

Block, Darla

From: Block, Darla
Sent: Monday, June 13, 2011 4:26 PM
To: 'fredmartin01@frontier.com'
Subject: RE: Water permit

June 13, 2011

Panhandle State Bank

Dear Mr. Martin ,

I am in receipt of the title report you sent me on June 13, 2011. This report does not describe the property of water right permit #96-9317 for which Panhandle State Bank has filed proof of beneficial use. More specifically, a document which shows the legal description containing the Township, Range, Section and quarter quarter of the property you obtained from Damon Arnett would be more useful. However, there may not be a need for such a document.

Sincerely,

Darla Block
Technical Records Specialist
Water Allocation Bureau

-----Original Message-----

From: fredmartin01@frontier.com [<mailto:fredmartin01@frontier.com>]
Sent: Monday, June 13, 2011 12:56 PM
To: Block, Darla
Subject: Fwd: Water permit

Darla, Per our conversation here is a copy of the title report showing PSB as vested owner.

Fred

----- Forwarded Message -----

From: "Dan Jones" <Dan.Jones@intermountainbank.com>
To: fredmartin01@frontier.com
Sent: Monday, June 13, 2011 11:29:31 AM
Subject: RE: Water permit

Fred,

I have attached a copy of the preliminary title report.

Dan M. Jones
IMCB - Spokane Valley Branch
5211 E Sprague Ave.
Spokane Valley, WA 99212
(509) 944-3967 - (x5211)
(208) 818-8169 - cell

-----Original Message-----

From: fredmartin01@frontier.com [<mailto:fredmartin01@frontier.com>]

Sent: Monday, June 13, 2011 11:23 AM
To: Dan Jones
Subject: Fwd: Water permit

Would you happen to have in email form a copy of the title report showing PSB legal for the state water?

?----- Forwarded Message -----

From: fredmartin01@frontier.com
To: "fred martin" <fredmartin01@frontier.com>
Sent: Monday, June 13, 2011 11:09:22 AM
Subject: Fwd: Water permit

----- Forwarded Message -----

From: "Dan Jones" <Dan.Jones@intermountainbank.com>
To: "Fred Martin (fredmartin01@frontier.com)" <fredmartin01@frontier.com>
Sent: Tuesday, May 31, 2011 2:28:04 PM
Subject: Water permit

Fred,

Please find attached a copy of a letter I received today from DWR.

Dan M. Jones

Intermountain Community Bank

Spokane Valley Branch

5211 E Sprague Ave

Spokane Valley, WA 99212

Phone (509) 944-3967 (x5211)

Mobile (208) 818-8169

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RECEIVED

JUN 13 2011

DEPARTMENT OF WATER RESOURCES



Sandpoint Title Insurance, Inc.

**Agent for
Stewart Title
COMMITMENT FOR TITLE INSURANCE
REPORT # 1
Title Officer: Ric Laws
Schedule A**

1. Effective Date: April 22, 2010 at 8:00 a.m. Commitment No. 57139-LP

2. Policy or policies to be issued:

(a) ALTA Owner's Policy 6/17/2006
Proposed Insured:

Amount \$415,000.00
Premium: \$1,098.00
Credit Already Deducted from Premium ☒
Credit Amount: \$366.00 (if applicable)

Platinum Investments Inc.

(b) ALTA Loan Policy 6/17/2006
Proposed Insured:

Amount \$
Premium: \$
Credit Already Deducted from Premium ☐
Credit Amount: \$ (if applicable)
End: \$ /S.I. : \$

(c) STD Loan Policy 6/17/2006
Proposed Insured:

Amount \$
Premium: \$
Credit Already Deducted from Premium ☐
Credit Amount: \$ (if applicable)

3. Title to the **fee simple** estate or interest in the land described or referred to in this Commitment is at the effective date hereof vested in:

Panhandle State Bank

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

Lots 1, 2, 3, 4, 5, 7, 8 and Well Lot, of JO'S SOUTH SHORE AT GARFIELD BAY, according to the plat thereof, recorded in Book 9 of Plats, Page 45, records of Bonner County, Idaho.

