

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

RECEIVED

OCT 17 2007

DEPARTMENT OF WATER RESOURCES

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)
76-2120					

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

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OCT 10 2007

- 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)

Paul A. Van Schraeven Dyk
 Hope, Idaho 83836

4. New Owner/Claimant(s)

GARY R. VAN STONE & ALICE B. VAN STONE

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

New Mailing Address

P.O. Box 104

City, State and ZIP Code

HOPE, IDAHO 83836

New Telephone Number

(208) 264-0283

Receipt
 NO 18798
 10-10-07

After Oct. 20, 2007 our address
 will be: 542 Joseph Ct. #1

Phone Naples, FLORIDA 34104
 239-348-8261

5. Date you acquired the property

August 31, 1992

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)

Greg W. StoneDebbie B. VanStone

(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 cm
 Received by cm
 Processed by cm AJ

 Date 10/10/07
 Date 10/10/07
 Date _____

 Receipt Amt. \$25.00
 Receipt No. NO18798
 WR _____ Date _____

COPY

WARRANTY DEED

FOR VALUE RECEIVED the Grantor, PAUL A. VAN SCHRAVENDYK, a married man, as his sole and separate property, does hereby grant, bargain, sell and convey unto the Grantees, GARY R. VAN STONE and ALICE B. VAN STONE, husband and wife, whose address is 210 Westbury Drive, Coraopolis, PA 15108, the following described premises, to wit:

The following described real property located in Section 27, Township 57 North, Range 1 East, Boise Meridian, Bonner County, Idaho:

PARCEL I:

That part of the East half of the Southeast Quarter of Section 27, Township 57 North, Range 1 East, Boise Meridian, Westerly of a line described as follows:

Beginning on the South line of Section 27 at a point south 89 degrees 57' West 620 feet from the Southeast corner of Section 27; thence North 888 feet; thence North 33 degrees 30' West 1268.26 feet more or less to the West line of the Northeast Quarter of the Southwest Quarter of said Section 27.

PARCEL II:

The West half of the Northeast Quarter of Section 27, Township 57 North, Range 1 East, Boise Meridian, Bonner County, Idaho.

PARCEL III:

The Northwest Quarter of the Southeast Quarter of Section 27, Township 57 North, Range 1 East, Boise Meridian, Bonner County, Idaho.

PARCEL IV:

Beginning at a point 620 feet West from the Southeast corner of Section 27; thence North 888 feet; thence West 583 feet; thence North 432 feet to quarter line; thence West on said line 1087 feet; thence South 1050 feet more or less to the lake shore; thence along the lake shore to the South section line; thence East on said South section line to the point of beginning;

LESS Tax No. 7 described as follows:

Beginning at Corner #1, which is at a point in gulch 12 feet above headwall of culvert near West end of Highland Street from which the Southeast corner of the Section 27 aforesaid bears South 315.83 feet and East 1700.26 feet; thence from said Corner #1, North 46 degrees 22' West, 145 feet along said road from Highland Street to Corner #2; thence North 43 degrees 38' East, 50 feet to Corner #3; thence South 46 degrees 22' East 145 feet to Corner #4; thence South 43 degrees 38' West, 50 feet to Place of Beginning;

ALSO LESS Tax No. 8 described as follows:

Beginning at Corner #1, which is at a point in gulch 12 feet above headwall of culvert near West end of Highland Street which point is identical with Corner #1 of Tax #7 known as Norton Tract. From said point the Southeast corner of Section 27, aforesaid, bears South 315.83 feet and East 1700.26 feet; thence from said Corner #1 South 46 degrees 22' East, 186 feet to corner #2; thence North 40 degrees 49' East, 313.1 feet to corner #3; thence North 54 degrees 24' West 552.8 feet to corner #4; thence South 38 degrees 21' West, 236.5 feet to corner #5; thence South 46 degrees 22' East, 200 feet to corner #6 which is identical with corner #2 of the Norton Tract; thence North 43 degrees 38' East, 50 feet along the West line of the Norton Tract; thence South 46 degrees 22' East along North line of Norton Tract 145 feet; thence South 43 degrees 38' West along the East line of Norton Tract 50 feet to the Point of Beginning, together with an easement for a pipeline to conduct water for domestic use over adjacent premises, as indicated in Deed Book 64, Page 240, Bonner County;

ALSO LESS Tax No. 9 described as follows:

Beginning at a point 932.9 feet West of the Southeast corner of said Section 27, Township 57 North, Range 1 East; thence North 15 feet; thence West 30 feet; thence South 15 feet; thence East 30 feet to the Point of Beginning;

EXCEPTING THEREFROM any portion of Parcel IV lying within Highway 200;

ALSO EXCEPTING therefrom any portion of Parcel IV lying within the Northern Pacific Railway,

together with all improvements, easements, tenements, hereditaments and appurtenances thereto, reserving unto Grantor and Grantor's wife, HILDA VAN SCHRAVENDYK, a life estate in that immediate portion of the property consisting of

the house, barn and garage, and access thereto, to be terminated either upon the death of the survivor of PAUL A. VAN SCHRAVENDYK and HILDA VAN SCHRAVENDYK; or to be terminated in the event that both PAUL A. VAN SCHRAVENDYK and HILDA VAN SCHRAVENDYK or the survivor of PAUL A. VAN SCHRAVENDYK and HILDA VAN SCHRAVENDYK abandon(s) said property for a period of two consecutive years.

During the exercise of said life estates, the Grantees are prohibited and restricted from subdivision of the 160 acres transferred herein and Grantees are prohibited and restricted from selling, transferring or conveying any part of the above described 160 acres; however, Grantees may sell, transfer or convey their entire interest in the total 160 acres to anyone, subject to the life estates herein reserved. Further, during the exercise of said life estates, both Grantees and Grantor are prohibited and restricted from logging said 160 acres, except that Grantees may selectively log certain trees only to improve the property, and irrespective of this provision, Grantor or his wife, HILDA VAN SCHRAVENDYK, may remove firewood for their personal use.

TO HAVE AND TO HOLD the said premises, with their appurtenances unto the said Grantees, their heirs and assigns forever. And the said Grantor does hereby covenant to and with the Grantees that he is the owner in fee simple of said premises; that said premises are free from all encumbrances except for easements and rights of way view or of public record, and the reservation of the life estate set forth herein, and that he will warrant and defend the same from all lawful claims whatsoever.

