

COMMITMENT FOR TITLE INSURANCE ISSUED BY

PACIFIC NORTHWEST TITLE INSURANCE COMPANY, INC.

PACIFIC NORTHWEST TITLE INSURANCE COMPANY, INC., a Washington corporation ("Company"), for a valuable consideration, 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 in the land described or referred to in Schedule A, upon payment of the premiums and charges and compliance with the Requirements; all subject to the provisions of Schedules A and B and to the Conditions of this Commitment.

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 by the Company.

All liability and obligation under this Commitment shall cease and terminate six months after the Effective Date or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue the policy or policies is not the fault of the Company.

The Company will provide a sample of the policy form upon request.

This Commitment shall not be valid or binding until countersigned by a validating officer or authorized signatory.

IN WITNESS WHEREOF, Pacific Northwest Title Insurance Company, Inc. has caused its corporate name and seal to be affixed by its duly authorized officer and signatory on the date shown in Schedule A.



President

Countersigned by:

Authorized Signatory

Company
San Juan Title Company
531 Fern Street
P.O. Box 29
Eastsound, WA 98245

City, State

Pacific Northwest Title
 "Fourth Supplemental"

Commitment Number: 0906-41

SCHEDULE A

1. Commitment Date: August 22, 2008 at 08:00 AM

2. Policy (or Policies) to be issued:	Policy Amount	Premium
(a) Owner's Policy (Owner's Standard Coverage)		0.00
Proposed Insured:	Sales Tax	0.00
To Be Disclosed		
(b) Loan Policy (_____)		0.00
Proposed Insured:	Sales Tax	0.00
	Total Amount:	\$

3. Fee Simple interest in the land described in this Commitment is owned, at the Commitment Date, by:
 Oly Rose LLC, a Delaware and Limited Liability Company

4. The land referred to in the Commitment is described as follows:
 SEE SCHEDULE C ATTACHED HERETO

SAN JUAN TITLE COMPANY

By: Paula Tyler
 SAN JUAN TITLE COMPANY

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**SCHEDULE B - SECTION I
REQUIREMENTS**

The following requirements must be met:

1. The lien of Real Estate Excise Sales Tax upon any sale of said premises, if unpaid. Said Tax is presently being levied at 1.53% of the sales price, and

The lien of San Juan County Land Bank Real Estate Tax upon any purchase of said property dated on or subsequent to December 17, 1990, if unpaid. Said Tax is presently being levied at 1.00% of the purchase price.

NOTE : One check (2.53% times the sales price) can be made payable to the San Juan County Treasurer.

2. The proposed Deed must be authorized by unanimous affirmative vote of all holders of the Units held by Members in compliance with the Formation and Operating Agreement of Oly Rose, LLC., a Delaware Limited Liability Corporation. We require evidence of a favorable vote by a majority of the Limited Partnership of Oly Rose, L.P. a Texas Limited Partnership (sole member) and subsequent Limited Partners and Members of Oly Rose, L.P. approving the proposed transaction before a final Policy of Title Insurance will be issued.
3. A Certificate of Good Standing from the State of Delaware, for Oly Rose LLC, a Delaware Limited Liability Company, must be submitted prior to closing.

NOTES

NOTE (1) : The title is to vest in persons or entities not yet revealed to us. When the title is vested or person/entities disclosed to us they will be subject to matter disclosed by a search of the record against the name or names as vested or revealed.

NOTE (2) : We note for your information the abbreviated legal description is as follows:

Portion of Section 6, Township 36 North, Range 1 West and portion of Sections 30 and 31, Township 37 North, Range 1 West, W.M.

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**SCHEDULE B - SECTION II
EXCEPTIONS**

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

A. GENERAL EXCEPTIONS

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

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. 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. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor, materials or medical assistance theretofore or hereafter furnished, imposed by law and not shown by the public records.
7. Defects, liens, encumbrances, adverse claims, or other matters, if any created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires of record for value the estate or interest or mortgage thereon covered by this commitment.
8. Indian Tribal Codes or Regulations, Indian Treaty or Aboriginal rights, including Easements or Equitable Servitudes.
9. Any service, installation, connection, maintenance, construction, tap or reimbursement charges/costs for sewer, water, garbage or electricity.

B. SPECIAL EXCEPTIONS

1. Exceptions and reservations contained in deed from the State of Washington, whereby the grantor excepts and reserves all oils, gases, coal, ores, minerals, fossils, etc., and the right of entry for opening, developing and working mines, etc., providing that no rights shall be exercised until provisions have been made for full payment of all damages sustained by reason of such entry.

As disclosed by : Tideland Deed
 Recorded : February 3, 1912
 Auditor's File No. : 12709
 Volume/Page : 12 of Deeds, at page 615

(Affects the Tidelands of the Second Class only abutting 160621001000)

2. Exceptions and reservations contained in deed from the State of Washington, whereby the grantor excepts and reserves all oils, gases, coal, ores, minerals, fossils, etc., and the right of entry for

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opening, developing and working mines, etc., providing that no rights shall be exercised until provisions have been made for full payment of all damages sustained by reason of such entry.

As disclosed by : Tideland Deed
Recorded : August 3, 1914
Volume/Page : 13 of Deeds, at page 363

(Affects the Tidelands of the Second Class abutting 173134005000)

3. Rights of the United States and/or the State of Washington, and/or the appropriate agencies of each, under its constitution, statutes and regulation, to regulate the use or occupancy of that portion of property herein described lying below the line of mean high tide.
4. The Question as to the location of the lateral boundaries of said Second Class Tidelands.
5. The right, title, ownership and interest of the dock and/or wharf, ramps, launching facilities, and/or floats situated in front of, adjacent to and abutting upon said property lying seaward beyond the lateral boundaries of the tidelands is specifically excepted from the coverage of the forthcoming Title Insurance Policy.

(Affects 160621001000)

6. The effect of the conditions and restrictions contained in Real Estate Contract, dated June 20, 1958, executed by Falcon Corporation, a Texas Corporation to Wayne Bonner and Mildred Bonner, his wife, recorded July 28, 1959, in Volume 31 of Deeds, at page 115, under Auditor's File No. 50918, records of San Juan County, Washington, as follows:

"Purchaser hereby agrees to pay the sum of \$8.00 per month for water and dock privileges. All direct current (DC) now connected to house may be used by purchaser but seller does not guarantee that such current will remain in service for any definite period of time and seller reserves the right to discontinue such service whenever deemed necessary, Seller hereby grants to purchaser a perpetual easement for ingress and egress to the herein described property and further purchaser shall be permitted to park his car in designated circle next to Cascade residence."

(Said Real Estate Contract contained a legal description for Tax Parcel No. 160612001)"

7. Notice of rights, obligations and easements as contained in Real Estate Contract, dated April 21, 1958 executed by Falcon Corporation, a Texas Corporation, to Roy F. Flaherty and Mary E. Flaherty, his wife, recorded July 28, 1959, in Volume 31, of Deeds, at page 137, under Auditor's File No. 50928, records of San Juan County, Washington, as follows:

"Purchaser hereby agrees to pay the sum of \$8.00 per month for water and dock privileges, Such other privileges as seller may from time to time provide are also included in this agreement. All direct current to house may be used by purchaser, but seller does not guarantee that such current will remain in service for any definite period of time and seller reserves the right to discontinue such service however deemed necessary.

Seller hereby reserves an easement across the attached described property for access to property known as "the honeymoon cottage" or purchaser may construct in lieu of this easement a trail around the rear of the attached described property sufficient for access by walking to the

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"honeymoon cottage". Seller further reserves a perpetual easement and right for use and construction of docks and moorage in front of property. The road as is providing access to the attached described property shall remain in place or another suitable access will be provided for the use of the purchaser."

(Said Real Estate Contract contained a legal description for Tax Parcel No. 173143002.)"

8. The effect of the Covenants, Conditions and Restrictions contained in Declaration of Protective Restrictions recorded August 10, 1964, in Volume 13 of Miscellaneous Records, at pages 223 and 224, under Auditor's File No. 59572, records of San Juan County, Washington. Copy attached.

(Affects 173152037000 and 173152038000)

9. Covenants, Conditions, Obligations, Easements and Restrictions contained in the Dedication of the Plat of Rosario No. 3. A copy of which is attached and made a part hereto.

