estate or interest in said land is at the Effective Date vested in:

Peter D. Rozin

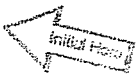
Married

Paola h & w

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

SEE EXHIBIT "A" ATTACHED HERETO

INITIAL *PR*
PR



KOOTENAI COUNTY TITLE COMPANY, INC.

1450 Northwest Blvd., Ste 200

Coeur d'Alene, ID 83814

Phone (208) 667-9431 • Fax (208) 666-0410

1. Effective Date: August 8, 2012 at 05:00 PM

2. Policy (or Policies) to be issued:

(a) Owner's Policy	(ALTA Own. Policy (6/17/06))	Amount:	\$ 775,000.00
Proposed Insured:		Premium:	\$ 2,504.00
Randal Heimark and Colleen Gardiner		Credit:	
		Total:	\$ 2,504.00

(b) Loan Policy	(ALTA Loan Policy (6/17/06))	Amount:	
Extended Coverage		Premium:	
Proposed Insured:		Credit:	
		Total:	

Requested Endorsements: Endorsement Premium:

(c)	()	Amount:	
Standard Coverage		Premium:	
Proposed Insured:		Credit:	
		Total:	

Requested Endorsements: Endorsement Premium:

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

Fee Simple

4. Title to the FEE SIMPLE estate or interest in said land is at the Effective Date vested in:

Peter D. Rozin

Married

Paola h & w

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

SEE EXHIBIT "A" ATTACHED HERETO

INITIAL



KOOTENAI COUNTY TITLE COMPANY, INC.
1450 Northwest Blvd., Ste 200
Coeur d'Alene, ID 83814
Phone (208) 667-9431 • Fax (208) 666-0410

EXHIBIT "A"
PROPERTY DESCRIPTION

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

Parcel 1:

All of Lot 12 in Unit I of GEM SHORES ADDITION, and adjacent one-half of Lot 11 in said Unit I, according to the official plat thereof, filed in Book D of Plats at Page 145 Official Records of Kootenai County, Idaho, said adjacent half of Lot 11, being described as follows:

Beginning at the Northerly common corner between Lots 11 and 12 of Unit I of GEM SHORES ADDITION, which is marked by a steel rod; thence

North 31°41'4" East a distance of 32.66 feet; thence

South 47°12'4" East, a distance of 140.25 feet; thence

South 47°12'4" East 21.5 feet to a point on the shoreline of Hayden Lake; thence

Southwesterly on and along said shoreline to a point on a line bearing South 49°26.5' East from the POINT OF BEGINNING; thence

North 49°26'5" West 20 feet, more or less, to a 1 foot steel rod marking a common corner between Lots 11 and 12 of said Unit I along the South shoreline of Hayden Lake; thence

North 49°26'5" West a distance of 141.36 feet to the POINT OF BEGINNING.

Parcel 2:

Parcel A, Block 1, GEM SHORES II SUBDIVISION, according to the plat recorded in the office of the County Recorder in Book F of Plats, Pages 77 and 77A, records of Kootenai County, Idaho.

**SCHEDULE B - SECTION I
EXCEPTIONS**

Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the company:

- A. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the Public Records, or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires of record for value the estate or interest or mortgage thereon covered by this Commitment.
- B. General Exceptions:
- (1) Rights or claims of parties in possession not shown by the Public Records.
 - (2) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land.
 - (3) Easements, or claims of easements, not shown by the Public Records.
 - (4) Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the Public Records.
 - (5) (a) Unpatented mining claims; (b) reservations 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 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 of real property or by the Public Records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.

C. Special Exceptions:

7. General Taxes and Assessments, which are a lien, for the year 2011, of which the 1st installment is due December 20 of the tax year and the 2nd installment is due June 20 of the subsequent year (amounts do not include penalty and interest if delinquent) :

Total: \$6,307.04, paid
Parcel No.: 02820000012A
AIN No.: 116313

8. General taxes for the year 2012, which are a lien, are not yet due or payable.
9. Assessments of the Gem Shores Community Association.
10. Assessments of the Gem Shores II Homeowners Association.
11. Assessments, if any, North Kootenai Water District. ✓
12. Assessments, if any, Hayden Lake Recreation Water and Sewer District. ✓
13. Assessments, if any, Hayden Lake Recreation Water and Sewer District LID #1. ✓

(78642.PFD/78642/7)

SCHEDULE B - SECTION II

EXCEPTIONS

(Continued)