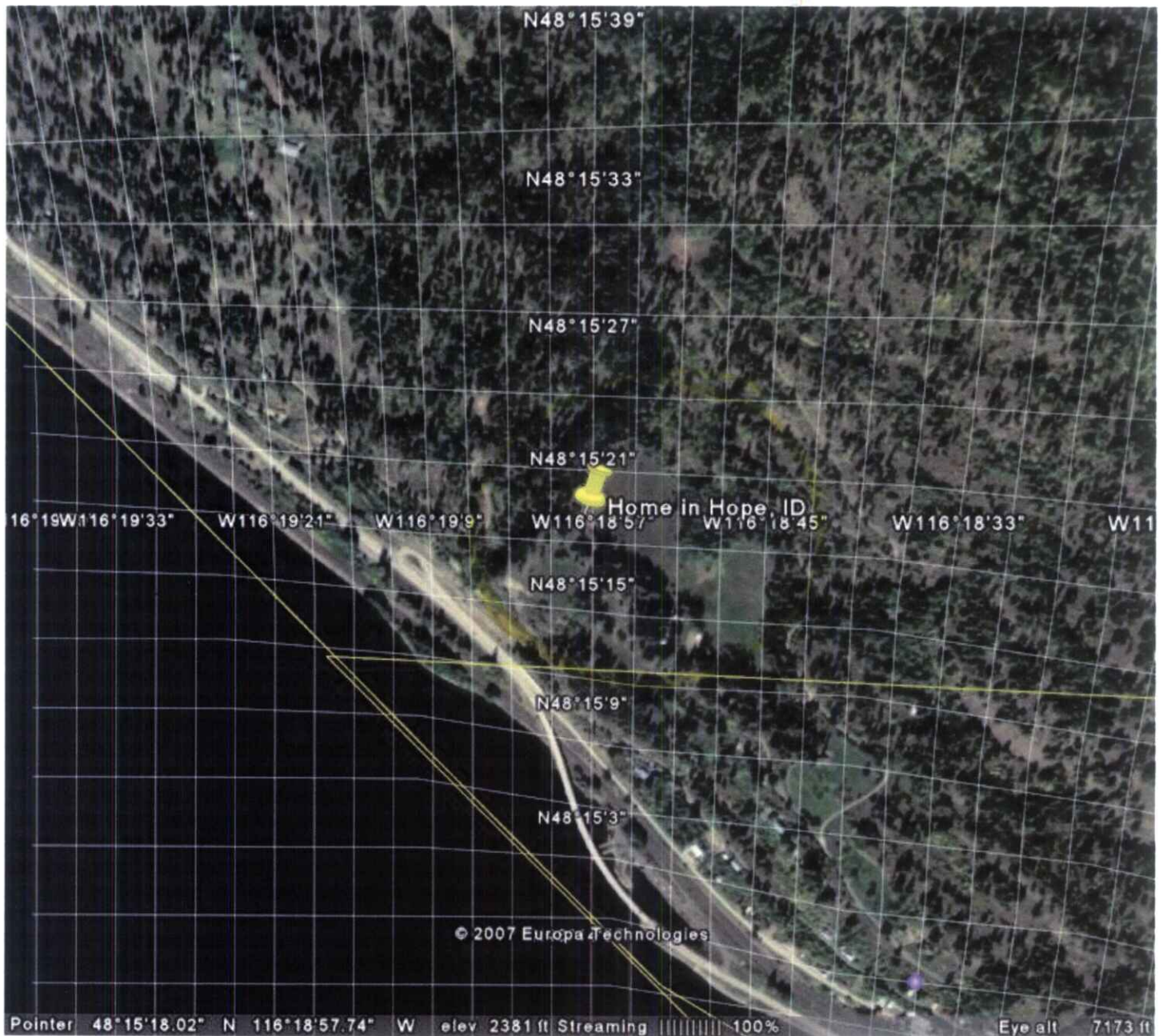
DATED this 31 day of August, 1992.

Paul A. Van Schravendyk
PAUL A. VAN SCHRAVENDYK

STATE OF IDAHO)
)ss.
County of Bonner)

On this 31 day of August, 1992, before me, a notary public in and for said State, personally appeared PAUL A. VAN SCHRAVENDYK, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

Carol Sommerfeld
Notary Public
Residing at: Sandpoint
My Commission Expires: 3-1-93



1. Fields are to the Right
and below yellow marker on map.
2. Just above and to the left of the yellow
marker shows dark trees that outline
where the creek comes down through the
property to the lake.

IDAHO DEPARTMENT OF WATER RESOURCES
Water Right Report 96-2120

WATER RIGHT NUMBER: 96-2120

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	PAUL A VAN SCHRAVENDYK
	HOPE, ID 83836
Original Owner	CHRISTINA VAN SCHRAVENDYK
	, ZZ

Priority Date: 05/09/1928

Basis: License

Status: Active

<u>Source</u>	<u>Tributary</u>
HOPE CREEK	LAKE PEND OREILLE

<u>Beneficial Use</u>	<u>From</u> <u>To</u>	<u>Diversion Rate</u>	<u>Annual Volume</u>
DOMESTIC	/ to /		
IRRIGATION	/ to /	0.200 CFS	
	<u>Total Diversion:</u>	0.200 CFS	

Location of Point(s) of Diversion

HOPE CREEK	NW1/4SE1/4	Sec. 27, Twp 57N, Rge 01E, B.M.
BONNER County		
HOPE CREEK	SW1/4SE1/4	Sec. 27, Twp 57N, Rge 01E, B.M.
BONNER County		

Place of Use

IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				Totals
57N	01E	27	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	10.0
					10.0														10.0

Total Acres: 10

DOMESTIC same as IRRIGATIONConditions of Approval:

1. TRANS. 225.

Remarks:Comments:

IDAHO DEPARTMENT OF WATER RESOURCES

Water Right Report 96-2120

Dates and Other Information:

Licensed Date: 12/12/1928
Decreed Date:
Enlargement Use Priority Date:
Enlargement Statute Priority Date:
State or Federal:
Owner Name Connector:
Water District Number:
Generic Max Rate Per Acre:
Generic Max Volume Per Acre:
Decree Defendant:
Decree Plaintiff:
Civil Case Number:
Judicial District:
Swan Falls Trust or Nontrust:
Swan Falls Dismissed:
DLE Act Number:
Carey Act Number:
Mitigation Plan: False

Combined Use Limits:

Water Supply Bank:

COMMITMENT FOR TITLE INSURANCE

SECURITY UNION TITLE INSURANCE COMPANY

a California corporation, herein called the Company, for a valuable consideration, hereby 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 covered hereby in the land described or referred to in Schedule A, upon payment of the premiums and charges therefor; all subject to the provisions of Schedules A and B and to the Conditions and Stipulations hereof.