(Affects 173152037000 and 173152038000)

10. This exception is intentionally omitted.
11. Notice of a Portion of Pipeline Easement as disclosed by Record of Survey for the Plat of Rosario No. 3 prepared by Robert Condon, Registered Land Surveyor for Gilbert H. Geiser, recorded February 16, 1967, in Book 3 of Long Plats, at pages 15 and 15A, under Auditor's File No. 63449, records of San Juan County, Washington.
12. Notice of County Road Location as disclosed by Record of Survey for the Plat of Rosario Palisades prepared by Robert W. Condon, Registered Land Surveyor for Gilbert H. Geiser, recorded December 4, 1968, in Book 3 of Long Plats, at page 37, 37A and 37B, under Auditor's File No. 70358, records of San Juan County, Washington.
13. This exception is intentionally omitted.
14. Easement dated June 11, 1970, executed by Rosario Inc. to Orcas Power and Light Company, recorded December 30, 1970, in Volume 17, of Miscellaneous Records, at page 206, under Auditor's File No. 75017, records of San Juan County, Washington, as follows:

"do hereby grant and convey to the grantee its successors and assigns, an easement for the installation and continued operation, maintenance, repair and replacement of underground electric transmission or distribution line, with all necessary wires and fixtures thereon, together with the right to cut, trim, control and remove trees, brush and other obstructions which may interfere with the Grantee's proper use of this easement and the right to permit the joint use of the line or system by others for electrical, telephone, or TV cable purposes, over and across the following described property in San Juan County, Washington, to wit:

1. An Easement 10 feet in width, laying 5 feet on either side of the following centerline; beginning at the Grantee's existing pole #B47; thence N21°E 50 feet to the True Point Beginning; thence N57°E 140 feet; thence N13°W 275 feet; thence N7°E 160 feet; thence N 79° E 20 feet; thence S 33° E 145 feet to the point of ending;
2. An easement 10 feet in width, laying 5 feet on either side of the following centerline; beginning

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at the Grantee's existing pole #B47; thence N21°E 50 feet; thence N57°E 140 feet; thence N13°W275 feet; thence N7°E 160 feet; thence N79°E 20 feet to the true point of beginning; thence continuing N79°E 45 feet to the point of ending.

All facilities installed by Grantee on said lands shall remain its property and may be removed by it at any time.

The alignment of the above mentioned easement is not shown or described in the instrument creating the easement.

15. Easement dated February 22, 1971, executed by Gilbert H. & Gleda B. Geiser to Orcas Power and Light Company, recorded March 12, 1971, in Volume 17, of Miscellaneous Records, at page 327, under Auditor's File No. 75468, records of San Juan County, Washington, as follows:

"do hereby grant and convey to the grantee its successors and assigns, an easement for the installation and continued operation, maintenance, repair and replacement of underground electric transmission or distribution line, with all necessary wires and fixtures thereon, together with the right to cut, trim, control and remove trees, brush and other obstructions which may interfere with the Grantee's proper use of this easement and the right to permit the joint use of the line or system by others for electrical, telephone, or TV cable purposes, over and across the following described property in San Juan County, Washington, to wit:

The roads and streets on the Plat of Rosario No. 3, filed in Volume 3 of Plats, Pages 15 and 15A, records of San Juan County, State of Washington.

All facilities installed by Grantee on said lands shall remain its property and may be removed by it at any time.

(Affects 173152037000 and 173152038000)

16. Easement dated August 9, 1972, executed by Geiser Land Company to Orcas Power and Light Company, recorded August 17, 1972, in Volume 18, of Miscellaneous Records, at page 545, under Auditor's File No. 79456, records of San Juan County, Washington, as follows:

"do hereby grant and convey to the grantee its successors and assigns, an easement for the installation and continued operation, maintenance, repair and replacement of underground electric transmission or distribution line, with all necessary wires and fixtures thereon, together with the right to cut, trim, control and remove trees, brush and other obstructions which may interfere with the Grantee's proper use of this easement and the right to permit the joint use of the line or system by others for electrical, telephone, or TV cable purposes, over and across the following described property in San Juan County, Washington, to wit:

NW ¼ of the NE ¼ of Section 31, Township 37 North, Range 1 West, W.M.

1. An easement 10' in width laying 5' on either side of the following centerline; beginning at the Grantee's existing pole #B79; thence N 21°50' to the true point of beginning, thence N 57°E 140', thence N 13° W 275', thence N 7° E 160', thence N 79° E 20', thence S 33° E 145' to the point of ending.

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2. An easement 10' in width laying 5' on either side of the following centerline; beginning at the Grantee's existing pole B79, thence N 21° E 50', thence N 57° E 140', thence N 13° W 275', thence N 7° E 160', thence N 79° E 20' to the true point of beginning, thence continuing N 79° E 45' to the point of ending.

This easement is written to correct easement filed under #75017 of records of San Juan County.

All facilities installed by Grantee on said lands shall remain its property and may be removed by it at any time.

17. Notice of Water Rights as contained in Certificate of Adjudicated Water Right, recorded December 29, 1972, in Volume 19, of Miscellaneous Records, at page 152, under Auditor's File No. 80565, records of San Juan County, Washington, as follows:

"This is to certify that by virtue of a decree of the Superior Court of the State of Washington in and for San Juan County, made and entered on the 8th Day of December 1970 in the case of State of Washington vs Arthur J. Boyd, etal, County Cause No. 2448, which decree determined the rights of all known claimants to the use of waters of Mountain Lake-Cascade Creek Drainage Basin, Gilbert Geiser and Gleda Geiser of Eastsound, Washington are entitled to use, subject to provisions set forth in said decree and the laws of the State of Washington, the waters of Cascade Creek, Tributary of East Sound, for the purpose of hydro-electric power and domestic use. The water right is confirmed in the amount of water that is reasonable and actually necessary for the purpose aforesaid and shall not exceed amount of water that is reasonably and actually necessary for the purpose aforesaid and shall not exceed 3.0 cubic feet per second;

November, December and January, 2.0 cubic feet per second; October, February and March; 1.0 cubic feet per second; April, May June and September; and .5 cubic foot per second; July and August.

That the decree aforesaid establishes said right in Class 1, with a priority date of 1884. That the approximate points of diversion are the NE ¼ of Government Lot 1, Section 5, Township 36 North, Range 1 West, W.M.. That said water right was adjudged by said decree to be and is appurtenant to the SW ¼, W ½ SE ¼ of Section 31, Township 37 North, Range 1 West, W.M."

18. Notice of Water Right, as contained in Certificate of Adjudicated Water Right, recorded January 8, 1973, in Volume 10 of Miscellaneous Records, at page 169, under Auditor's File No. 80607, records of San Juan County Washington, as follows:

"This is to certify that by virtue of a decree of the Superior Court of the State of Washington in and for the San Juan County, made and entered on the 8th Day of December 1970 in the case of State of Washington vs Arthur J. Boyd, etal, County Cause No. 2448, which decree determined the rights of all known claimants to the use of waters of Mountain Lake-Cascade Creek Drainage Basin, Gilbert Geiser and Gleda Geiser of Eastsound, Washington are entitled to use, subject to provisions set forth in said decree and the laws of the State of Washington, the waters of Cascade Creek, Tributary of East Sound, for the purpose of hydro-electric power and domestic use. The water right is confirmed in the amount of water that is reasonable and actually necessary for the purpose aforesaid and shall not exceed amount of water that is reasonably and actually necessary for the purpose aforesaid and shall not exceed 3.0 cubic feet per second; November, December and

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January, 2.0 cubic feet per second; October, February and March; 1.0 cubic feet per second; April, May, June and September; and .5 cubic foot per second; July and August.

That the decree aforesaid establishes said right in Class I, with a priority date of 1884. That the approximate points of diversion are the NE ¼ of Government Lot 1, Section 5, Township 36 North, Range 1 West, W.M.. That said water right was adjudged by said decree to be and is appurtenant to the SW ¼, W ½ SE ¼ of Section 31, Township 37 North, Range 1 West W.M.; that part of Rosario Point lying with the NW ¼ of Section 6, Township 36 North, Range 1 West, W.M.."