14. Assessments, if any, Hayden Lake Recreation Water and Sewer District LID #4.
15. Assessments of the TriCounty Wastewater Management, Inc.
16. Rights of the State of Idaho in and to that portion of said premises, if any, lying in the bed or former bed of Hayden Lake, if it is navigable.
17. Any question of location, boundary or area related to Hayden Lake, including, but not limited to, any past or future changes in it.
18. Any prohibition or limitation on the use, occupancy, or improvements of the land resulting from the rights of the public, appropriators, or riparian owners to use any waters which may now cover the land or to use any portion of the land which is now or may formerly have been covered by water.
19. The right of use, control, or regulation by the United States of America in exercise of power over navigation.
20. Any difference in the mean highwater line of Hayden Lake and the meander line as shown by government survey.
21. Restrictions, conditions, dedications, notes, easements and provisions delineated and / or described on the plat recorded in Book D of Plats at Page 145, in GEM SHORES SUBDIVISION UNIT NO. 'I', Kootenai County, Idaho.
22. Restrictions, conditions, dedications, notes, easements and provisions delineated and / or described on the plat recorded in Book F of Plats at Page 77, in GEM SHORES II SUBDIVISION, Kootenai County, Idaho.
23. An easement for the purpose shown below and rights incidental thereto as set forth in a document
 Granted to: Roscoe L. Weeks and Sadie C. Weeks, husband and wife and George W. Weeks and Jean R. Weeks, husband and wife
 Purpose: private road
 Recorded: January 12, 1946
 Instrument No.: Book 131 of Deeds at Page 426, records of Kootenai County, Idaho.
24. An easement for the purpose shown below and rights incidental thereto as set forth in a document
 Granted to: Kootenai Rural Electrification Association
 Purpose: public utilities
 Recorded: August 2, 1939
 Instrument No.: Book 183 of Deeds at Page 19, records of Kootenai County, Idaho.
25. An easement for the purpose shown below and rights incidental thereto as reserved in a document
 Purpose: private road
 Recorded: April 21, 1964
 Instrument No.: Book 196 of Deeds at Page 374, records of Kootenai County, Idaho.

(78642.PFD/78642/7)

SCHEDULE B - SECTION II

EXCEPTIONS

(Continued)

26. Covenants, conditions and restrictions as set forth in the document, but omitting any covenant or restriction based on race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.

Recorded: October 15, 1980

Instrument No.: Book 109 of Miscellaneous at Page 881, records of Kootenai County, Idaho

Amendment to said covenants, conditions and restrictions

Recorded: July 23, 1986

Instrument No.: Book 149 of Miscellaneous at Page 986, records of Kootenai County, Idaho.

27. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Granted to: Kootenai Electric Cooperative, Inc.

Purpose: public utilities

Recorded: March 30, 1982

Instrument No.: Book 317 of Deeds at Page 187, records of Kootenai County, Idaho.

28. Notice to Owners and Purchaser's that Gem Shores II Homeowners Association is subject to a contract for the professional maintenance of the association property, repairs, snow removal and other duties recorded July 24, 1985 in Book 142 of Miscellaneous at Page 144, records of Kootenai County, Idaho.

29. Covenants, conditions and restrictions as set forth in the document, but omitting any covenant or restriction based on race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.

Recorded: August 15, 1986

Instrument No.: Book 150 of Miscellaneous at Page 573, records of Kootenai County, Idaho

30. Exceptions of all rights to common area as contained in a Deed recorded June 8, 1984 in Book 330 of Deeds at Page 888, records of Kootenai County, Idaho.

31. Deed of Trust to secure an indebtedness in the amount shown below and any other obligations secured thereby

Amount: \$500,000.00

Dated: January 9, 2006

Recorded: January 24, 2006

Instrument No.: 2009620, records of Kootenai County, Idaho

Grantor: Peter D. Rozin, divorced, not remarried

Trustee: U.S. Bank Trust Company, National Association

Beneficiary: U.S. Bank, National Association N.D.

32. An easement for the purpose shown below and rights incidental thereto as set

(78642.PFD/78642/7)

SCHEDULE B - SECTION II

EXCEPTIONS

(Continued)

forth in a document

Granted to: TriCounty Wastewater Management, Inc.

Purpose: wastewater system

Recorded: May 16, 2006

Instrument No.: 2031582000, records of Kootenai County, Idaho.

 32 Right, title and interest of Paola Andrea Rozin, as disclosed by documents of record, recorded July 24, 2001, as Instrument No. 1688288, records of Kootenai County, Idaho.