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 hereof by the Company, either at the time of the issuance of this Commitment or by subsequent endorsement.

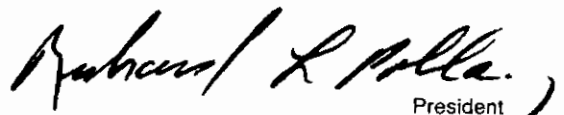
This Commitment is preliminary to the issuance of such policy or policies of title insurance and all liability and obligations hereunder shall cease and terminate six months after the effective date hereof or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue such policy or policies is not the fault of the Company.

Issued by:
SECURITY TITLE COMPANY
OF IDAHO
105 Pine Street - P. O. Box 758
Sandpoint, ID 83864 - (208) 263-2125
Fax No. (208) 263-1784


Authorized Signature

SECURITY UNION TITLE INSURANCE COMPANY

By:

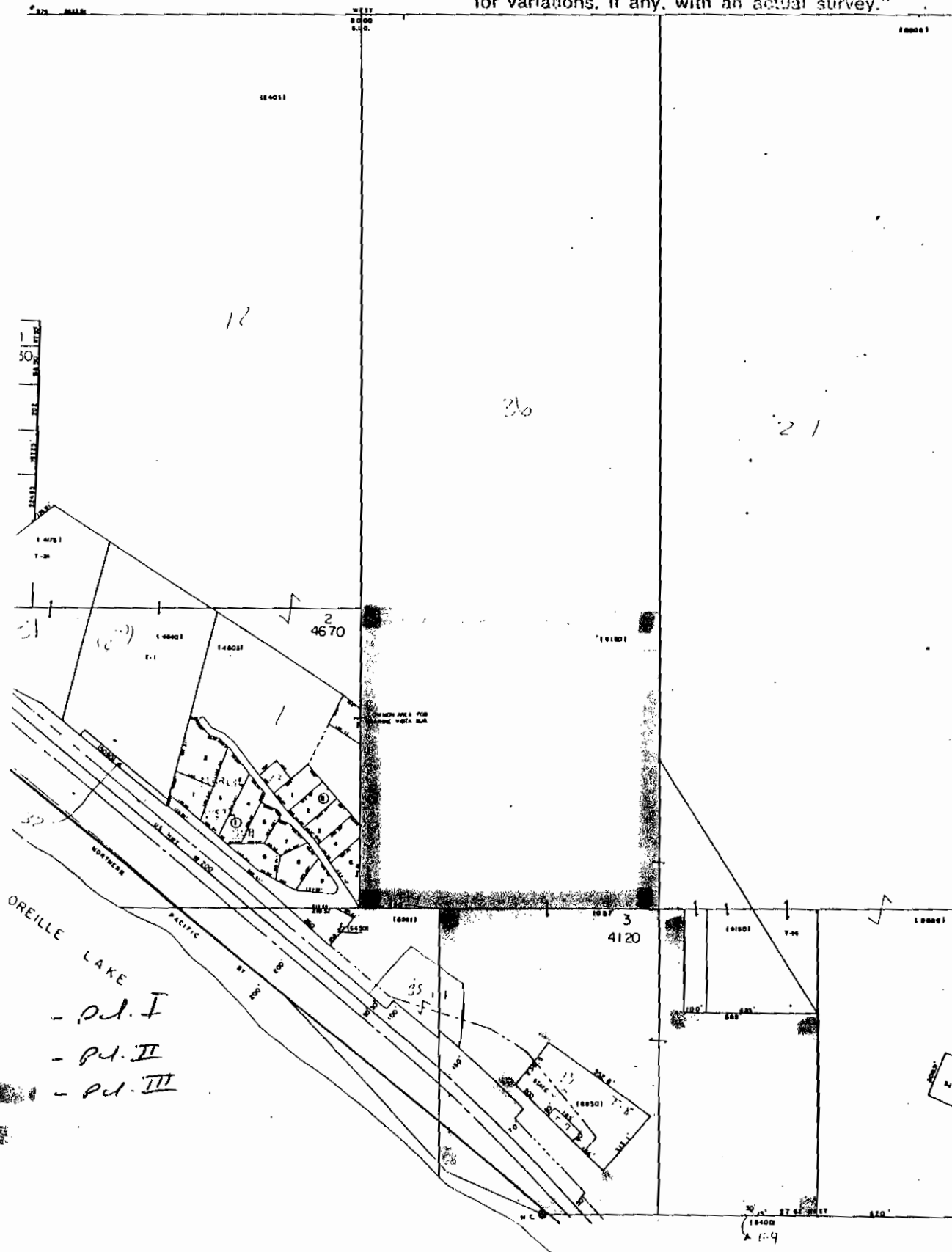

President



By:


Secretary

T57 N, R1 E, SEC 27



COMMITMENT FOR TITLE INSURANCE

SCHEDULE A

File No.: 52171

1. Effective Date: July 24, 1992 8:00 A.M.

2. Policy or Policies to be issued:

A. x ALTA Owner's Policy (4-6-90)	Amount: \$380,000.00
x Standard Coverage Extended Coverage	Premium: \$1,335.00
Proposed Insured:	
Gary R. VanStone and Alice B. VanStone	
 B. ALTA Loan Policy (4-6-90)	Amount: \$
Standard Coverage Extended Coverage	Premium: \$
	End:

Proposed Insured:

3. The estate or interest in the land described or referred to in this Commitment and covered here in is:
Fee Simple Estate

4. Title to the estate or interest in said land is at the effective date hereof vested in:
Paul A. Van Schravendyk, a married man, as his separate property

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

(Continued)

COMMITMENT FOR TITLE INSURANCE

File No.: 52171

SCHEDULE A (Continued)

Legal Description (continued)

PARCEL I:

That part of the East Half of the Southeast Quarter of Section 27, Township 57 North, Range 1 East, Boise Meridian, Westerly of a line described as follows:

Beginning on the South line of Section 27 at a point South 89°57' West 620 feet from the Southeast corner of Section 27; thence North 888 feet; thence North 33°30' West 1268.26 feet more or less to the West line of the Northeast Quarter of the Southwest Quarter of said Section 27.