COMMITMENT FOR TITLE INSURANCE

Schedule B - Part I (Requirements)

Commitment No. 57139-LP

The following are the requirements to be complied with:

- A. Pay the agreed amounts for the interest in the land and/or mortgage to be insured.
- B. Pay us the premiums, fees and charges for the Policy.
- C. Documents satisfactory to us creating the interest in the land and/or mortgage to be insured must be signed, delivered and recorded.
- D. You must tell us in writing the name of anyone not referred to in this Commitment who will get an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.
- E. NOTE:

IN THE EVENT THAT THIS TRANSACTION FAILS TO CLOSE, A FEE WILL BE CHARGED TO COMPLY WITH THE STATE INSURANCE CODE.

THERE IS NO NOTICE OF RECORD AND THEREFORE NO SEARCH HAS BEEN MADE FOR ANY UNPAID ASSESSMENTS, CHARGES OR FEES FOR SEWER, WATER, GARBAGE, IRRIGATION AND OTHER POSSIBLE UTILITY SERVICES.

IF THE PROPOSED INSURED UNDER THE POLICY TO ISSUE HAS ANY QUESTIONS CONCERNING THE COVERAGE OR EXCLUSIONS FROM COVERAGE, THE COMPANY WILL BE PLEASED TO PROVIDE AN EXPLANATION.

- F. GENERAL TAXES FOR THE FIRST HALF OF 2009 WERE PAID IN THE AMOUNT OF \$122.58, BILLING NO. 23293, RP 023710000010 A. (LOT 1)
- G. GENERAL TAXES FOR THE FIRST HALF OF 2009 WERE PAID IN THE AMOUNT OF \$122.58, BILLING NO. 23294, RP 023710000020 A. (LOT 2)
- H. GENERAL TAXES FOR THE FIRST HALF OF 2009 WERE PAID IN THE AMOUNT OF \$122.58, BILLING NO. 23295, RP 023710000030 A. (LOT 3)
- I. GENERAL TAXES FOR THE FIRST HALF OF 2009 WERE PAID IN THE AMOUNT OF \$122.58, BILLING NO. 23296, RP 023710000040 A. (LOT 4)
- J. GENERAL TAXES FOR THE FIRST HALF OF 2009 WERE PAID IN THE AMOUNT OF \$122.58, BILLING NO. 23297, RP 023710000050 A. (LOT 5)
- K. GENERAL TAXES FOR THE FIRST HALF OF 2009 WERE PAID IN THE AMOUNT OF \$1,761.64, BILLING NO. 23299, RP 023710000070 A. (LOT 7)
- L. GENERAL TAXES FOR THE FIRST HALF OF 2009 WERE PAID IN THE AMOUNT OF \$1,761.64, BILLING NO. 23300, RP 023710000080 A. (LOT 8)
- M. GENERAL TAXES FOR THE FIRST HALF OF 2009 WERE PAID IN THE AMOUNT OF \$111.43, BILLING NO. 23292, RP 023710000WL0 A. (WELL LOT).

COMMITMENT FOR TITLE INSURANCE

Schedule B - Part II (Exceptions)

Commitment No. 57139-LP

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

1. 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 for value of record the estate or interest or mortgage thereon covered by this Commitment.
2. Any encroachment, encumbrance, violation, variation or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey, and that is not shown by the public records.
3. Rights or claims of parties in possession, or claiming to be in possession, not shown by the public records.
4. Easements or claims of easements not shown by the public records.
5. 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.
6. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public record. Proceedings by a public agency, which may result in taxes or assessments, or notice of such proceedings, whether or not shown by the records of such agency or the public record.
7. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
8. This commitment is not an abstract, examination, report or representation of fact or title and does not create and shall not be the basis of any claim for negligence, negligent misrepresentation or other tort claim or action. The sole liability of company and its title insurance agent shall arise under and be governed by Paragraph 3 of the conditions.
9. GENERAL TAXES FOR THE YEAR 2010, A LIEN IN THE PROCESS OF ASSESSMENT, NOT YET DUE OR PAYABLE.
10. GENERAL TAXES FOR THE SECOND HALF OF 2009 IN THE AMOUNT OF \$122.58, BILLING NO. 23293, P 023710000010 A. (LOT 1)
11. GENERAL TAXES FOR THE SECOND HALF OF 2009 IN THE AMOUNT OF \$122.58, BILLING NO. 23294, RP 023710000020 A. (LOT 2)
12. GENERAL TAXES FOR THE SECOND HALF OF 2009 IN THE AMOUNT OF \$122.58, BILLING NO. 23295, RP 023710000030 A. (LOT 3)
13. GENERAL TAXES FOR THE SECOND HALF OF 2009 IN THE AMOUNT OF \$122.58, BILLING NO. 23296, RP 023710000040 A. (LOT 4)
14. GENERAL TAXES FOR THE SECOND HALF OF 2009 IN THE AMOUNT OF \$122.58, BILLING NO. 23297, RP 023710000050 A. (LOT 5)