NOTES:

The following matters will not be listed as Special Exceptions in Schedule B of the policy to be issued pursuant to this Commitment. Notwithstanding the absence of a Special Exception to Schedule B of the policy to be issued, there will be no coverage for loss arising by reason of the matters listed below because these matters are either excepted from coverage under the General Exceptions section of Schedule B, excluded from coverage under the Exclusions from Coverage or are not matters for which coverage is afforded under the insuring clauses of the policy.

Note 1: In the event this transaction fails to close and this commitment is cancelled, a fee will be charged to comply with the state insurance code.

Note 2: The address of the herein described property is:
12140 N. Chicken Point Rd.
Hayden, ID 83835

Note 3: Notwithstanding anything to the contrary in this Commitment, if the policy to be issued is other than an ALTA Owner's Policy (6/17/06) or ALTA Loan Policy (6/17/06), the policy may not contain an arbitration clause, or the terms of the arbitration clause may be different from those set forth in this Commitment. If the policy does contain an arbitration clause, and the Amount of Insurance is less than the amount, if any, set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.

any assumes no li-
for any loss occur-
reason of reliance

HAYDEN LAIR

Mokins

EXHIBIT "A"
PROPERTY DESCRIPTION

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

Parcel 1:

All of Lot 12 in Unit I of GEM SHORES ADDITION, and adjacent one-half of Lot 11 in said Unit I, according to the official plat thereof, filed in Book D of Plats at Page 145 Official Records of Kootenai County, Idaho, said adjacent half of Lot 11, being described as follows:

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Parcel 2:

Parcel A, Block 1, GEM SHORES II SUBDIVISION, according to the plat recorded in the office of the County Recorder in Book F of Plats, Pages 77 and 77A, records of Kootenai County, Idaho.

SCHEDULE B - SECTION I

EXCEPTIONS

Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the company:

A. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the Public Records, or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires of record for value the estate or interest or mortgage thereon covered by this Commitment.

B. General Exceptions:

- (1) Rights or claims of parties in possession not shown by the Public Records.
- (2) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land.
- (3) Easements, or claims of easements, not shown by the Public Records.
- (4) Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the Public Records.
- (5) (a) Unpatented mining claims; (b) reservations 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 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 of real property or by the Public Records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.

C. Special Exceptions:

7. General Taxes and Assessments, which are a lien, for the year 2011, of which the 1st installment is due December 20 of the tax year and the 2nd installment is due June 20 of the subsequent year (amounts do not include penalty and interest if delinquent) :

Total: \$6,307.04, paid
Parcel No.: 02820000012A
AIN No.: 116313

8. General taxes for the year 2012, which are a lien, are not yet due or payable.

9. Assessments of the Gem Shores Community Association.

10. Assessments of the Gem Shores II Homeowners Association.

11. Assessments, if any, North Kootenai Water District. ✓

12. Assessments, if any, Hayden Lake Recreation Water and Sewer District. ✓

13. Assessments, if any, Hayden Lake Recreation Water and Sewer District LID #1. ✓

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SCHEDULE B - SECTION II

EXCEPTIONS

(Continued)

14. Assessments, if any, Hayden Lake Recreation Water and Sewer District LID #4.
15. Assessments of the TriCounty Wastewater Management, Inc.
16. Rights of the State of Idaho in and to that portion of said premises, if any, lying in the bed or former bed of Hayden Lake, if it is navigable.
17. Any question of location, boundary or area related to Hayden Lake, including, but not limited to, any past or future changes in it.
18. Any prohibition or limitation on the use, occupancy, or improvements of the land resulting from the rights of the public, appropriators, or riparian owners to use any waters which may now cover the land or to use any portion of the land which is now or may formerly have been covered by water.
19. The right of use, control, or regulation by the United States of America in exercise of power over navigation.
20. Any difference in the mean highwater line of Hayden Lake and the meander line as shown by government survey.
21. Restrictions, conditions, dedications, notes, easements and provisions delineated and / or described on the plat recorded in Book D of Plats at Page 145, in GEM SHORES SUBDIVISION UNIT NO. 'I', Kootenai County, Idaho.
22. Restrictions, conditions, dedications, notes, easements and provisions delineated and / or described on the plat recorded in Book F of Plats at Page 77, in GEM SHORES II SUBDIVISION, Kootenai County, Idaho.
23. An easement for the purpose shown below and rights incidental thereto as set forth in a document
 Granted to: Roscoe L. Weeks and Sadie C. Weeks, husband
 and wife and George W. Weeks and Jean R. Weeks,
 husband and wife
 Purpose: private road
 Recorded: January 12, 1946
 Instrument No.: Book 131 of Deeds at Page 426, records of Kootenai
 County, Idaho.
24. An easement for the purpose shown below and rights incidental thereto as set forth in a document
 Granted to: Kootenai Rural Electrification Association
 Purpose: public utilities
 Recorded: August 2, 1939
 Instrument No.: Book 183 of Deeds at Page 19, records of Kootenai
 County, Idaho.
25. An easement for the purpose shown below and rights incidental thereto as reserved in a document
 Purpose: private road
 Recorded: April 21, 1964
 Instrument No.: Book 196 of Deeds at Page 374, records of Kootenai
 County, Idaho.