19. This exception is intentionally omitted.
20. Agreement to Provide Water and Easement Agreement, dated September 27, 1973, by and between Gilbert H. Geiser and Gleda B. Geiser, his wife and Vusario Limited Partnership, a Washington limited partnership, recorded December 4, 1973, in Volume 20 of Miscellaneous Records, at page 188, under Auditor's File No. 83555 and recorded March 1, 1976 in Volume 16 of Miscellaneous Records, at page 422, under Auditor's File No. 91230 records of San Juan County, Washington.
21. Easement dated April 22, 1974, executed by Gilbert H. Geiser and Gleda B. Geiser to Orcas Power & Light Company, recorded May 1, 1974, in Volume 2 of Official Records, at page 737, under Auditor's File No. 84707, records of San Juan County, Washington, as follows:

"do hereby grant and convey to the Grantee, its successors and assigns, an easement for the installation and continued operation, maintenance, repair and replacement of an overhead or underground electric transmission or distribution line, with all necessary wires and fixtures thereon, together with the right to cut, trim, control and remove trees, brush and other obstructions which may interfere with the Grantee's proper use of this easement and the right to permit the joint use of the line or system by others for electrical, telephone or TV cable purposes, over under and across the following described property in San Juan County, Washington, to-wit:

An easement for an underground distribution line 10 feet in width within the following described property:

All within the Southwest ¼ of the Southeast ¼ of Section 30 and the Northwest ¼ of the Northeast ¼ of Section 31, Township 37 North, Range 1 West, W.M., County of San Juan, State of Washington.

All facilities installed by Grantee on said lands shall remain its property and may be removed by it at any time."

(Affects a portion of 173043001000 and other property)

22. Notice of the Location of Vusario Lane and Notice of Conflict of the Westerly Boundary Location of 12S as it relates to the Plat of Rosario Highlands No. 3 as disclosed by Record of Survey prepared by John Thalacker, Registered Land Surveyor for Vusario Company, recorded May 24, 1974, in Book 1 of Surveys, at page 78, under Auditor's File No. 84965, records of San Juan County, Washington.
23. Easement Agreement, dated July 8, 1974, executed by Gilbert Geiser and Gleda Geiser, his wife to the Vusario Limited Partnership, a Washington limited partnership, recorded July 17, 1974, in

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Volume 5 of Official Records, at page 422, under Auditor's File No. 85958, records of San Juan County, Washington, as follows:

I. Grant of Easement. Grantor hereby grants, assigns and sets over unto the Grantee, their heirs and assigns, easements appurtenant as hereinafter described for ingress, egress and utility purposes over the property described in Recital A of document to have and to hold forever.

II. Description of Easement. The exact metes and bounds description of the easements granted herein are provided on Exhibit A, which is attached hereto and incorporated herein by the reference.

III. Grantor's Use and Enjoyment. The Grantor shall fully use and enjoy the premises described in Recital A, except as to the rights granted Grantee herein.

IV. Hold Harmless. Grantee hereby agrees to hold and save Grantor harmless from any and all damages arising from his use of the easement herein granted.

V. Heirs and Successors. The provisions hereof shall be binding upon the heirs, legal representatives, successors and assigns of any or all of the parties hereto.

Affects: A strip of land 60 feet in width over, under and across a portion of Parcels 12R and 12S and includes other property.

24. The effect of the conditions and restrictions contained in Easement Agreement, dated March 31, 1975, executed by Vusario Limited Partnership, a Washington limited partnership to Gilbert H. Geiser and Gleda B. Geiser, his wife, recorded September 2, 1975, in Volume 13 of Official Records, at page 2, under Auditor's File No. 89551, records of San Juan County, Washington, as follows:

"IV. Hold Harmless. Grantee hereby agrees to hold and save Grantor harmless from any and all damages arising from his use of the easement herein granted.

V. Heirs and Successors. The provisions hereof shall be binding upon the heirs, legal representatives, successors and assigns of any or all of the parties hereto."

(Said Easement Agreement granted to the Grantee, their heirs and assigns and easement for ingress, egress and utility purposes appurtenant to Parcels 12R and 12S over a portion of what is now known as Vusario, a private subdivision)

25. The effect of Agreement entered into June 27, 1975 between Orcas Power & Light Company and Gilbert H. Geiser and Gleda B. Geiser, husband and wife, recorded July 2, 1975, in Volume 11 of Official Records, at page 494, under Auditor's File No. 88992, records of San Juan County, Washington, as follows:

"The underground cables are three single phase 1/0 ACSR cables, which serve facilities within the Rosario area. This distribution line branches off from the Rosario No. 3 Subdivision and extends to the Discovery House and the Marina area. Considerable fill has been deposited over the normal depth of the cables, and the foundation of the Patos Condominium building is close to the said

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underground cables and at one point is within one foot thereof. Geiser plans to construct sidewalks, paved areas and place landscaping of trees and shrubs over the ground where said cables are buried.

"NOW THEREFORE IN CONSIDERATION OF OPALCO making electric energy available for use in the newly constructed Patos Condominium and continuing the distribution of electrical energy to other accounts within the area, Geiser does hereby agree that in the event it becomes necessary for OPALCO to replace or repair any portion of said underground cables within 100 feet of said buildings in any area where sidewalks or paved or improved areas, or landscaping by lawns, plants, trees, deep fill or shrubs, cover the area where said cables are buried, they consent to the removal by OPALCO of any such covering which may be necessary to replace or repair said cable, and Geiser does further agree that they will pay to OPALCO all extra costs and expenses which are incurred by OPALCO by reason thereof.

In any such work OPALCO will not interfere with, damage or destroy any of the facilities of Geiser placed over said cables and within said 100 feet are any more than is necessary to perform and complete the work involved.

26. Notice of Condominium Common Area Boundaries, Satellite Hall, Easement Road Locations as disclosed by Record of Survey for Satellite Condominiums at Rosario - Sucia I, Sucia II, Patos, Matia and Satellite Hall prepared by Frederick L. Krabbe, Registered Land Surveyor for Gilbert H. Geiser, recorded September 5, 1975, in Book 1 of Condominiums, at pages 5 and 5A, under Auditor's File No. 89611, records of San Juan County, Washington. Copy attached.
27. Notice of 60 foot Easement 'Vusario Lane', Easement 'Q' and Easement 'R' as disclosed by the Plat of Vusario, a private subdivision prepared by John L. Thalacker, a Registered Land Surveyor for Vusario Company, a Washington Limited Partnership, recorded March 22, 1976, in Book 4 of Plats, at pages 22, 22A & 22B under Auditor's File No. 91402, records of San Juan County, Washington.
28. Agreement for Sewer Services at Moran State Park and Notice of Sewer Distribution Line, dated October 10, 1977, executed by and between Rosario Resort Hotel and State Parks and Recreation Commission operator of Moran State Park on Orcas Island, recorded December 8, 1977, in Volume 33 of Official Records, at page 488, under Auditor's File No. 99292, records of San Juan County, Washington.
29. Agreement to Furnish Water, dated January 13, 1978, between Gilbert H. Geiser and Gleda B. Geiser, his wife, to James G. Dahl, recorded January 24, 1978, in Volume 35 of Official Records, at page 188, under Auditor's File No. 99961, records of San Juan County, Washington, as follows:

"Gilbert H. Geiser and Gleda B. Geiser, his wife, owners of the Rosario Water System, agree to furnish water to as many as sixteen households on the property developed by James G. Dahl on Government Lot 2, Section 31, Township 37N, Range 1 West of Willamette Meridian, Auditor's File No. 78569 and 68128.

A hook-up fee of TWO HUNDRED FIFTY AND NO/100 (\$250.00) per household at commencement of construction and a monthly charge of at least SIX AND NO/100 (\$6.00) and not to exceed normal charges, will be made thereafter.

This water will be furnished from the existing Rosario Water System and any additional extensions

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will be the responsibility of James G. Dahl

30. Terms, provisions and agreements contained in various Contracts for Purchase and Deeds for the sale of Lots within the PLAT OF ROSARIO, A PRIVATE SUBDIVISION, as follows:

Grantee shall pay Grantors, so long as Grantee shall have an interest in said property, the sum of \$4.00 per month for the maintenance of recreation area, said payments to become due on the 1st day of each and every month immediately upon execution of this contract. Grantee shall pay the sum of \$100.00 to Grantor for water tap-on fee, said sum to be due when Grantee shall commence construction. Thereafter, Grantee so long as Grantee shall have an interest in said property, shall pay to Grantor the sum of \$4.00 per month for water supplied, said payments to be due on the 1st day of each and every month immediately after the water hook-up charge is due.