PARCEL II:

The West Half of the Northeast Quarter of Section 27, Township 57 North, Range 1 East, Boise Meridian, Bonner County, Idaho.

PARCEL III:

The Northwest Quarter of the Southeast Quarter of Section 27, Township 57 North, Range 1 East, Boise Meridian, Bonner County, Idaho.

PARCEL IV:

Beginning at a point 620 feet West from the Southeast corner of Section 27; thence North 888 feet; thence West 583 feet; thence North 432 feet to Quarter line; thence West on said line 1087 feet; thence South 1050 feet more or less to the lake shore; thence along the lake shore to the South section line; thence East on said South section line to the point of Beginning;

LESS Tax No. 7 described as follows:

Beginning at Corner #1, which is at a point in gulch 12 feet above headwall of culvert near West end of Highland Street from which the Southeast corner of the Section 27 aforesaid bears South 315.83 feet and east 1700.26 feet; thence from said Corner #1, North 46°22' West, 145 feet along said road from Highland Street to Corner #2; thence North 43°38' East, 50 feet to Corner #3; thence South 46°22' East 145 feet to Corner #4; thence South 43°38' West, 50 feet to Place of Beginning;

ALSO LESS Tax No. 8 described as follows:

Beginning at Corner #1, which is at a point in gulch 12 feet above headwall of culvert near West end of Highland Street which point is identical with Corner #1 of Tax #7 known as Norton Tract. From said point the Southeast corner of Section 27, aforesaid, bears South 315.83 feet and East 1700.26 feet; thence from said Corner #1 South 46°22' East, 186 feet to corner #2; thence North 40°49' East, 313.1 feet to corner #3; thence North 54°24' West 552.8 feet to corner #4; thence South 38°21' West, 236.5 feet to corner #5; thence South 46°22' East, 200 feet to corner #6 which is identical with

(Continued)

COMMITMENT FOR TITLE INSURANCE

File No.: 52171

SCHEDULE A (Continued)

Legal Description (continued)

corner #2 of the Norton Tract; thence North 43°38' East, 50 feet along the West line of the Norton Tract; thence South 46°22' East along North line of Norton Tract 145 feet; thence South 43°38' West along the East line of Norton Tract 50 feet to the Point of Beginning, together with an easement for a pipeline to conduct water for domestic use over adjacent premises, as indicated in Deed Book 64, Page 240, Bonner County;

ALSO LESS Tax No. 9 described as follows:

Beginning at a point 932.9 feet West of the Southeast corner of said Section 27, Township 57 North, Range 1 East; thence North 15 feet; thence West 30 feet; thence South 15 feet; thence East 30 feet to the Point of Beginning.

EXCEPTING THEREFROM any portion of Parcel IV lying within Highway 200.

ALSO EXCEPTING therefrom any portion of Parcel IV lying within the Northern Pacific Railway.

End of Legal.

COMMITMENT FOR TITLE INSURANCE

File No.: 52171

SCHEDULE B - SECTION 1

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 acquired of record for value the estate or interest or mortgage thereon covered by the Commitment.
- B. General Exceptions:
 - (1) Rights or claims of parties in possession not shown by the public records.
 - (2) Encroachments, overlaps, boundary line 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 material 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 or 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 of such proceedings, whether or not shown by the records of such agency or by the public records.

Paragraphs 1, 2, 3, 4, 5 and 6 will not appear as printed exceptions on extended coverage policies, except as to such parts thereof which may be typed as a Special Exception in Schedule B - Section 2.

C. Special Exceptions:

(See Schedule B - Section 2 beginning on next page)

COMMITMENT FOR TITLE INSURANCE

File NO.: 52171

SCHEDULE B - SECTION 2

This Commitment is not valid without Schedule B - Section 1

SPECIAL EXCEPTIONS:

1. General taxes as extended on the regular tax roll for the year 1992, which are a lien, payable on or before December 20 of said year and not delinquent until after said date.
2. "Lien for any taxes deferred by virtue of the designation of the insured premises or any portion thereof as forest lands as provided in Section 63-1701 et seq, Idaho Code."
3. Easement for flume and ditch right of way granted by C. Smith and Caroline Smith, husband and wife, to N. P. Rylio; recorded June 19, 1899 in Book 2 of Deeds, Page 632, records of Bonner County, Idaho. The exact location of said easement is not disclosed of record. (Parcels I-IV)
4. The right to construct a pole line granted to Northern Idaho and Montana Power Company, Ltd; recorded September 21, 1911 in Book 3 of Miscellaneous, Page 375, records of Bonner County, Idaho. The exact location of said easement is not disclosed of record. (Parcel IV)
5. The right to construct a pole line granted to Northern Idaho and Montana Power Company, Ltd; recorded September 21, 1911 in Book 3 of Miscellaneous, Page 377, records of Bonner County, Idaho. The exact location of said easement is not disclosed of record. (Parcel IV)
6. Easement for relocation of all irrigation and drainage ditches and structures and such surface drain ditches as may be necessary to the proper construction of the highway as disclosed by document recorded April 12, 1940 as Document No. 740 in Book 62 of Deeds, Page 261, records of Bonner County, Idaho. (Parcel IV)
7. Power line easement as granted to Washington Water Power Company, a corporation, by instrument recorded January 29, 1951, in Book 17 of Miscellaneous, Page 434, of official records...including the right from time to time to cut, trim and remove trees, brush, overhanging branches and other obstructions which may injure or interfere with the Grantee's use, occupation or enjoyment of this easement and the operation, maintenance and repair of Grantee's electrical system. The exact location of said easement is not disclosed of record. (Parcel IV)

