



RECEIVED
AUG 23 2004
DEPARTMENT OF
WATER RESOURCES

First American Title

419 N. Second Ave./P.O. Box 802 • Sandpoint, Idaho 83864-0802

Phone (208)263-6833 • Fax (208)263-5890

COMMITMENT FOR TITLE INSURANCE

PREPARED FOR
Glen Harvey & Leslie Wood
4377 Via Esperanza
Santa Barbara, CA 93110

ORDER NO.: **S39348**

BUYER/BORROWER: **Glen Harvey and Leslie Wood**

SELLER: **Olympic Coast Investment, Inc.**

PROPERTY ADDRESS: **7372 Hwy 95 S. Sandpoint, Idaho 83864**

YOUR REFERENCE NO:

TITLE OFFICER: **Debbie Marcott**

ESCROW OFFICER:

COPIES OF COMMITMENT SENT TO:
George Gauzza/Sandpoint Realty
Catherine Dullea/Catherine Dullea Atty.

Thank you for using First American Title Company!

We appreciate your business!



First American Title Insurance Company

INFORMATION

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The Title Insurance Commitment is a legal contract between you and the company. It is issued to show the basis on which we will issue a Title Insurance Policy to you. The Policy will insure you against certain risks to the land title, subject to the limitations shown in the Policy.

The Company will give you a sample of the Policy form, if you ask.

The Commitment is based on the land title as of the Commitment Date. Any changes in the land title or the transaction may affect the Commitment and the Policy.

The Commitment is subject to its Requirements, Exceptions and Conditions.

THIS INFORMATION IS NOT PART OF THE TITLE INSURANCE COMMITMENT.

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YOU SHOULD READ THE COMMITMENT VERY CAREFULLY.

If you have any questions about the Commitment, please contact the issuing office.

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DEPARTMENT OF
WATER RESOURCES

COMMITMENT FOR TITLE INSURANCE

ISSUED BY

First American Title Insurance Company

AGREEMENT TO ISSUE POLICY

We agree to issue a policy to you according to the terms of this Commitment. When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the Commitment Date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under this Commitment is limited by the following:

- The Provisions in Schedule A.
- The Requirements in Schedule B-1.
- The Exceptions in Schedule B-2.
- The Conditions on the other side of this page 1.

This Commitment is not valid without SCHEDULE A and Sections 1 and 2 of SCHEDULE B.



First American Title Insurance Company

BY

Gary L. Keruett

PRESIDENT

ATTEST

Mark A. Anderson

SECRETARY

BY

[Signature]

COUNTERSIGNED

CONDITIONS

1. **DEFINITIONS**

(a) "Mortgage" means mortgage, deed of trust or other security instrument. (b) "Public Records" means title records that give constructive notice of matters affecting the title according to the state law where the land is located.

2. **LATER DEFECTS**

The Exceptions in Schedule B - Section 2 may be amended to show any defects, liens or encumbrances that appear for the first time in the public records or are created or attached between the Commitment Date and the date on which all of the Requirements (a) and (c) of Schedule B - Section 1 are met. We shall have no liability to you because of this amendment.

3. **EXISTING DEFECTS**

If any defects, liens or encumbrances existing at Commitment Date are not shown in Schedule B, we may amend Schedule B to show them. If we do amend Schedule B to show these defects, liens or encumbrances, we shall be liable to you according to Paragraph 4 below unless you knew of this information and did not tell us about it in writing.

4. **LIMITATION OF OUR LIABILITY**

Our only obligation is to issue to you the Policy referred to in this Commitment, when you have met its Requirements. If we have any liability to you for any loss you incur because of an error in this Commitment, our liability will be limited to your actual loss caused by your relying on this Commitment when you acted in good faith to:

comply with the Requirements shown in Schedule B - Section 1
or
eliminate with our written consent any Exceptions shown in
Schedule B - Section 2.

We shall not be liable for more than the Policy Amount shown in Schedule A of this Commitment and our liability is subject to the terms of the Policy form to be issued to you.

5. **CLAIMS MUST BE BASED ON THIS COMMITMENT**

Any claim, whether or not based on negligence, which you may have against us concerning the title to the land must be based on this Commitment and is subject to its terms.

The First American Corporation

First American Title Company, Inc.