AFFECTS: Lots 12, 26E, 27E, 26W, 28W, 28E, 29E, 31, 32, 37, 39, 41, 42, 43, 44, 45 and 47.

NOTE: Lots 19, 20W, 22E, 22W, 27W and 29W contained a sum of \$6.00 per month for water supplied.

NOTE: Lots 14, 23W, 24EE, 24EW, 25W, 50 and 61 contained the following provision from the developer:

"purchaser agrees to pay the sum of \$8.00 per month for the water and dock privileges."

NOTE: Lot 18A contained an additional provision to the water fee, tap on fee and recreational fees as follows:

"And thereafter pay the sum of \$6.00 per month for dock."

NOTE: The remaining lots not mentioned above contained no provisions from the original developer or developers.

31. The effect of the Terms, Covenants, Conditions and Agreements contained in various Real Estate Contracts and Deeds of public record providing for the sale and conveyance of Lots situate within the Plat of Rosario Estates No. 2, as follows:

"Purchasers shall pay to sellers, so long as purchaser shall have an interest in said property, the sum of \$4.00 per month for the maintenance of recreation area, said payments to become due on the 1st day of each and every month immediately upon execution of this contract. Purchaser shall pay the sum of \$100.00 to sellers for water tap-on fee, said sum to be due when purchaser shall commence construction. Thereafter, purchaser, so long as purchaser shall have an interest in said property, shall pay to sellers the sum of \$4.00 per month for water supplied, said payments to be due on the 1st day of each and every month immediately after the water hook-up charge is due."

AFFECTS : Lots 1, 2, 3, 4, 5, 7, 8, 9, 10, 12, 13, 14, 15, 16, 17, 18, 19, 20, 22, 23, 24, 25, 26, 27, 28, 29, 30, 37, 38, 45, 47 and 48.

NOTE: Lots 9, 19, 35, 36, 39, 41, 49 and 50 contained a provision for a \$250.00 water tap-on fee and a \$6.00 per month fee for water supplied.

NOTE: Lots 6, 11, 21, 31, 32, 33, 34, 40, 42, 43, 44 and 46 contained no provisions or

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agreements for water, water tap-on or recreational fees upon sale from the developer.

32. The effect of the Terms, Covenants, Conditions and Agreements contained in various Real Estate Contracts and Deeds of public record providing for the sale and conveyance of Lots situate within the Plat of Rosario Estates No. 3, as follows:

"Purchasers shall pay to sellers, so long as purchaser shall have an interest in said property, the sum of \$4.00 per month for the maintenance of recreation area, said payments to become due on the 1st day of each and every month immediately upon execution of this contract. Purchaser shall pay the sum of \$100.00 to sellers for water tap-on fee, said sum to be due when purchaser shall commence construction. Thereafter, purchaser, so long as purchaser shall have an interest in said property, shall pay to sellers the sum of \$4.00 per month for water supplied, said payments to be due on the 1st day of each and every month immediately after the water hook-up charge is due."

AFFECTS: Lots 1, 3, 6, 8, 9, 10, 11, 13, 14, 15, 16, 18, 20, 21, 23, 24, 25, 26, 28, 29, 30, 32, 33, 34, 35 and 36.

NOTE: Lots 2, 4, 7, 12, 17, 27 and 31 contained a provision for a \$250.00 water tap-on fee and a \$6.00 per month fee for water supplied.

NOTE: Lot 5 contained no provision or agreement for water, water tap-on or recreational fees upon sale from the developer.

33. The effect of the Terms, Covenants, Conditions and Agreements contained in various Real Estate Contracts and Deeds of public record providing for the sale and conveyance of Lots situate in the Plat of Rosario Palisades, as follows:

"Purchasers shall pay to sellers, so long as purchaser shall have an interest in said property, the sum of \$4.00 per month for the maintenance of recreation area, said payments to become due on the 1st day of each and every month immediately upon execution of this contract. Purchaser shall pay the sum of \$100.00 to sellers for water tap-on fee, said sum to be due when purchaser shall commence construction. Thereafter, purchaser, so long as purchaser shall have an interest in said property, shall pay to sellers the sum of \$4.00 per month for water supplied, said payments to be due on the 1st day of each and every month immediately after the water hook-up charge is due."

AFFECTS: Lots 4, 5, 13, 14, 15, 17, 18, 21, 26, 29, 31, 34, 36, 38, 40, 41, 43, 44, 47 and 49.

NOTE: Lots 7, 8, 16, 19, 20 and 51 contained a provision for a \$250.00 water tap-on fee and a \$6.00 per month fee for water supplied.

NOTE: Lots 6, 9, 10, 11, 12, 22, 23, 24, 25, 26, 27, 28, 30, 32, 33, 35, 37, 39, 42, 45, 46 and 48 contained no provision concerning water, water hook-up fee or recreation fees upon sale from the developer.

34. The effect of the Terms, Covenants, Conditions and Agreements contained in various Real Estate Contracts and Deeds of public record providing for the sale and conveyance of Lots situate within the Plat of Rosario Shores as follows:

"Purchasers shall pay to sellers, so long as purchaser shall have an interest in said property, the

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sum of \$4.00 per month for the maintenance of recreation area, said payments to become due on the 1st day of each and every month immediately upon execution of this contract. Purchaser shall pay the sum of \$100.00 to sellers for water tap-on fee, said sum to be due when purchaser shall commence construction. Thereafter, purchaser, so long as purchaser shall have an interest in said property, shall pay to sellers the sum of \$4.00 per month for water supplied, said payments to be due on the 1st day of each and every month immediately after the water hook-up charge is due."

AFFECTS: Lots 3, 4, 5, 8, 9, 10, 11, 12, 13, 14, 15 and 16

NOTE: Lots 7, 20 and 21 contained a provision for a \$250.00 water tap-on fee and a \$6.00 per month fee for water supplied.

NOTE: Lots 1, 2, 17 and 18 contained a provision for a \$100.00 water tap-on fee and a \$6.00 per month for water supplied fee.

NOTE: Lot 19 contained no agreement of record for water, water tap-on or recreational fees upon sale from the developer.

35. The effect of the Terms, Covenants, Conditions and Agreements contained in various Real Estate Contracts and Deeds of public record providing for the sale and conveyance of Lots situate within the Plat of Palisades South as follows:

"Purchasers shall pay to sellers, so long as purchaser shall have an interest in said property, the sum of \$4.00 per month for the maintenance of recreation area, said payments to become due on the 1st day of each and every month immediately upon execution of this contract. Purchaser shall pay the sum of \$250.00 to sellers for water tap-on fee, said sum to be due when purchaser shall commence construction. Thereafter, purchaser, so long as purchaser shall have an interest in said property, shall pay to sellers the sum of \$6.00 per month for water supplied, said payments to be due on the 1st day of each and every month immediately after the water hook-up charge is due."

AFFECTS : Lots 1, 2, 5, 6, 7, 8, 9, 10, 11, 12 and 15

NOTE: Lots 3, 4, 13 and 14 contained no agreements of record for water, water tap-on or recreational fees upon sale from the developer.

36. Notice of right or rights contained in various Real Estate Contracts and/or Statutory Deeds conveying properties to person or persons for unplatted portions of the Rosario Resort Residential Community, carrying an agreement or obligation as follows:

"Grantee, his heirs and assigns shall pay to Grantor, his heirs and assigns the minimum of \$4.00 per month for the maintenance of recreation area, said payments to become due on the 1st day of each and every month immediately upon execution of the real estate contract. Grantee shall pay the sum of \$250.00 to Grantor for water tap-on fee, said sum to be due when Grantee shall commence construction. Thereafter, Grantee, his heirs and assigns, shall pay to Grantors the minimum sum of \$6.00 per month for water supplied, said payments to be due on the 1st day of each and every month immediately after the water hook-up charge is due."

AFFECTS : Tax Parcel No's.: 160714001, 161614002, 161614003, 161614004 and 273614002.

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NOTE: The following carried a charge of \$100.00 for water tap-on fee. Tax Parcel No's.: 173132002, 173132002, 173132004, 273611001, 273611003, 273611004, 273611005, 273611007, 273614001, 160541001.

NOTE: The following carried a recital as follows:

"Together with domestic water and recreational rights, subject, of course, to the regular charges, therefore."