15. GENERAL TAXES FOR THE SECOND HALF OF 2009 THE AMOUNT OF \$1,761.64, BILLING NO. 23299, RP 023710000070 A. (LOT 7)
16. GENERAL TAXES FOR THE SECOND HALF OF 2009 IN THE AMOUNT OF \$1,761.64, BILLING NO. 23300, RP 023710000080 A. (LOT 8)
17. GENERAL TAXES FOR THE SECOND HALF OF 2009 IN THE AMOUNT OF \$111.43, BILLING NO. 23292, RP 023710000WL0 A. (WELL LOT)
18. ASSESSMENTS FOR GARFIELD BAY WATER AND SEWER DISTRICT, IF ANY, WHICH ARE EXCLUDED FROM THE COVERAGE AFFORDED HEREBY.
19. ASSESSMENTS FOR ABCO NORTHWEST WATER, IF ANY, WHICH ARE EXCLUDED FROM THE COVERAGE AFFORDED HEREBY.
20. ANY TAX, FEE, ASSESSMENTS OR CHARGES AS MAY BE LEVIED BY JO'S SOUTH SHORE AT GARFIELD BAY HOMEOWNERS ASSOCIATION.
21. EASEMENT AND CONDITIONS CONTAINED THEREIN:
RECORDED: AUGUST 10, 1965
INSTRUMENT NO.: 102116
IN FAVOR OF: NORTHERN LIGHTS, INC.
FOR: ELECTRIC DISTRIBUTION LINE WITH APPURTENANCES AND INCIDENTAL PURPOSES INCLUDING RIGHT OF INSPECTION
AFFECTS: SUBJECT PROPERTY
22. EASEMENT AND CONDITIONS CONTAINED THEREIN:
RECORDED: MAY 18, 1977
INSTRUMENT NO.: 186844
BOOK/PAGE: 65 OF MISCELLANEOUS/PAGE 572
IN FAVOR OF: GENERAL TELEPHONE COMPANY OF THE NORTHWEST, INC., A CORPORATION
PURPOSE: PERPETUAL RIGHT OF WAY AND EASEMENTS OVER, UNDER, ABOVE AND ACROSS TOGETHER WITH THE RIGHT TO INSTALL, INSPECT AND MAINTAIN ALL OF THE FACILITIES NECESSARY TO PROVIDE COMMUNICATION SERVICE, POWER SERVICE AND OTHER RELATED SERVICES
AFFECTS: SUBJECT PROPERTY
23. EASEMENT AND CONDITIONS CONTAINED THEREIN:
RECORDED: JULY 8, 1977
INSTRUMENT NO.: 188680
BOOK/PAGE: BOOK 66 OF MISCELLANEOUS/PAGE 622
IN FAVOR OF: GARFIELD BAY WATER AND SEWER DISTRICT
FOR: INSTALL, LAY, AND MAINTAIN WATER AND SEWER PIPELINES, ALSO UNDERGROUND ELECTRICAL UTILITY LINES
AFFECTS: SUBJECT PROPERTY
24. EASEMENT AND CONDITIONS CONTAINED THEREIN:
RECORDED: SEPTEMBER 29, 1977
BOOK/PAGE: 68 OF MISCELLANEOUS/PAGE 504
INSTRUMENT NO.: 191998
IN FAVOR OF: NORTHERN LIGHTS, INC.
FOR: ELECTRIC DISTRIBUTION LINE WITH APPURTENANCES AND INCIDENTAL PURPOSES INCLUDING RIGHT OF INSPECTION
AFFECTS: SUBJECT PROPERTY
25. ANY RIGHTS, APPURTENANT TO THE PLATS OF CRAMER HOME SITES AND CRAMER VIEW SITES AS TO THE WATER SYSTEM LOCATED ON THE HEREIN INSURED PROPERTY, AS DISCLOSED BY VARIOUS