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SCHEDULE B - SECTION II

EXCEPTIONS

(Continued)

26. Covenants, conditions and restrictions as set forth in the document, but omitting any covenant or restriction based on race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.

Recorded: October 15, 1980

Instrument No.: Book 109 of Miscellaneous at Page 881, records of Kootenai County, Idaho

Amendment to said covenants, conditions and restrictions

Recorded: July 23, 1986

Instrument No.: Book 149 of Miscellaneous at Page 986, records of Kootenai County, Idaho.

27. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Granted to: Kootenai Electric Cooperative, Inc.

Purpose: public utilities

Recorded: March 30, 1982

Instrument No.: Book 317 of Deeds at Page 187, records of Kootenai County, Idaho.

28. Notice to Owners and Purchaser's that Gem Shores II Homeowners Association is subject to a contract for the professional maintenance of the association property, repairs, snow removal and other duties recorded July 24, 1985 in Book 142 of Miscellaneous at Page 144, records of Kootenai County, Idaho.

29. Covenants, conditions and restrictions as set forth in the document, but omitting any covenant or restriction based on race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.

Recorded: August 15, 1986

Instrument No.: Book 150 of Miscellaneous at Page 573, records of Kootenai County, Idaho

30. Exceptions of all rights to common area as contained in a Deed recorded June 8, 1984 in Book 330 of Deeds at Page 888, records of Kootenai County, Idaho.

31. Deed of Trust to secure an indebtedness in the amount shown below and any other obligations secured thereby

Amount: \$500,000.00

Dated: January 9, 2006

Recorded: January 24, 2006

Instrument No.: 2009620, records of Kootenai County, Idaho

Grantor: Peter D. Rozin, divorced, not remarried

Trustee: U.S. Bank Trust Company, National Association

Beneficiary: U.S. Bank, National Association N.D.

32. An easement for the purpose shown below and rights incidental thereto as set

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SCHEDULE B - SECTION II

EXCEPTIONS

(Continued)

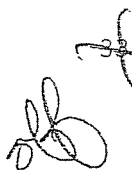
forth in a document

Granted to: TriCounty Wastewater Management, Inc.

Purpose: wastewater system

Recorded: May 16, 2006

Instrument No.: 2031582000, records of Kootenai County, Idaho.

 32 Right, title and interest of Paola Andrea Rozin, as disclosed by documents of record, recorded July 24, 2001, as Instrument No. 1688288, records of Kootenai County, Idaho.

NOTES:

The following matters will not be listed as Special Exceptions in Schedule B of the policy to be issued pursuant to this Commitment. Notwithstanding the absence of a Special Exception to Schedule B of the policy to be issued, there will be no coverage for loss arising by reason of the matters listed below because these matters are either excepted from coverage under the General Exceptions section of Schedule B, excluded from coverage under the Exclusions from Coverage or are not matters for which coverage is afforded under the insuring clauses of the policy.

Note 1: In the event this transaction fails to close and this commitment is cancelled, a fee will be charged to comply with the state insurance code.

Note 2: The address of the herein described property is:
12140 N. Chicken Point Rd.
Hayden, ID 83835

Note 3: Notwithstanding anything to the contrary in this Commitment, if the policy to be issued is other than an ALTA Owner's Policy (6/17/06) or ALTA Loan Policy (6/17/06), the policy may not contain an arbitration clause, or the terms of the arbitration clause may be different from those set forth in this Commitment. If the policy does contain an arbitration clause, and the Amount of Insurance is less than the amount, if any, set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.

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NE Sec. 10 Twp 51 N. R. 3 W. B. M.