Privacy Policy

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our parent company, The First American Corporation, we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values, a copy of which can be found on our website at www.firstam.com.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- * Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- * Information about your transactions with us, our affiliated companies, or others; and
- * Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies, and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

SCHEDULE A

Order No.: S39348

Reference No.:

1. Commitment Date: **February 27, 2004** / at **05:00 PM**

2. Policy (or Policies) to be issued:

Policy Amount	Premium Amount
\$ 2,310,000.00	\$ 5,400.00

(a) **Owner's Policy** (Std Own Policy (10/17/92) Form 1402-92)

No credits applicable

Proposed Insured:

Glen Harvey and Leslie Wood

Endorsements:

(b) **Loan Policy** (Form 1056-92)

No credits applicable

Proposed Insured:

Endorsements:

(c) ()

Proposed Insured:

Endorsements:

3. A fee simple interest in the land described in this Commitment is owned, at the Commitment Date, by:

Olympic Coast Investment, Inc., a Washington corporation, individually and as Investment Manager

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

Parcel I: Lot 6A of Replat of Lots 6-8, Block 7, Lakeside Place, according to the plat thereof, recorded in Book 6 of Plats, Page 130, records of Bonner County, Idaho.

Parcel II: Lot 1A of Replat of Lots 1-10, Block 10, Lakeside Place, according to the Plat thereof recorded in Book 6 of Plats, Page 132, records of Bonner County, Idaho.

According to the County Assessor's office, the above described property is commonly known as:

7372 Hwy 95 S., Sandpoint, Idaho 83864

**VALID ONLY IF SCHEDULE B AND
COVER ARE ATTACHED**

ALTA Plain Language Commitment
Form No.: 1344-A (1982)
(S39348.PFD/S39348/9)

SCHEDULE B - SECTION 1
REQUIREMENTS

The following requirements must be met:

- a. Pay the agreed amounts for the interest in the land and/or the 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. Release(s) or Reconveyance(s) of item(s).
- f. With respect to Olympic Coast Investment, Inc, a Washington corporation, individually and as Investment Manager a corporation, we require:
 - a. A certified copy of good standing of recent date issued by the secretary of state of the corporation's state of domicile.
 - b. A certified copy of a resolution of the board of directors authorizing the contemplated transaction and designating which corporate officers shall have the power to execute on behalf of the corporation.
 - c. Other requirements which the Company may impose following its review of the material required herein and other information which the Company may require.

SCHEDULE B - SECTION 2

EXCEPTIONS

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

Part 1:

1. 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 records.
2. Any facts, rights, interest, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by 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. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.
7. 2002 taxes in the original amount of \$10,786.24, Tax Parcel Number RP0023401001A0A, are now due and payable.
8. 2002 taxes in the original amount of \$358.42, Tax Parcel Number RP0023407006A0A, are now due and payable.
9. Taxes for the first one-half of 2003, Tax Parcel Number RP0023401001A0A are delinquent in the original delinquency amount of \$10,962.62 plus penalties and accruing interest.
10. Taxes for the first one-half of 2003, Tax Parcel Number RP0023407006A0A are delinquent in the original delinquency amount of \$364.44 plus penalties and accruing interest.
11. 2004 taxes are an accruing lien, not yet due or payable.
12. Levies and assessments of Southside Water and Sewer District, taxes current at the time of closing.
13. Any claim arising from the difference in the mean high water line of Pend Oreille River and the meander line as shown by the Original Government Survey.
14. A perpetual right of way and easement to overflow, flood and submerge a portion of the herein described property, upon the terms and provisions therein set forth as conveyed to the United States of America, by Warranty Easement, recorded July 31, 1952, as Instrument No. 42831, in Book 18 of Miscellaneous, page 500, records of Bonner County, Idaho.
15. A perpetual right of way and easement to overflow, flood and submerge a portion of the herein described property, upon the terms and provisions therein set forth as conveyed to the United States of America, by Warranty Easement, recorded July 31, 1952, as Instrument No. 42831, in Book 18 of Miscellaneous, page 500, records of Bonner County, Idaho.

SCHEDULE B - SECTION 2

EXCEPTIONS

(Continued)

Order No.: S39348

16. A perpetual right of way and easement to overflow, flood and submerge a portion of the herein described property, upon the terms and provisions therein set forth as conveyed to the United States of America, by Warranty Easement, recorded July 31, 1952, as Instrument No. 42832, in Book 18 of Miscellaneous, page 501, records of Bonner County, Idaho.
17. A perpetual right of way and easement to overflow, flood and submerge a portion of the herein described property, upon the terms and provisions therein set forth as conveyed to the United States of America, by Warranty Easement, recorded October 13, 1952, as Instrument No. 43646, in Book 19 of Miscellaneous, page 67, records of Bonner County, Idaho.
18. Easement for water and sewer pipelines, granted to Southside Water and Sewer District, a municipal subdivision of the State of Idaho, recorded as Instrument No. 169581, in Book 59 of Miscellaneous, page 169.
19. Easement for water and sewer district, granted to Southside Water and Sewer District, recorded as Instrument No. 169582