(Continued)

COMMITMENT FOR TITLE INSURANCE

File No.: 52171

SCHEDULE B - SECTION 2 (Continued)

Special Exceptions (Continued)

8. Power line easement as granted to Washington Water Power Company, a corporation, by instrument recorded February 5, 1951, in Book 17 of Miscellaneous, Page 451, of Official Records...including the right from time to time to cut, trim and remove trees, brush, overhanging branches and other obstructions which may injure or interfere with the Grantee's use, occupation or enjoyment of this easement and the operation, maintenance and repair of Grantee's electrical system. The exact location of said easement is not disclosed of record. (Parcel III)
9. Conditions, covenants and restrictions as disclosed by Warranty Deed recorded October 23, 1964 as Instrument No. 97916, records of Bonner County, Idaho. (Parcel IV)
10. Power line easement as granted to Pacific Power & Light Company, a corporation, by instrument recorded October 7, 1965, as Instrument No. 103108, of Official Records...including the right from time to time to cut, trim and remove trees, brush, overhanging branches and other obstructions which may injure or interfere with the Grantee's use, occupation or enjoyment of this easement and the operation, maintenance and repair of Grantee's electrical system. The exact location of said easement is not disclosed of record. (Parcel IV)
11. Power line easement as granted to The Washington Water Power Company, a corporation, by instrument recorded July 18, 1972, as Instrument No. 141936, of Official Records...including the right from time to time to cut, trim and remove trees, brush, overhanging branches and other obstructions which may injure or interfere with the Grantee's use, occupation or enjoyment of this easement and the operation, maintenance and repair of Grantee's electrical system. The exact location of said easement is not disclosed of record. (Parcels III and IV)
12. Rights of the State of Idaho in and to that portion of said premises, if any, lying in the bed or former bed of Pend Oreille River, if it is navigable.
13. Any question that may arise due to shifting or change of the line of high water of Pend Oreille River or due to the river having shifted or changed its line of high water.
14. Any question that may arise as to the location of the lateral boundaries of the shorelands described herein.
15. Any prohibition on the use, occupancy, or improvements of the land resulting from the rights of the public or riparian owners to use any waters which may cover the land or to use any portion of the land which is now or may formerly have been covered by water.

(Continued)

COMMITMENT FOR TITLE INSURANCE

File No.: 52171

SCHEDULE B - SECTION 2 (Continued)

Special Exceptions (Continued)

16. The rights of use, control, or regulation by the United States of America in exercise of power over navigation.

NOTE NO. 1: General taxes for the year 1991 as extended on the regular tax roll are paid in full.

Amount: \$669.06

Bill No.: 20623

NOTE NO. 2: 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.

End of Schedule B

BCG:ld

MEMORANDUM OF CONTRACT

COPIES

NOTICE IS HEREBY GIVEN that under Contract of Sale, dated the ____ day of August, 1992, PAUL A. VAN SCHRAVENDYK, the VENDOR, sold unto GARY R. VAN STONE and ALICE B. VAN STONE, husband and wife, the PURCHASERS, whose address is 210 Westbury Drive, Concordopolis, PA 15108, the following described property, to wit:

The following described real property located in Section 27, Township 57 North, Range 1 East, Boise Meridian, Bonner County, Idaho:

PARCEL I:

That part of the East half of the Southeast Quarter of Section 27, Township 57 North, Range 1 East, Boise Meridian, Westerly of a line described as follows:

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ALSO LESS Tax No. 8 described as follows:

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ALSO LESS Tax No. 9 described as follows:

Beginning at a point 932.9 feet West of the Southeast corner of said Section 27, Township 57 North, Range 1 East; thence North 15 feet; thence West 30 feet; thence South 15 feet; thence East 30 feet to the Point of Beginning;

WITNESS THE hands of the parties at the times and places set forth in
the acknowledgements hereto.

Paul A. Van Schravendyk
PAUL A. VAN SCHRAVENDYK - VENDOR

Gary R. Van Stone 8/20/92
GARY R. VAN STONE - PURCHASER

Alice B. Van Stone 8/20/92
ALICE B. VAN STONE - PURCHASER

STATE OF IDAHO)
) ss.
County of Bonner)

On this ____ day of August, 1992, before me a Notary Public in and for said County and State, personally appeared PAUL A VAN SCHRAVENDYK, known to me to be the person whose name is subscribed to the foregoing instrument, and has acknowledged to me that he has executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written in this document.


Notary Public for Idaho
Residing at: Sandpoint
My Commission Expires: 3-1-93

STATE OF IDAHO)
) ss.
County of Bonner)

On this 20 day of August, 1992, before me a Notary Public in and for said County and State, personally appeared GARY R. VAN STONE and ALICE B. VAN STONE, husband and wife, known to me to be the persons whose names are subscribed to the foregoing instrument, and have acknowledged to me that they have executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written in this document.

REAL ESTATE CONTRACT

COPY

THIS AGREEMENT is made and entered into on the date set forth below by and between PAUL A. VAN SCHRAVENDYK, a married man, as his sole and separate property, hereinafter referred to as VENDOR, and GARY R. VAN STONE and ALICE B. VAN STONE, husband and wife, hereinafter referred to as PURCHASER. The terms VENDOR and PURCHASER are used herein without regard to the number or gender of the persons constituting such parties. Furthermore, whenever any other neuter or singular term is used herein, such term shall be construed to include the masculine or feminine gender or the plural, and shall include any party, whether male, female or a corporation, partnership or other entity as may be appropriate in context.

1. LEGAL DESCRIPTION

For and in consideration of the payments to be made and the covenants to be performed by the PURCHASER as hereinafter set forth, the VENDOR does hereby contract and agree to sell and convey to the PURCHASER, subject to VENDOR'S reservation of a life estate for PAUL A. VAN SCHRAVENDYK and his wife, HILDA VAN SCHRAVENDYK, all of the following described real property situated in the County of Bonner, State of Idaho, to wit:

The following described real property located in Section 27, Township 57 North, Range 1 East, Boise Meridian, Bonner County, Idaho:

PARCEL 1:

That part of the East half of the Southeast Quarter of Section 27, Township 57 North, Range 1 East, Boise Meridian, Westerly of a line described as follows:

Beginning on the South line of Section 27 at a point south 89 degrees 57' West 620 feet from the Southeast corner of Section 27; thence North 888 feet; thence North 33 degrees 30' West 1268.26 feet more or less to the West line of the Northeast Quarter of the Southwest Quarter of said Section 27.