INSTRUMENTS OF RECORDS, INCLUDING BUT NOT LIMITED TO: AS SET FORTH IN WARRANTY DEED, RECORDED NOVEMBER 6, 1979, AS INSTRUMENT NO 221703, AS FOLLOWS"...A COMMON EASEMENT AND RIGHT TO CONNECT TO, DRAW WATER FROM AND LAY UNDERGROUND PIPE TO SAID PREMISES FROM THE WATER SYSTEM LOCATED ON GRANTOR'S REMAINING REAL PROPERTY DESCRIBED IN EXHIBIT A, ANNEXED HERETO AND INCORPORATED HEREIN, FOR THE PURPOSE OF AND TO THE EXTEND THAT BY NATURE SUFFICIENT QUANTITY OF SUCH WATER MAY BE AVAILABLE FOR USE FOR ONE SINGLE FAMILY RESIDENCE ON SAID PREMISES."

26. EASEMENT AND OTHER RIGHTS, AS SET FORTH IN WARRANTY DEED IN FAVOR OF MIDAS WATER CORPORATION, RECORDED OCTOBER 26, 1984 AS INSTRUMENT NO. 294387, RECORDS OF BONNER COUNTY, IDAHO.

27. EASEMENT AND CONDITIONS CONTAINED THEREIN:

RECORDED: DECEMBER 23, 1992
INSTRUMENT NO.: 417567
IN FAVOR OF: NORTHERN LIGHTS, INC.
FOR: ELECTRIC DISTRIBUTION LINE WITH APPURTENANCES AND INCIDENTAL PURPOSES INCLUDING RIGHT OF INSPECTION
AFFECTS: SUBJECT PROPERTY

28. EASEMENT AND CONDITIONS CONTAINED THEREIN:

RECORDED: JULY 2, 1993
INSTRUMENT NO.: 427584
IN FAVOR OF: GENERAL TELEPHONE COMPANY OF THE NORTHWEST, INC., A CORPORATION
PURPOSE: PERPETUAL RIGHT OF WAY AND EASEMENTS OVER, UNDER, ABOVE AND ACROSS TOGETHER WITH THE RIGHT TO INSTALL, INSPECT AND MAINTAIN ALL OF THE FACILITIES NECESSARY TO PROVIDE COMMUNICATION SERVICE, POWER SERVICE AND OTHER RELATED SERVICES
AFFECTS: SUBJECT PROPERTY

29. EASEMENT AND CONDITIONS CONTAINED THEREIN:

RECORDED: JULY 3, 2007
INSTRUMENT NO.: 732177
IN FAVOR OF: NORTHERN LIGHTS, INC.
FOR: ELECTRIC DISTRIBUTION LINE WITH APPURTENANCES AND INCIDENTAL PURPOSES INCLUDING RIGHT OF INSPECTION
AFFECTS: SUBJECT PROPERTY

30. COVENANTS, CONDITIONS, RESTRICTIONS AND/OR EASEMENTS CONTAINED IN THIS DECLARATION, BUT OMITTING RESTRICTIONS, IF ANY, BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS OR NATIONAL ORIGIN UNLESS AND ONLY TO THE EXTENT THAT THE COVENANT, CONDITION OR RESTRICTION (a) IS EXEMPT UNDER TITLE 42 OF THE UNITED STATES CODE, OR (b) RELATES TO HANDICAP, BUT DOES NOT DISCRIMINATE AGAINST HANDICAPPED PERSONS:

DATED/RECORDED: OCTOBER 30, 2007/DECEMBER 5, 2007
INSTRUMENT NO.: 742153

AMENDMENT AND/OR MODIFICATION OF SAID COVENANTS:

DATED/RECORDED: MARCH 11, 2008/MARCH 11, 2008
INSTRUMENT NO.: 747587

31. EASEMENTS AND RESTRICTIONS CONTAINED ON THE FACE OF THE PLAT.

32. A CERTIFICATE OF INCORPORATION FOR PLATINUM INVESTMENTS, INC. IS NOT CURRENTLY ON FILE WITH THE SECRETARY OF STATE, AS REQUIRED BY STATUTE.

NOTE: The policy 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.

END OF SCHEDULE B

Typist Initials: RB

Title Officer Initials: RIC