Tax Parcel No's.: 173132006 and 173132007

37. This exception is intentionally omitted.
38. This exception is intentionally omitted.
39. This exception is intentionally omitted.
40. An Easement, dated April 20, 1978, executed by Rosario Incorporated to Orcas Power & Light Company, recorded May 4, 1978, in Volume 38 of Official Records, at page 311, under Auditor's File No. 101415, records of San Juan County, Washington, as follows:

"do hereby grant and convey to the Grantee, its successors and assigns and easement for the installation and continued operation, maintenance, repair and replacement of an overhead or underground electric transmission of distribution line, with all necessary wires and fixtures thereon, together with the right to cut, trim, control and remove trees, brush and other obstructions which may interfere with the Grantee's proper use of this easement and the right to permit the joint use of the line or system by others for electrical, telephone or TV cable purposes, over under and across the following described property:

Affects: 10 feet in width over, under and across a portion of the common areas or elements only."

41. Notice of Water Right, as contained in Certificate of Adjudicated Water Right, recorded October 16, 1978 in Volume 44 of Official Records, at page 325, under Auditor's File No. 103914, records of San Juan County, Washington, as follows:

This is to certify that by virtue of a decree of the Superior Court of the State of Washington in and for San Juan County, made and entered on the 31 day of August, 1978 in the case of State of Washington vs James N. Anspach, etal County Cause No. 3236, which decree determined the rights of all known claimants to the use of the waters of Cascade Lake Drainage Basin, that Gilbert H. Geiser and Gleda B. Geiser of Eastsound, Washington are entitled to use, subject to provisions set forth in said decree and the laws of the State of Washington, the waters of the natural and stored waters of Cascade Lake and its tributary streams for the purpose of power generation; this instantaneous diversion rate is the maximum combined rate authorized for power generation, including existing rights from Mountain Lake through Cascade Creek; irrigation of five (5) acres of lawn and garden and fire protection as needed.

The water is confirmed in the amount of water that is reasonably and actually necessary for the purposes aforesaid and shall not exceed 2.31 cfs as needed, not to exceed 499 acre-feet each year; 1.0 cfs, from April 15 to October 1, not to exceed 5 acre-feet each year; fire protection as needed, that the decree aforesaid establishes said right in Class I, with a priority date of _____,

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1910.

That the approximate points of diversion are at the outlet structure on Cascade Lake located approximately 725 east and 750 feet south of the center said Section 31, being within NW ¼ SE ¼, Section 31, Township 37 North, Range 1 West, W.M.. That said water right was adjudged by said decree to be and is appurtenant to Gov. Lots 4, 5 and 6, Section 31, Township 37 North, Range 1 West, W.M., and Gov. Lots 3, Section 6, Township 36 North, Range 1 West, W.M.

42. Notice of Water Rights as contained in Certificate of Adjudicated Water Rights, recorded October 26, 1978, in Volume 45 of Official Records, at page 14, under Auditor's File No. 104098, records of San Juan County, Washington, as follows:

"This is to certify that by virtue of a decree of the Superior Court of the State of Washington in and for San Juan County, made and entered on the 31 day of August, 1978, in the case of State of Washington vs James N. Anspach, et al, County Cause No. 3236, which decree determined the rights of all known claimants to the use of the waters of Cascade Lake Drainage Basin, that Gilbert H. Geiser and Gleda B. Geiser of Eastsound, Washington are entitled to use, subject to provisions set forth in said decree and the laws of the State of Washington, the waters of precipitation, inlet streams to Cascade Lake and appropriated water from Cascade Creek for the purposes of storage rights (the 1879 acre-feet is the amount of storage right, including some "dead" storage to the lip of spillway at an elevation of 351 feet above mean sea level. Filling may take place at any time during year when waters are available. Release and use of stored waters shall be conditioned to maintain a level in Cascade Lake of no less than 347 feet above MSL 4 feet below spillway in years of average or greater than average precipitation and no less than 345 feet above MSL 6 feet below spillway during low run-off years); domestic supply (the authorization to utilize these stored waters for the described beneficial uses are governed by Claimant's appropriation rights set forth in Adjudicated Water Rights, Volume XI, page 85 and Volume XIII, page 2); power generation, irrigation of five (5) acres and fire protection as needed. The water right is confirmed in the amount of water that is reasonably and actually necessary for the purpose aforesaid and shall not exceed 1,879 acre-feet. That the decree aforesaid establishes said right in Class I, with a priority date of _____, 1910. That the approximate point of impoundment structure; approximately 725 feet east and 750 feet south of the center of Section 31, being within the NW ¼ SW ¼.

43. Notice of right or rights of Condominium owner or owners of Satellite Condominiums at Rosario in and to road or roads abutting or upon property herein described contained in various Easements of record by owners of the various condominiums to Rosario, Inc. and as shown as access areas on plat plan for Satellite Condominiums at Rosario, recorded October 15, 1970, in Volume 1 of Condominiums at pages 1 and 2, and Skipjack Condominiums I and II, recorded November 13, 1978, in Volume 1 of Condominiums, at pages 13 and 13A, under Auditor's File No. 104401, records of San Juan County, Washington.
44. This exception is intentionally omitted.
45. An Easement, dated April 9, 1979, executed by Rosario Incorporated to Orcas Power & Light Company, recorded April 13, 1979, in Volume 52 of Official Records, at page 178, under Auditor's File No. 106642, records of San Juan County, Washington, as follows:

"do hereby grant and convey to the Grantee, its successors and assigns an easement for the installation and continued operation, maintenance, repair and replacement of an overhead or

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underground electric transmission or distribution line, with all necessary wires and fixtures thereon, together with the right to cut, trim, control and remove trees, brush and other obstructions which may interfere with the Grantee's proper use of this easement and the right to permit the joint use of the line or system by others for electrical, telephone or TV cable purposes, over, under and across the following described property:

Affects:an underground distribution line 10 feet in width over, under and across a portion of the common areas or elements only."

46. Sewer Option Agreement, dated June 30, 1979, executed between Rosario, Inc. and the owners of record of Lot 9, Plat of Rosario Estates, as recorded in Volume 2 of Plats, pages 3 and 3A, recorded July 5, 1979, in Volume 55 of Official Records, at page 549, under Auditor's File No. 108032, records of San Juan County, Washington, as follows:

"The owners of record of Lot 9, Plat of Rosario Estates, as recorded in Volume 2 of Plats, pages 3 and 3A, records of San Juan County, Washington are hereby granted the option of connecting into the Rosario Sewer System at a One thousand and No/100 Dollars (\$1,000.00) hook-up fee per lot, payable at the commencement of construction of the sewer line and Six and No/100 (\$6.00) per month, or the going rate, monthly maintenance fee commencing at the date of sewer hook-up and payable quarterly thereafter, both payments to be made to Rosario, Inc., Eastsound, Washington 98245.

The expense of the installation of the sewer line from the Recreation Area of Rosario Resort Hotel, across the Boatel Road to the common boundary line of Lot No. 7 and Lot No. 8 of Rosario Estates, as recorded in Volume 2 of Plats, pages 3 and 3A, records of San Juan County, Washington and then west on the North side of the Boatel Road to the property line of said Lot No. 9 will be the responsibility of the owner of record of said Lot No. 9, and it will be the responsibility of the owner of record of said Lot No. 9 to enter into financial arrangements with the owners of said Lot No. 7 and said Lot No. 8 for the joint installation of the sewer line from said Recreation Area to the common boundary line of the said Lot No. 7 and the said Lot No. 8.

Prior permission for the installation of this sewer line must be obtained from Rosario, Inc. so that disruption of the Boatel Road is not detrimental to resort activities."

