



First American Title Company

210 2nd Street East, P. O. Box 910, Polson, MT 59860
Phone (406)883-5258 - Fax (406)883-3056

Escrow Officer: Sherri Williams - swilliams@firstamholding.com
Title Officer: William Jacobs - bjacobs@firstamholding.com

To: **The National Auction Group, Inc.**
644 Walnut Street
Gadsden, AL 35901

Order No.: **305060-PO**

Attn: **Donna Yarbrough**

Your Ref:

Re: Property Address: **19879 Montana Highway 35, Bigfork, MT 59911**

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-I.
- The Exceptions in Schedule B-II.
- The Conditions.

This Commitment is not valid without Schedule A and Section 1 and 2 of Schedule B.

First American Title Insurance Company

BY *Curt B. Johnson* PRESIDENT

ATTEST *Christy Hillery* SECRETARY



Countersigned

First American Title Company

ALTA Plain Language Commitment Form

INFORMATION

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 Policy contains an arbitration clause. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or you as the exclusive remedy of the parties. You may review a copy of the arbitration rules at <http://www.alta.org/>.

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. YOU SHOULD READ THE COMMITMENT VERY CAREFULLY.

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AGREEMENT TO ISSUE POLICY

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4. Description of the Land

SCHEDULE B-I -- REQUIREMENTS

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CONDITIONS

**FIRST COMMITMENT
SCHEDULE A**

1. Commitment Date : **July 01, 2009 at 7:30 A.M.**

2. Policy or Policies to be issued:

	Policy Amount	Premium Amount
Owner's Policy		
Standard Owner's Policy (6/17/06) Form 1402-06 with applied credit of	\$ 0.00	\$ \$ None Available
Proposed Insured: To Be Determined		
Loan Policy		
Loan Policy (06/17/06) Form 1056-06 with applied credit of	\$ 0.00	\$ \$ None Available
Proposed Insured:		
Endorsements: 9-06, 22-06, 8.1-06		\$

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

Pine Lake Holdings, LLC

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

LOTS 17 AND 18 OF FLATHEAD LAKE SHORE TRACTS, A SUBDIVISION OF LAKE COUNTY, MONTANA, ACCORDING TO THE MAP OR PLAT THEREOF ON FILE AND OF RECORD IN THE OFFICE OF THE CLERK AND RECORDER OF LAKE COUNTY, MONTANA.

EXCEPTING THEREFROM THOSE LANDS HERETOFORE CONVEYED TO LAKE COUNTY, MONTANA BY DEED RECORDED AUGUST 27, 1937 IN DEED BOOK NO. 16, PAGE 441, RECORDS OF LAKE COUNTY, MONTANA.

Commonly known as: 19879 Montana Highway 35, Bigfork, MT 59911

SCHEDULE B-SECTION I**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 the 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 items(s) **As meets buyer requirements.**
- (f) If any document in the completion of this transaction is to be executed by an attorney-in-fact, the Power of Attorney must be submitted for review prior to closing.
- (g) You must give us the following information:
 - 1. Any off record leases, surveys, etc.
 - 2. Statement(s) of identity, all parties.
 - 3. Other.
- (h) Sale to be completed and closed by Title Company.
- (i) The Title Company will require a fully executed buy sell agreement by all parties prior to closing. After review additional requirements and or exceptions may be added.
- (j) With respect to Pine Lake Holdings a L.L.C. we require:
 - a. A copy of its operating agreement and any amendments,
 - b. A certificate of good standing of recent date issued by the secretary of state of the L.L.C.'s state of domicile,
 - c. That the forthcoming conveyance, encumbrance or other instrument executed by the L.L.C. upon which the Company is asked to rely, be executed in accordance with its operating agreement.
 - d. Other requirements which the Company may impose following its review of the material required herein and other information which the Company may require.
- (k) The policy liability contemplated by this transaction exceeds our local limit. Underwriter approval must be obtained from the Home Office or Regional Office prior to closing. Please contact the title officer in advance of the closing date to discuss the specifics of the proposed transaction, including identity of proposed insureds, endorsement requirements, and exceptions which are to be eliminated.

**SCHEDULE B -SECTION II
EXCEPTIONS**

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

PART I:

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, interests, 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. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the title including discrepancies, conflicts in boundary lines, shortage in area, or any other facts that would be disclosed by an accurate and complete land survey of the land, and that are not shown in 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. Any liens, or rights to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.
7. Any right, title or interest in any minerals, mineral rights or related matters, including but not limited to oil, gas, coal and other hydrocarbons, whether or not shown by the public records.
8. County road rights-of-way not recorded and indexed as a conveyance of record in the office of the Clerk and Recorder pursuant to Title 70, Chapter 21, M.C.A., including, but not limited to any right of the Public and the County of Lake to use and occupy those certain roads and trails as depicted on County Surveyor's maps on file in the office of the County Surveyor of Lake County.
9. 2009 taxes and special assessments are a lien; amounts not yet determined or payable. The first one-half becomes delinquent after November 30th of the current year, the second one-half becomes delinquent after May 31st of the following year.

General taxes as set forth below. Any amounts not paid when due will accrue penalties and interest in addition to the amount stated herein:

Year	1st Half	2nd Half	Parcel Number	
2008	\$1,149.64 Paid	\$1,149.62 Paid	15443	Affects lot 18
2008	\$1,447.56 Paid	\$1,447.55 Paid	15444	Affects lot 17

10. Reservations, covenants, conditions, restrictions and easements contained in patent recorded August 04, 1906, in Deed Book I, page 380 .

11. All matters, covenants, conditions, restrictions, easements and any rights, interests or claims which may exist by reason thereof, disclosed by the recorded plat of said subdivision, recorded April 13, 1915 , no Instrument No. was issued, 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).
12. Easement granted to Rocky Mountain Power Company, recorded January 06, 1938 as Instrument No. in Misc. Book No. 8, page 40 and also page 41.
13. Deed of Trust dated November 29, 2007, to secure an original indebtedness of \$2,112,259.68, and any other amounts and/or obligations secured thereby
Recorded: December 03, 2007, as Instrument No. 485105
Grantor: Pine Lake Holdings, LLC
Trustee: Lake County Abstract and Title Company
Beneficiary: Flathead Bank-Bigfork
14. Any claim arising from the difference in the mean low water line of the Flathead Lake and the meander line as shown by the Original Government Survey.
15. Title to the State of Montana to the bed of Flathead Lake, a navigable body of water, to the natural or ordinary low water line.
16. Easement or right to overflow, flood or submerge a portion of said land by reason of the operation of the dam controlling the level of Flathead Lake.
17. Any claim that may arise that the waterfront boundary of said land has shifted because of alluvial action, erosion or change in the level of the waters of Flathead Lake.
18. Public right and easements for commerce, recreation, navigation and fishery.
19. Lake County Lakeshore Protection Regulations under Resolution No. 01 23 recorded June 26, 2001 as Instrument No. 416803.

NOTE: The foregoing numbered exceptions (1-4 and 6) may be eliminated in an ALTA Extended or EAGLE Coverage Policy.

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 your title according to the state statutes where the land is located.

2. LATER DEFECTS

The Exceptions in Schedule B - Section II may be amended to show any defects, liens or encumbrances that appear for the first time in the public records or are created or attach between the Commitment Date and the date on which all of the Requirements (a) and (c) of Schedule B - Section I 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 I

or

Eliminate with our written consent any Exceptions shown in Schedule B - Section II.

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.



First American Title Company

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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.