PARCEL II:

The West half of the Northeast Quarter of Section 27, Township 57 North, Range 1 East, Boise Meridian, Bonner County, Idaho.

PARCEL III:

The Northwest Quarter of the Southeast Quarter of Section 27, Township 57 North, Range 1 East, Boise Meridian, Bonner County, Idaho.

PARCEL IV:

Beginning at a point 620 feet West from the Southeast corner of Section 27; thence North 888 feet; thence West 583 feet; thence North 432 feet to quarter line; thence West on said line 1087 feet; thence South 1050 feet more or less to the lake shore; thence along the lake shore to the South section line; thence East on said South section line to the point of beginning;

LESS Tax No. 7 described as follows:

Beginning at Corner #1, which is at a point in gulch 12 feet above headwall of culvert near West end of Highland Street from which the Southeast corner of the Section 27 aforesaid bears South 315.83 feet and East 1700.26 feet; thence from said Corner #1, North 46 degrees 22' West, 145 feet along said road from Highland Street to Corner #2; thence North 43 degrees 38' East, 50 feet to Corner #3; thence South 46 degrees 22' East 145 feet to Corner #4; thence South 43 degrees 38' West, 50 feet to Place of Beginning;

ALSO LESS Tax No. 8 described as follows:

Beginning at Corner #1, which is at a point in gulch 12 feet above headwall of culvert near West end of Highland Street which point is identical with Corner #1 of Tax #7 known as Norton Tract. From said point the Southeast corner of Section 27, aforesaid, bears South 315.83 feet and East 1700.26 feet; thence from said Corner #1 South 46 degrees 22' East, 186 feet to corner #2; thence North 40 degrees 49' East, 313.1 feet to corner #3; thence North 54 degrees 24' West 552.8 feet to corner #4; thence South 38 degrees 21'

West, 236.5 feet to Corner #5; thence South 46° 22' East, 200 feet to Corner No. 6 which is identical with Corner No. 2 of the Norton Tract; thence North 43° 38' East, 50 feet along the West line of the Norton tract; thence South 46° 38' West along the East line of Norton Tract 50 feet to the Point of Beginning, together with an easement for a pipeline to conduct water for domestic use over adjacent premises, as indicated in Deed Book 64 Page 240, Bonner County;

ALSO LESS Tax No. 9, described as follows:

Beginning at a point 932.9 feet West of the Southeast corner of said Section 27, Township 57 North, Range 1 East, thence North 15 feet; thence West 30 feet; thence South 15 feet; thence East 30 feet to the point of beginning.

EXCEPTING THEREFROM any portion of Parcel IV lying within Highway 200.

ALSO EXCEPTING THEREFROM any portion of Parcel IV lying within the Northern Pacific Railway.

together with all improvements, easements, tenements, hereditaments, appurtenances, water rights, and mineral rights.

Also included in the sale is a Ford Tractor and Vendor is conveying the tractor to the Purchaser subject to the same Life Estate in Vendor, and HILDA VAN SCHRAVENDYK as set forth concerning the house, barn and garage.

2. PAYMENT

In consideration of the foregoing covenant and agreement to sell, the PURCHASER contracts and agrees to purchase all of the above described property and to pay therefore the sum of THREE HUNDRED EIGHTY THOUSAND DOLLARS and No|100 (\$380,000.00) in the manner following, to wit:

(A) \$230,000.00 at closing.

(B) \$50,000.00 on or before one year from the closing date.

3. REAL ESTATE CONTRACT

- (C) \$50,000.00 on or before two years from the closing date.
- (D) \$50,000.00 on or before three years from the closing date.
- (E) Interest shall be paid at the rate of 7% per annum, to accrue as of the date of closing and shall be paid annually at the same time that payments under (B), (C) and (D), above, are due.
- (F) PURCHASER shall have the right to prepay any or all of the deferred balance of the purchase price at any time.

3. LIFE ESTATE

VENDOR reserves a life estate for himself and his wife, HILDA VAN SCHRAVENDYK, in only the portion of the property consisting of the house, barn, and garage situated on said property. It is agreed that even though present Title to said property is in the name of PAUL A. VAN SCHRAVENDYK as his separate property, PURCHASER acknowledges and agrees to the reservation of a life estate for PAUL A. VAN SCHRAVENDYK and HILDA VAN SCHRAVENDYK.

During the exercise of said life estate:

(A) VENDOR or HILDA VAN SCHRAVENDYK shall keep up and maintain the reserved property in a reasonable manner and pay for insurance on the house, barn, and garage in a sum not less than their full insurable value, with a loss payable clause to the parties, as follows:

(a) The structures are owned by the Purchasers subject to the aforesaid Life Estates. The insurance proceeds shall be applied to rebuild the structures if the Vendor elects to remain in possession under the Life Estates, or Vendor may elect to have the insurance proceeds paid on any unpaid contract balance.

4. REAL ESTATE CONTRACT

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(b) In the event this Contract is fully paid by Purchasers, then the Vendor may elect to apply the proceeds to rebuild if they elect to remain in possession under the Life Estates, otherwise the insurance proceeds belong to the Purchaser.

(B) PURCHASER shall not subdivide or otherwise sell, transfer or convey any part of the above described property during the life estate; however, PURCHASER may sell, transfer or convey its entire interest in the total 160 acres to anyone after the Contract is paid in full, subject to the life estate herein reserved. Prior to the Contract being paid in full, PURCHASER may not sell, transfer, convey or assign its interest without written consent of VENDOR and said consent shall not be unreasonably withheld.

(C) Neither party shall log said property except that upon payment of the Contract in full, PURCHASER may selectively log certain trees only to improve the property, and irrespective of this provision, VENDOR or his wife may remove firewood for their personal use during their life estate.

(D) PURCHASER shall pay all applicable taxes on said property.

(E) Proof of payment of taxes, assessments and insurance premiums shall be deposited with the escrow holder.