47. This exception is intentionally omitted.
48. This exception is intentionally omitted.
49. This exception is intentionally omitted.
50. Easement Agreement, dated October 4, 1980, executed by Gilbert H. Geiser and Gleda B. Geiser, his wife and Rosario Resort Development Company a partnership to all present and future owners of Tax Parcel No. 173134001 and Lots 21, 23 and 24 Rosario Estates #3, recorded October 7, 1980, in Volume 71, of Official Records, at page 81, under Auditor's File No. 114035, records of San Juan County, Washington, as follows:

For: non-exclusive easement for roadway and utility purposes over, under and across a 20-foot strip of land

Affects:Tract "A" Rosario No. 3 173152037000

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51. Easement, dated December 29, 1980, executed by Rosario Resort Development Company to Orcas Power & Light Company, recorded in Volume 75 of Official Records, at page 66, under Auditor's File No. 115552, records of San Juan County, Washington, as follows:

"do hereby grant and convey to the Grantee, its successors and assigns, an easement for the installation and continued operation, maintenance, repair and replacement of an overhead or underground electric transmission or distribution line, with all necessary wires and fixtures thereon, together with the right to cut, trim, control and remove trees, brush and other obstructions which may interfere with the Grantor's proper use of this easement and the right to permit the joint use of the line or system by others for electrical, telephone or TV cable purposes, over, under, and across the following described property in San Juan County, Washington, to-wit:

An Easement for an underground distribution line 10 feet in width being 5 feet on either side of the following described line:

Beginning at the Southeast corner of Lot 1, Rosario Estates, as described in Volume 2, pages 3 and 3A, Book of Plats of San Juan County, State of Washington, also located in Section 31, Township 37 North, Range 1 West, W.M.; thence East along an existing Road Easement 174 feet, more or less; thence South 63 feet, more or less, the true point of beginning; thence a meandering line Southerly 155 feet, more or less, to the point of ending.

All facilities installed by Grantee on said lands remain its property and may be removed by it at any time."

52. Easement dated September 14, 1981, executed by Rosario Resort Development Company, a Washington Partnership to Orcas Power and Light Company, recorded December 16, 1981, in Volume 85, of Official Records, at page 622, under Auditor's File No. 119476, records of San Juan County, Washington, as follows:

"do hereby grant and convey to the grantee its successors and assigns, an easement for the installation and continued operation, maintenance, repair and replacement of underground electric transmission or distribution line, with all necessary wires and fixtures thereon, together with the right to cut, trim, control and remove trees, brush and other obstructions which may interfere with the Grantee's proper use of this easement and the right to permit the joint use of the line or system by others for electrical, telephone, or TV cable purposes, over and across the following described property in San Juan County, Washington, to wit:

An easement 10 feet in width, being 5 feet on either side of the following described line:

Beginning at the Northern-most point of Lot 4 of Rosario Palisades, as recorded in Volume 3, Page 37 of the Book of Plats of San Juan County, State of Washington. Thence westerly along the southerly boundary of Palisades Drive 468 feet, more or less, to the True Point of Beginning; thence a meandering line southerly 265 feet, more or less, to the point of ending.

The Grantor releases and holds harmless Orcas Power and Light Company for any damages resulting from the installation or maintenance on the property herein described, resulting from an act of any third party.

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EXCEPTIONS
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All facilities installed by Grantee on said lands shall remain its property and may be removed by it at any time.

53. Easement dated May 7, 1982, executed by Rosario Resort Development Company, a Partnership to Orcas Power & Light Company, recorded June 29, 1982, at page 67, under Auditor's File No. 122125, said records, follows:
"do hereby grant and convey to the Grantee its successors and assigns an easement for the installation and continued operation, maintenance, repair and replacement of an overhead or underground electric transmission or distribution line, with all necessary wires and fixtures thereon together with the right to cut, trim, control and remove tree, brush and other obstructions which may interfere with the Grantee's proper use of this easement and the right to permit the joint use of the line or system by others for electrical, telephone or TV cable purposes, over, under and across the following described property in San Juan County, Washington, to-wit:

An easement 10 feet in width being 5 feet on either side of the following described lien:

Beginning at the Northwest corner of Government Lot 8, as described under Auditor's File Number 119035; thence South 1°20'14" West 250 feet; thence South 40° East 200 feet; thence South 1°20'14" West 145.31 feet; thence South 89°45'27" East 41.33 feet; thence South 61°26'31" East 120.65 feet to the True Point of Beginning of this easement; thence approximately South 72° West 73 feet; thence approximately South 5° East 190 feet; thence approximately South 27° West 100 feet; thence approximately South 31° West 130 feet; thence approximately South 40° West 104 feet; thence approximately South 65° West 247 feet; thence approximately South 53° West 110 feet; thence approximately South 07° East 94 feet; thence a meandering line westerly 155 feet, more or less, to the point of ending, which point is approximately 270 feet West of and 90 feet South of the center of Section 31, Township 37 North, Range 1 W.W.M..

The Grantor releases and holds harmless Orcas Power and Light Company for any damages resulting from the installation or maintenance on the property herein described, resulting from an act of any third party.

All facilities installed by Grantee on said lands shall remain its property and may be removed by it at any time."

54. Notice of Easements, Sewer Line, Drainage Line, Stream, Overhead Power Line, Roadway and Utilities as disclosed by Record of Survey for Rosario Resort Development Co., prepared by Krabbe & Starr, Inc., Surveying, recorded February 14, 1983, in Book 5 of Surveys, at page 35, under Auditor's File No. 124721, records of San Juan County, Washington.
55. Affidavit of public notice, executed by Wallace Gudgell, Jr., Preliminary print for reference purposes of the Rosario Water System Plan and preliminary print for reference purposes of the Rosario Present and Future Sewer Plan, giving notice to the public that an Agreement was signed and filed August 22, 1984 under Auditor's File No. 131967 in the office of the Auditor of San Juan County, Washington that was signed by Gilbert H.

Geiser, Rosario Resort Development Co., Wallace F. Gudgell, Jr., Rainier National Bank, SLP Energy, Inc. and Home Savings Bank which in general provided for the future enhancement and the orderly development of Rosario Resort Area in regards to water, sewer, access, all necessary easements, covenants, conditions, restrictions and obligations of the parties executing or signing

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the said Agreement, recorded August 22, 1984, in Volume 120 of Official Records, at page____, under Auditor's File No. 131968, in the office of the Auditor of San Juan County, Washington. Reference should be made to said filed Agreement, Affidavit and the attached maps for full particulars.

56. Easement Agreement, dated September 5, 1984, executed by Gilbert Geiser and Rosario Resort Development Company, a Washington Partnership to Fee Owners of the Utility Tract, recorded September 7, 1984, in Volume 121 of Official Records, at page 345, under Auditor's File No. 132083, records of San Juan County, Washington.

For : a non-exclusive easement for purposes of pumping, treating, storing and discharging sewage and/or effluent, including maintenance and enhancement of the existing system.

Affects: a portion of the property herein described and includes other property.

57. Easements and Appurtenant Rights to Resort Facilities, dated September 7, 1984, executed by Rosario Resort Development Company, a Washington partnership to Rosario Resort Development Company, a Washington Partnership, its successors and assigns, recorded September 7, 1984, in Volume 121 of Official Records, at page 354, under Auditor's File No. 132085, records of San Juan County, Washington.

For : Recreation Privileges and Resort Rights

Affects : 160621001000 and 173142002000 and includes other property

(SAID RIGHTS ARE BENEFICIAL TO ROSARIO HARBOR CONDOMINIUMS)

58. Notice of roads as disclosed by Record of Survey for Rosario Harbor Condominiums at Rosario by Broge Minor, a professional land surveyor for Rosario Resort Development Co., a partnership, recorded September 7, 1984, in Book 1 of Condominiums, at pages 28, 28A, 28B and 28C, under Auditor's File No. 132093, records of San Juan County, Washington.
59. Notice of Matia Condominiums location as disclosed by Record of Survey for Satellite Condominiums Matia at Rosario prepared by Thomas C. Starr, a professional land surveyor for Rosario Resort Development Co., a partnership, recorded September 7, 1984, in Book 1 of Condominiums, at page 29, 29A and 29B, under Auditor's File No. 132096, records of San Juan County, Washington.
60. This exception is intentionally omitted.
61. This exception is intentionally omitted.
62. This exception is intentionally omitted.
63. This exception is intentionally omitted.
64. This exception is intentionally omitted.
65. This exception is intentionally omitted.
66. The effect of the Covenants, Conditions and Restrictions contained in San Juan County Board of Adjustment Findings and Decision regarding Rosario Resort Employee Housing, recorded February

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24, 1988, in Volume 202 of Official Records, at page 337, under Auditor's File No. 88150060, records of San Juan County, Washington.

(Affects 173043001000)

67. Agreement entered into by Rosario Hotel, Inc., a Washington Corporation and/or Gilbert Geiser and the Meade Rosario Trust, recorded May 13, 1988, in Volume 208 of Official Records, at page 21, under Auditor's File No. 88151134, records of San Juan County, Washington, which provides as follows:

"Agree to set aside thirty-eight (38) contiguous acres of San Juan County Tax Parcel No. 173043001 and 173044001 as shown on Exhibit A attached hereto and incorporated herein.