Addendums to said Instrument were recorded August 16, 1993 under Instrument No. 430173, and on September 9, 1993 under Instrument No. 431541, records of Bonner County, Idaho.
20. Encroachment Permit and the terms and conditions thereof, granted by the State of Idaho Department of Lands, recorded November 30, 1991, as Instrument No. 416286, records of said County.
21. Power Line easement granted to Pacific Power and Light Company, recorded November 8, 1993, as Instrument NO. 435234.
22. Covenants, conditions, restrictions and/or easements contained in the recorded plat of Replat of Lots 608, Block 7, Lakeside Place, but deleting any covenant, condition, or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).
23. Covenants, conditions, restrictions and/or easements contained in the recorded plat of Replat of Lots 1-10, Block 10, Lakeside Place, but deleting any covenant, condition, or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).
24. Easements on the recorded plat of said subdivision.
(Affects Parcel II)

SCHEDULE B - SECTION 2
EXCEPTIONS

(Continued)

Order No.: S39348

25. The right of the United States to redeem said land within 120 days from December 10, 2003, the date of sale, as provided for by the Federal Tax Lien Act.

Note: Federal Tax Lien for any amounts due thereunder.
Taxpayer: Alex & Mary Lee Verhoogen
Amount: \$529,167.31
Recorded: September 26, 2003 as Instrument No. 634719.

26. With respect to Olympic Coast Investment, Inc, a Washington corporation, individually and as Investment Manager a corporation, we require:
- a. A certified copy of good standing of recent date issued by the secretary of state of the corporation's state of domicile.
 - b. A certified copy of a resolution of the board of directors authorizing the contemplated transaction and designating which corporate officers shall have the power to execute on behalf of the corporation.
 - c. Other requirements which the Company may impose following its review of the material required herein and other information which the Company may require.

END OF EXCEPTIONS

The foregoing numbered exceptions 1-6 may be eliminated in an ALTA Extended Coverage Policy

If you have any questions regarding this report, please feel free to contact:

First American Title Company, Inc.
419 N. Second Ave./P.O. Box 802
Sandpoint, Idaho 83864-0802
Phone: (208)263-6833
Fax: (208)263-5890
Title Officer: Debbie Marcott
Escrow Officer:

Report Ordered By:
Sandpoint Realty
George Gauzza
223 North 1st Avenue
Sandpoint, ID 83864

Copies To:

George Gauzza/Sandpoint Realty
Catherine Dullea/Catherine Dullea Atty.

580434. Parcel II.

REPLAT OF LOTS 1-10, BLOCK 10, LAKESIDE PLACE

LOCATED IN SECTION 35, TOWNSHIP 57 NORTH, RANGE 2 WEST, BOISE MERIDIAN, BONNER COUNTY, IDAHO

ORIGINAL LOTS 1 THRU 6 ARE SUBJECT TO AN EASEMENT GRANTED TO THE UNITED STATES OF AMERICA, RECORDED JULY 31, 1952, AS INSTRUMENT NO. 42831 OR IN BOOK 18 OF MISCELLANEOUS, PAGE 500, RECORDS OF BONNER COUNTY, IDAHO.

ORIGINAL LOTS 7 THRU 10 ARE SUBJECT TO AN EASEMENT GRANTED TO THE UNITED STATES OF AMERICA, RECORDED JULY 31, 1952, AS INSTRUMENT NO. 42832 OR IN BOOK 18 OF MISCELLANEOUS, PAGE 501, RECORDS OF BONNER COUNTY, IDAHO.

THE SIDE LINES OF LOT 1A EXTEND NORTHERLY TO THE ORIGINAL PLATTED BOUNDARY

APPROX. SUMMER POOL
ELE: 2062.5 NGVD '29

±3.96ac
(TO SUMMER POOL)

100-YR FLOOD
ELE: 2070 NGVD '29

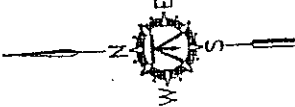
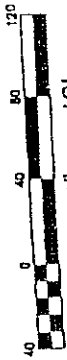
ORIGINAL LOT LINES (TYPICAL)

BASIS OF BEARING

THE BEARINGS SHOWN HEREON ARE BASED ON A RECORD SURVEY MADE BY PLS 7872, INSTRUMENT NO. 58138, RECORDS OF BONNER COUNTY, IDAHO