In the event that both VENDOR and his wife, or the survivor of VENDOR and his wife, vacates the property during their life estate for a period of two consecutive years, then said life estate shall terminate and PURCHASER shall be entitled to full possession, and if said vacating of the life estate occurs prior to the Contract being paid in full, PURCHASER shall pay all insurance premiums as described in (A) above.

4. TAXES AND ASSESSMENTS

Taxes upon the above described property shall be prorated as of the date of closing. The VENDOR shall pay all taxes upon the property hereinabove described prior to said date, and PURCHASER shall pay all subsequent taxes and assessments levied upon the property hereinabove described, before the same become delinquent. Receipts for all taxes paid shall be filed with the escrow holder hereinafter named.

5. INSPECTION OF PROPERTY

PURCHASER hereby acknowledges that PURCHASER has made an independent examination and inspection of the above described real property and all improvements thereon and is fully aware of the condition of same and is not relying upon any representation made by VENDOR or VENDOR'S agent or agents as to the condition of said property nor the location of boundary lines, nor as to the acreage or number of square feet or frontage contained in the real property hereinafter described, and agrees to take the premises "as is". PURCHASER has further been informed and understands that the property herein described has not been surveyed, and that VENDOR is not responsible or liable to obtain or provide a survey of said property.

6. VENDOR MAY PAY ITEMS

In case the PURCHASER shall fail to pay any taxes, assessment, insurance premiums or any obligation of PURCHASER that is a lien on said property, whether or not such lien is recorded, that may become due on said property above described,

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then VENDOR may, at VENDOR'S option, without waiving any default hereunder, pay any such taxes, assessments, insurance premiums or lien that may not have been paid, and such sum or sums so paid by the said VENDOR shall become a part of the principal sum due hereunder and shall be immediately due and payable to the VENDOR with interest thereon from the date paid by the VENDOR at the maximum rate of interest allowable by law.

7. TITLE AND DEEDS

VENDOR shall execute and cause to be delivered to the escrow holder hereinafter named with this Contract a good and sufficient Warranty Deed conveying to PURCHASER the property hereinabove described free and clear of all claims, liens and encumbrances, except taxes and assessments for the current year, and rights-of-way of public record, and the reservation of a life estate.

8. DEFAULT AND SERVICE OF NOTICE

Time is of the essence of this Contract, and if the PURCHASER shall fail or refuse to promptly and at the times and in the manner, as hereinafter provided, perform any condition of this Contract on the PURCHASER'S part to be performed, or should the PURCHASER or any one of them, if there be more than one person constituting the PURCHASER hereunder, become insolvent or be adjudicated a bankrupt, or compound with or make a general assignment for the benefit of creditors, in any such event, the VENDOR shall have the following options, to wit:

- (A) VENDOR may elect to affirm this Contract and sue either at law or in equity to recover the entire balance of principal and interest then remaining due and unpaid, together with any and all other amounts due under the terms of this Contract, such default operating to mature installments of principal not at that time due under the terms of this Contract; and enforce any and all security given to VENDOR by operation of law to secure the payment of said amount; or

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(B) The VENDOR may forfeit this Contract and re-enter and take possession of said premises, and retain all amounts theretofore paid upon the purchase price and retain the benefit of all improvements and all work done upon the premises as reasonable rental of said premises and as liquidated damages.

PROVIDED, HOWEVER, that if such default shall be of a nature which can be cured by PURCHASER, before either option be exercised by the VENDOR, the VENDOR shall serve upon the escrow holder and also upon PURCHASER a written notice specifying the default complained of and requiring compliance with the terms of this Contract within thirty (30) days after service of said notice.

If PURCHASER shall comply with said notice and the terms of this Contract within said period of time, the default shall be deemed corrected, but if PURCHASER shall not so comply, then the default shall be deemed complete at the expiration of said thirty-day period, and the VENDOR may forthwith proceed under either option.

If such default is of such nature that it cannot be cured by PURCHASER, as, for example, the bankruptcy of the PURCHASER or any of them, if there be more than one person constituting the PURCHASER hereunder, then such default shall be deemed complete upon the happening of the occurrence, and without the necessity of the giving of any notice of default by VENDOR to PURCHASER.

In the event of a completed forfeiture, should the VENDOR proceed under option (B), VENDOR may re-enter and take possession of said premises, free and clear of all claims whatsoever of the PURCHASER, and continued occupation and possession of said premises by the PURCHASER shall be deemed and considered a trespass on the real estate and such possession considered unlawful and without right.

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In order to cure any such default, the PURCHASER shall pay to the escrow holder, to be transmitted to VENDOR, in addition to all other sums necessary to cure such default, and as a prerequisite to the curing of such default, the sum of \$150.00 to cover the costs of preparation and service of such notice and as liquidated damages for such breach for each such notice of default; and if the default is not cured after the aforementioned notice is served, and it becomes necessary to place this Agreement in the hands of an attorney for enforcement of their rights hereunder, then the defaulting party agrees in such case to pay reasonable attorney's fees incurred. The said sums shall not be a payment upon the Contract and shall not be credited by the escrow holder as such, but shall be disbursed by the escrow agent directly to VENDOR.

9. GIVING OF NOTICE

Service of any notice permitted or required under the terms of this Contract shall be deemed complete upon the deposit of the same in the United States mail by the VENDOR, by certified mail, return receipt requested, addressed to the PURCHASER at his last known address; or by the PURCHASER addressed to the VENDOR at his last known address, as the case may be, or to such other address as either shall hereafter in writing to the other designate, or by causing said notice to be served personally upon the PURCHASER, or on the VENDOR, as the case may be. In the event there is more than one person constituting the VENDOR or the PURCHASER herein, service by mail or personal service as provided above, upon any one person in such party, shall be good and sufficient service upon all persons constituting such party the same as though such service had been made upon each and every member of such party.

10. PARTIAL INVALIDITY

In the event any portion of this Contract or part thereof shall be determined by any Court of competent jurisdiction to be invalid, void, or otherwise

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unenforceable, the remaining provisions hereunder, or parts thereof, shall remain in full force and effect, and shall in no way be affected, impaired, or invalidated thereby, it being understood that such remaining provisions shall be construed in a manner most closely approximating the intention of the parties with respect to the invalid, void, or unenforceable provisions or part thereof.