Said restriction shall apply to that portion of the Northwest Quarter of the Northeast Quarter of Section 31, Township 37 North, Range 1 West, W.M., lying North of the Eastsound-Olga County Road and Southerly 790 feet of the Southwest Quarter of the Southeast Quarter, Section 30, Township 37 North, Range 1 West, W.M., San Juan County, Washington.

The undersigned agrees the referenced thirty-eight (38) acres are not available for further residential development during the duration of the use of said acres for installation and occupancy of a modular employee housing building consisting of a maximum of twelve (12) units and seven (7) trailers, as designated in Rosario Employee Housing #23-CU-87."

(Affects 173043001000)

68. Certificate of Change to change the point of diversion, purpose of use and place of use of surface waters, dated January 4, 1989 executed by Herman H. Huggins, Water Resource Section Head, Northwest Regional Office Department of Ecology, recorded February 3, 1989 in Volume 230 of Official Records at page 317, under Auditor's File No. 89155695, records of San Juan County, Washington, as follows:

The previous point of diversion for domestic supply was recorded at a point on Cascade Lake located approximately 725 feet East and 750 feet South of the center of Section 31, Township 37 North, Range 1 West, W.M., and is changed and located on Cascade Lake 750 feet North and 1336 feet East from the center of Section 31, Township 37 North, Range 1 West, W.M.

A portion of the water previously diverted from Cascade Lake for power generation is changed and will now be diverted for community domestic supply. The quantity of water changed from power generation to domestic supply is 0.133 cfs (60 gpm) and 30.8 acre-feet per year, leaving a remainder of 468.2 acre-feet per year from Cascade Lake for power Generation.

The total quantity of water diverted from Cascade Lake will not be changed or increased. The purpose of use, quantities and point of diversion under this water right will henceforth be as follows:

- a) Community domestic supply - continuously, 0.266 cfs (119.7 gpm), 73 acre-feet per year, from Cascade Lake, 750 feet North and 1336 feet East of the center of Section 31, Township 37 North Range 1 West, W.M.
- b) Irrigation - April 15 to October 1 (5 acres), 0.10 cfs (45 gpm), 5 acre-feet per year,

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- c) from the dam on Cascade Lake, 750 feet South and 725 feet East of the center of Section 31, Township 37 North, Range 1 West, W.M.
- d) Power generation - continuously, 2.177 cfs (979.65 gpm). 460 acre-feet per year - from the dam on Cascade Lake, 750 feet South and 725 feet East of the center of Section 31, Township 37 North, Range 1 West, W.M.
- e) Storage rights, 1879 acre-feet per year in Cascade Lake between a lake level of 347 and 351 feet above mean sea level during years of average or greater precipitation, and 345 - 351 feet above mean sea level during low run off years.
- f) Fire Protection - as needed

Data regularly collected by Rosario Development Co. (Geiser Land Co.) from the ware on the Cascade Creek, the lake level staff gauge and the flow meters on the domestic supply diversion and irrigation pipe shall be made available to the Ecology Department when requested (see provisions of RCW 90.03 and WAC 508.64).

69. Easement, dated February 9, 1989, executed by Sarah H. Geiser, Personal Representative of the Estate of Gilbert H. Geiser; Geiser Land Company, a Washington General Partnership; Skipjack Associates, a Washington general partnership; Security Pacific Bank Washington N.A., a National Banking Association formerly known as Rainier National Bank; Satellite Condominiums of Rosario Association, a Washington non-profit corporation; and Skipjack Condominiums I and II Association, a Washington non-profit corporation to themselves, their successor's and assigns for the mutual benefit to be derived therefrom, recorded April 5, 1989, in Volume 236, of Official Records, at page 048, under Auditor's File No. 89156743, records of San Juan County, Washington, as follows:

For: pedestrian walkways, roadways and utility purposes

Affects: a portion of the property herein described and includes other property

Provisions: all parties acquiring the right of use of the above described easements, their respective grantees, heirs, successors and assigns, shall be responsible for and agree to participate in the repair and maintenance of roadways with and upon said easements. The cost of such maintenance and/or construction shall be borne proportionately by each property owner having said right of use, and by their acknowledgment herein they have agreed to assessments and the filing of liens against property and the collections of same. Each property's proportionate share will be based on the percentages listed within said document.

70. The effect of the Covenants, Conditions and Restrictions contained in Moran State Park Pumphouse Easement recorded August 31, 1990, in Volume 301 of Official Records, at page 270, under Auditor's File No. 90168489, records of San Juan County, Washington.

(Affects a portion of Rosario Water System)

71. The effect of the Covenants, Conditions and Restrictions contained in Shoreline Management Act of 1971 Permit For Shoreline Management Substantial Development, Conditional Use, or Variance, (Kenmore Air Harbor Scheduled Floatplane Service to Three County Locations) recorded September 24, 1990, in Volume 304 of Official Records, at page 309, under Auditor's File No. 90169044, records of San Juan County, Washington.

(Affects 160621001000)

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72. The effect of the Covenants, Conditions and Restrictions contained in Shoreline Management Act of 1971 Permit For Shoreline Management Substantial Development, Conditional Use, or Variance, (Kenmore Air Harbor Scheduled Floatplane Service to Three County Locations) recorded September 24, 1990, in Volume 304 of Official Records, at page 321, under Auditor's File No. 90169045, records of San Juan County, Washington.

(Affects 160621001000)

73. Easement, dated January 15, 1991, executed by Wallace Gudgell and Gretchen Gudgell, recorded January 22, 1991, in Volume 316, of Official Records, at page 427, under Auditor's File No. 91171275, records of San Juan County, Washington, as follows:

For: installation and maintenance of a septic tank, tightline and drainfield

Affects: a portion of the property herein described and includes other property

Provisions: The purpose of this easement is to prevent practices in the use of the parties land which might be injurious to the public health, safety and welfare.

This easement shall run with the land and be binding on all parties assuming any right, title or interest in either Parcel I of II. Unity of title in the two parcels shall not affect his easement. When a sanitary sewer system approved by the San Juan County Health Department is available to serve Parcel II described above this easement will terminate with the recording of a release of the easement signed by the San Juan County Health Department Officer.

(Affects 173142001000 and 173134005000)

74. Aquatic Lands Lease No. 20-A09919 Lease affecting the premises herein stated, executed by and between the parties herein named for the term of 12, years and upon the terms, covenants and conditions therein provided.

Dated : November 17, 1995
Lessor : State of Washington Department of Natural Resources
Lessee : Red Rock Resorts, Inc., DBA Rosario Resort, an Arizona Corporation
Recorded : March 26, 1996, in Volume 544 of Official Records, at page 92, under Auditor's File No. 96032607, records of San Juan County, Washington.
Affects : A portion of Cascade Bay

An Assignment of the Lessee's interest in said Lease was:

Executed By : Red Rock Resorts, By: Daniel J. Donahoe, President
To : Rosario Resort Limited Partnership, By: Turquoise Land Corporation, General Partner, Robert Cunningham, Vice President
Dated: September 5, 1997
Recorded: September 19, 1997, under Auditor's File No. 97091935, records of San Juan County, Washington.
Affects: Tidelands of the Second Class and Bed of Eastsound (Lease No. 20-A09919)

SCHEDULE B - SECTION II**EXCEPTIONS**

(Continued)

Commitment Number: 0906-41

An Assignment of the Lessee's interest in said Lease was:

Executed by: Rosario Resort Limited partnership
 To : Oly Rose LLC, a Delaware Limited Liability Company
 Dated : October 29, 1998
 Recorded: October 29, 1998 under Auditor's File No. 19981029021, records of San Juan County, Washington.

75. The effect of the conditions and restrictions contained in Staff Report, dated July 21, 1996, executed by Brookdale Ltd. Partnership to San Juan County, recorded August 5, 1996, in Volume 561 of Official Records, at page 383, under Auditor's File No. 96080542, records of San Juan County, Washington.

Affects: 173134005000

76. Declaration of Easement, dated October 8, 1996, executed by Rosario Resort Limited Partnership to Tom W. Horowitz and G. Loretta Horowitz, husband and wife, recorded October 9, 1996, in Volume 570, of Official Records, at page 52, under Auditor's File No. 96100902, records of San Juan County, Washington.