LEGEND

- SET A 5/8" X 30" REBAR WITH A YELLOW PLASTIC CAP MARKED "TUCKER PE 1847"
- FOUND A 5/8" REBAR BY PLS 7879
- FOUND A 3/4" IRON PIPE
- FOUND A CONCRETE RIGHT-OF-WAY MONUMENT (STA 108+11.6), MARKED "WSPC 18"
- Ⓜ SANITARY TEE/W MANHOLE (SOUTHSIDE WATER & SEWER DISTRICT)



NUMBER	DIRECTION	DISTANCE
1	N 88° 53' 10" E	88.19 FT
2	N 88° 23' 53" W	30.35 FT
3	N 44° 08' 19" W	33.92 FT
4	N 1° 49' 43" W	23.13 FT
5	S 1° 02' 53" E	43.30 FT
6	S 33° 43' 52" E	44.39 FT
7	N 88° 09' 23" W	17.27 FT
8	N 84° 33' 43" W	56.80 FT



R/W BY DEED NO. 47280
(BOOK 86, PAGE 483)
(LOTS 8-10 & PART OF 7)

11

TUCKER BROWN & VERMEER, LLC
ENGINEERING AND LAND SURVEYING
101 E. 2ND AVE., SUITE 100, BOISE, IDAHO 83720-1004

LOTS 1 THRU 5
BLOCK 7, LAKESIDE PLACE

DRIVE (PUBLIC R/W)

THE ORIGINAL LOTS 1 THRU 5 ARE SUBJECT TO AN EASEMENT GRANTED TO PACIFIC POWER & LIGHT, DESCRIBED IN INSTRUMENT NO. 435234, RECORDS OF BONNER COUNTY, IDAHO

BLOCK 10
(1A)

Parcel II

CENTERLINE
20" R/W
(SOUTHSIDE WATER & SEWER DISTRICT)

R/W BY DEED NO. 84020
(BOOK 53, PAGE 281)

R/W BY DEED NO. 89818

A 308.3911
N 88° 53' 10" E
LC 308.3414
D 116.03' 10" 21"
N 07° 38' 32" W

R/W BY DEED NO. 431542
(LOTS 1-5)

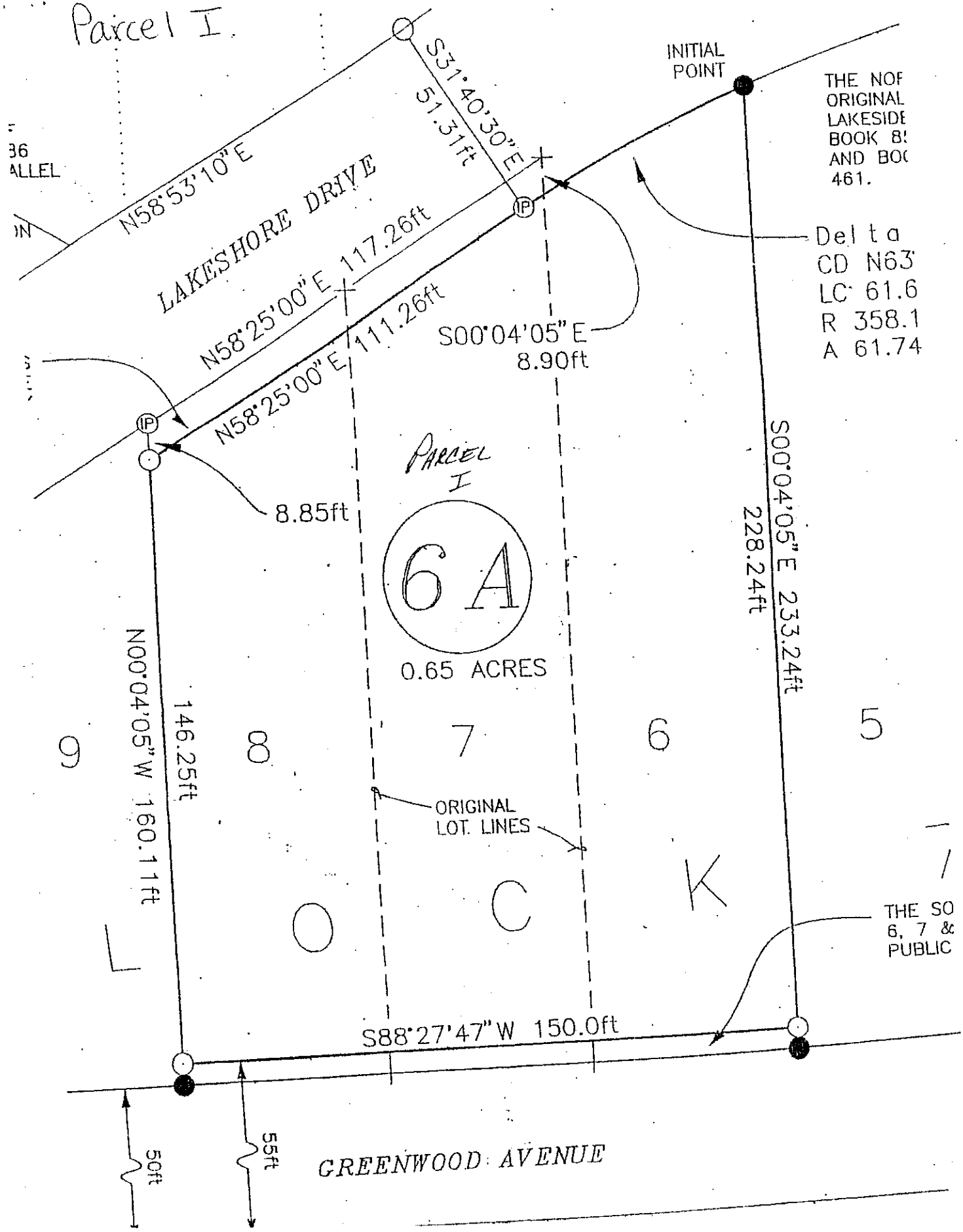
D 116.03' 10" 21"
N 07° 38' 32" W
R 338.10 FT
A 130.30 FT