11. FEES AND COSTS

It is agreed that the VENDOR and PURCHASER shall divide equally the cost of closing this transaction, including the cost of escrow. Each party is to pay its own attorney fees. VENDOR shall pay the full cost of title insurance.

12. ATTORNEY'S FEES

In the event an attorney is employed to enforce the provisions of this Agreement, or if there is any litigation arising out of any disagreement over the performance of this Agreement, the party found to be at fault herein agrees to pay the prevailing party reasonable attorney's fees and the cost of enforcement or action, in addition to any other award of the Court.

13. ESCROW HOLDER

FINANCIAL MANAGEMENT SERVICES, INC. is hereby designated as escrow holder, and this Contract shall be deposited with said escrow holder, together with all other documents, receipts and insurance policies required to be deposited with said escrow holder under the terms of this agreement.

The escrow holder is herewith directed to take and receive from the PURCHASER receipts evidencing payment of taxes and insurance, and insurance policies (if applicable), and to take and receive each payment accruing hereunder for the use and benefit of the VENDOR.

The said escrow holder is hereby authorized and directed upon full and complete performance of this Contract by the PURCHASER at the time and in the

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8/20/12

STATE OF IDAHO)
) ss.
County of Bonner)

On this ____ day of August, 1992, before me a Notary Public in and for said County and State, personally appeared PAUL A VAN SCHRAVENDYK, known to me to be the person whose name is subscribed to the foregoing instrument, and has acknowledged to me that he has executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written in this document.


Notary Public for Idaho
Residing at: Sandpoint
My Commission Expires: 3-1-93

STATE OF IDAHO)
) ss.
County of Bonner)

On this 20 day of August, 1992, before me a Notary Public in and for said County and State, personally appeared GARY R. VAN STONE and ALICE B. VAN STONE, husband and wife, known to me to be the persons whose names are subscribed to the foregoing instrument, and have acknowledged to me that they have executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written in this document.

COPY ^{GOOD}

QUITCLAIM DEED

FOR VALUE RECEIVED, HILDA VAN SCHRAVENDYK, a married woman, does hereby convey, release, remise and forever quit claim unto PAUL A VAN SCHRAVENDYK, a married man, the following described premises, to-wit:

The following described real property located in Section 27, Township 57 North, Range 1 East, Boise Meridian, Bonner County, Idaho:

PARCEL I:

That part of the East half of the Southeast Quarter of Section 27, Township 57 North, Range 1 East, Boise Meridian, Westerly of a line described as follows:

Beginning on the South line of Section 27 at a point south 89 degrees 57' West 620 feet from the Southeast corner of Section 27; thence North 888 feet; thence North 33 degrees 30' West 1268.26 feet more or less to the West line of the Northeast Quarter of the Southwest Quarter of said Section 27.

PARCEL II:

The West half of the Northeast Quarter of Section 27, Township 57 North, Range 1 East, Boise Meridian, Bonner County, Idaho.

PARCEL III:

The Northwest Quarter of the Southeast Quarter of Section 27, Township 57 North, Range 1 East, Boise Meridian, Bonner County, Idaho.

PARCEL IV:

Beginning at a point 620 feet West from the Southeast corner of Section 27; thence North 888 feet; thence West 583 feet; thence North 432 feet to quarter line; thence West on said line 1087 feet; thence South 1050 feet more or less to the lake shore; thence along the lake shore to the South section line; thence East on said South section line to the point of beginning;

LESS Tax No. 7 described as follows:

Beginning at Corner #1, which is at a point in gulch 12 feet above headwall of culvert near West end of Highland Street from which the Southeast corner of the Section 27 aforesaid bears South

315.83 feet and East 1700.26 feet; thence from said Corner #1, North 46 degrees 22' West, 145 feet along said road from Highland Street to Corner #2; thence North 43 degrees 38' East, 50 feet to Corner #3; thence South 46 degrees 22' East 145 feet to Corner #4; thence South 43 degrees 38' West, 50 feet to Place of Beginning;

ALSO LESS Tax No. 8 described as follows:

Beginning at Corner #1, which is at a point in gulch 12 feet above headwall of culvert near West end of Highland Street which point is identical with Corner #1 of Tax #7 known as Norton Tract. From said point the Southeast corner of Section 27, aforesaid, bears South 315.83 feet and East 1700.26 feet; thence from said Corner #1 South 46 degrees 22' East, 186 feet to corner #2; thence North 40 degrees 49' East, 313.1 feet to corner #3; thence North 54 degrees 24' West 552.8 feet to corner #4; thence South 38 degrees 21' West, 236.5 feet to corner #5; thence South 46 degrees 22' East, 200 feet to corner #6 which is identical with corner #2 of the Norton Tract; thence North 43 degrees 38' East, 50 feet along the West line of the Norton Tract; thence South 46 degrees 22' East along North line of Norton Tract 145 feet; thence South 43 degrees 38' West along the East line of Norton Tract 50 feet to the Point of Beginning, together with an easement for a pipeline to conduct water for domestic use over adjacent premises, as indicated in Deed Book 64, Page 240, Bonner County;

ALSO LESS Tax No. 9 described as follows:

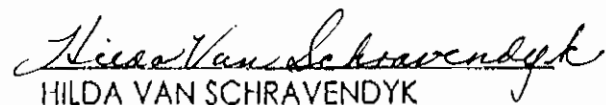
Beginning at a point 932.9 feet West of the Southeast corner of said Section 27, Township 57 North, Range 1 East; thence North 15 feet; thence West 30 feet; thence South 15 feet; thence East 30 feet to the Point of Beginning;

EXCEPTING THEREFROM any portion of Parcel IV lying within Highway 200;

ALSO EXCEPTING therefrom any portion of Parcel IV lying within the Northern Pacific Railway,

together with all improvements, easements, tenements, hereditaments and appurtenances thereto.

DATED this 31st day of August, 1992.


HILDA VAN SCHRAVENDYK

STATE OF IDAHO)
)ss.
County of Bonner)

On this 31st day of August, 1992, before me, a notary public in and for said State, personally appeared HILDA VAN SCHRAVENDYK, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that she executed the same.



Notary Public
Residing at: Sandpoint
My Commission Expires: 5/9/93