D 116.03' 10" 21"
N 07° 38' 32" W
R 338.10 FT
A 130.30 FT

D 116.03' 10" 21"
N 07° 38' 32" W
R 338.10 FT
A 130.30 FT

LOT 6-8, BLOCK 7, LAKESIDE
SECTION 35, TOWNSHIP 57 NORTH, RANGE 2 WEST, BOISE MERIDIAN, E

Parcel I.



THE NOF
ORIGINAL
LAKESIDE
BOOK 8!
AND BOO
461.

Delta
CD N63
LC 61.6
R 358.1
A 61.74

THE SO
6, 7 &
PUBLIC

GREENWOOD AVENUE

34348

656523

First American Title

FILED BY

2004 AUG -6 P 3 05

MARIE SCOTT
BONNER COUNTY RECORDER

DEPUTY

CATHERINE L. DULLEA, CHTD.
Attorney at Law
101 N. Fourth Avenue, Suite 204
Sandpoint, Idaho 83864
Phone: (208) 265-2276
Fax: (208) 265-1556

CONFIRM
QUITCLAIM DEED

FOR VALUE RECEIVED, OLYMPIC COAST INVESTMENT, INC., a Washington corporation, individually and as Investment Manager, does hereby CONVEY, RELEASE, REMISE and forever QUITCLAIM unto GLEN RAY HARVEY, an unmarried man, as to an undivided 50% interest, and LESLIE WOOD, a single woman, as to an undivided 50% interest, as Joint Tenants with right of survivorship, and not as tenants in common, whose current address is 4377 Via Esperanza, Santa Barbara, CA 93110, the following described real property situate in the County of Bonner, State of Idaho, to wit:

PARCEL I:

Lot 6A of Replat of Lots 6-8, Block 7, Lakeside Place, according to the plat thereof, recorded in Book 6 of Plats, page 130, records of Bonner County, Idaho.

PARCEL II:

Lot 1A of Replat of Lots 1-10, Block 10, Lakeside Place, according to the plat thereof, recorded in Book 6 of Plats, page 132, records of Bonner County, Idaho.

TOGETHER WITH its appurtenances and after acquired title.

X DATED this 5th day of August, 2004.

OLYMPIC COAST INVESTMENT, INC.

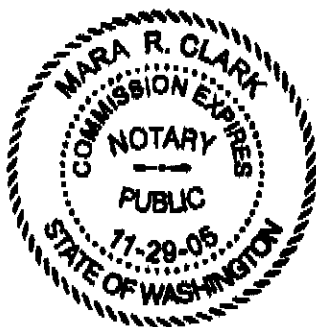
X
By: TODD A. HOSS
SENIOR VICE PRESIDENT

QUITCLAIM DEED 1

STATE OF WASHINGTON)
County of KING) ss.

This day personally appeared before me, the undersigned Notary Public, TODD A. HOSS, known to me to be the SENIOR Vice President of OLYMPIC COAST INVESTMENT, INC., a Washington corporation, the entity that executed the within instrument, and acknowledged to me that such entity executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 5th day of August, 2004.



Mara R. Clark
Notary Public
Residing at: Stanwood
Comm. Exp: 11-29-05

QUITCLAIM DEED 2