For: an exclusive easement for access, as well as the right to maintain any and all existing improvements on said real property, including but not limited to fence, rock retaining wall and driveway

Affects: Portion of 173152038000

77. Utility Easement dated October 11, 1996, executed by Brookdale Limited Partnership to Rosario Utilities L.L.C., recorded October 17, 1996, in Volume 571, of Official Records, at page 101, under Auditor's File No. 96101723, records of San Juan County, Washington.
78. Utility Easement dated October 11, 1996, executed by Brookdale Ltd. Partnership to Orcas Power and Light Company, recorded November 15, 1996, in Volume 575, of Official Records, at page 47, under Auditor's File No. 96111515, records of San Juan County, Washington, as follows:

"do hereby grant and convey to the grantee its successors and assigns, an easement for the installation and continued operation, maintenance, repair and replacement of underground electric distribution line, with all the necessary below ground wires and fixtures said easement being 10 feet wide, 5 feet on each side of said Orcas Power and Light Company buried distribution cable and appurtenant facilities as installed, together with the right to access to said facilities and the right to cut, trim, control and remove trees, brush and other obstructions which may interfere with the Grantee's proper use of this easement and the right to permit the joint use of the easement by others for underground electrical, telephone, or TV cable purposes, over and across the following described property in San Juan County, Washington, to wit:

All facilities installed by Grantee on said lands shall remain its property and may be removed by it at any time.

79. Notice of Easement Location for Existing Concrete Walk as disclosed by Record of Survey prepared by Curtis A. Johnson, Professional Licensed Surveyor for Clarice M. Carney, recorded July 3, 1997, in Book 14 of Surveys, at page 97, under Auditor's File No. 97070350, records of San

SCHEDULE B - SECTION II**EXCEPTIONS**

(Continued)

Commitment Number: 0906-41

Juan County, Washington. Copy attached.

80. This exception is intentionally omitted.
81. An unrecorded Lease affecting the premises herein stated, to the Lessee herein named for the term of (undisclosed of record) years, and upon the terms, covenants and conditions therein provided.

Dated: August 1, 1977

Lessee: Rosario Resort

Disclosed: Assignment of Department of Natural Resources Aquatic Lease No. 20-10962

Executed By: Rosario Resort Limited Partnership, By: Daybreak Investments, Inc., former General Partner, Daniel J. Donahoe, President

To: Rosario Resort Limited Partnership, By: Turquoise Land Corporation, General Partner, Robert Cunningham, Vice President

Dated: July 24, 1997

Recorded : August 6, 1997, under Auditor's File No. 97080619, records of San Juan County, Washington.

Affects: Tidelands of the Second Class and Bed of Eastsound

Assignment of Department of Natural Resources Aquatic Lease, dated October 29, 1998, recorded October 29, 1998, under Auditor's File No. 19981029022, records of San Juan County, Washington wherein all Lessee's rights were assigned to Oly Rose, LLC, a Delaware Limited Liability Company.

82. The effect of the conditions and restrictions contained in Shoreline Development/Conditional Use Permit - 95SJ022/95CU020, Rosario Resort Ltd. Partnership Condos, Orcas Island, dated November 15, 1996, executed by San Juan County Board of Adjustment to Rosario Resort Limited Partnership, recorded December 4, 1997, under Auditor's File No. 19970120426, records of San Juan County, Washington.

Affects: Tax Parcels Numbered 160621001, 173134002, 173134005, 173142001 & 173143009

83. This exception is intentionally omitted.
84. Notice of County Road Locations as disclosed by Record of Survey prepared by Jeffrey Iverson, Professional Licensed Surveyor for The Trust for Public Lands, recorded May 19, 1998, in Book 15 of Surveys, at page 13 and 13A, under Auditor's File No. 19980519029, records of San Juan County, Washington.
85. Notice of Moran State Trail Markers, Park Walking Trail, Maintenance Road and Utility Poles as disclosed by Record of Survey prepared by Thomas E. Metke, Professional Licensed Surveyor for Oly Rose, recorded November 17, 1998, in Book 15 of Surveys, at page 72, 72A, 72B and 72C, under Auditor's File No. 19981117003, records of San Juan County, Washington.
86. Notice of paved driveway and easement locations as disclosed by Record of Survey prepared by Jeffrey A. Iverson, Professional Licensed Surveyor for Olympus Real Estate Corporation, recorded December 15, 1998, in Book 15 of Surveys, at page 93, under Auditor's File No. 19981215003, records of San Juan County, Washington.
87. Notice of Gravel Drive, Concrete Wall, Rockery Wall, Paved Access and Propane tank locations as

SCHEDULE B - SECTION II
EXCEPTIONS
(Continued)

Commitment Number: 0906-41

disclosed by Record of Survey prepared by Patrick S. Kirby, Professional Licensed Surveyor for Olympus Real Estate, recorded December 18, 1998, in Book 15 of Surveys, at page 101, 101A, 101B and 101C, under Auditor's File No. 19981218009, records of San Juan County, Washington.

88. Notice of Building, Easements, Driveways, Paved Roads, Utilities and Gravel Parking Locations as disclosed by Record of Survey prepared by Patrick A. Kirby, Professional Licensed Surveyor for Olympus Real Estate, recorded December 18, 1998, in Book 15 of Surveys, at page 102, 102A and 102B, under Auditor's File No. 19981218010, records of San Juan County, Washington.
89. Utilities and Sewer Line Easement over Lot No. 15, Rosario Estates No. 2, dated January 1, 1978, executed by Edwin L. Sutton, as his separate estate, Grantors and Rosario Inc., Grantees, recorded March 9, 1978, in Volume 36 of Official Records, at page 342, under Auditor's File No. 100524, records of San Juan County, Washington, as follows:

"An agreement stating the Grantors have the option of connecting into the Rosario Sewer System at a ONE THOUSAND AND NO/100 (\$1,000.00) hook-up fee payable at the commencement of construction and SIX AND NO/100 (\$6.00) monthly maintenance fee commencing at the date of sewer hook-up and payable quarterly thereafter, does hereby give, grant and convey unto Grantee, ROSARIO, INC., a Washington Corporation, a permanent and non-exclusive right, privilege and easement for the installation and maintenance of utilities and sewer line over, under and across a 15.00 strip of land, being 7.50 feet on each side of the following described centerline:

Commencing at the southeast corner of Lot 41, Rosario Estates No. 2, according to the plat recorded at Volume 2 of Plats, page 29, records of San Juan County, Washington; thence North 86°26'27" West along the south line thereof 47.00 feet to the true point of beginning; thence North 11°15' East 33.00 feet; thence North 14°13' East 74.00 feet; thence North 11°58' East 97.40 feet; thence North 06°22' West 91.80 feet to a point on the north line of said Lot 41 and the end of this description.

This is a conveyance running with the title to the above described tract of land and shall be for the use and benefit of the Grantee, his heirs, successors, administrators and assigns."

(Affects 173113004000)

90. This exception is intentionally omitted.
91. Easement, as disclosed by instrument dated August 13, 2004, and recorded August 20, 2004, under Auditor's File No. 20040820033, records of San Juan County, Washington, as follows:
- For: Owners within Plats of Rosario Estates, Rosario Estates No. 2, Rosario Estates No. 3, Rosario Palisades, Rosario Shores, Palisades South.
- Affects: Recreation Area at Rosario Resort
92. Terms, covenants, conditions and restrictions as disclosed by Application for Boundary Line Modification and Statement of Disclosure, executed by Oly Rose LLC, recorded November 27, 2002, under Auditor's File No. 20021127016, records of San Juan County, Washington.
93. Matters disclosed by Record of Survey recorded March 25, 2003 in Book 18 of Surveys, at page 40, under Auditor's File No. 2003 0325021, records of San Juan County, Washington. Copy attached.

SCHEDULE B - SECTION II
EXCEPTIONS
(Continued)

Commitment Number: 0906-41

94. Easement, dated November 2, 1978, executed by William R. Garvin and Rachel A. Garvin, to Rosario Inc., recorded November 7, 1978, in Volume 45 of Official Records, at page 385, under Auditor's File No. 104298, records of San Juan County, Washington, as follows:

"The undersigned owner of a condominium in Sucia does hereby convey, bargain and grant unto Rosario, Inc., a non-exclusive easement for ingress, egress and utilities, over the property described on the attached Exhibit "A".

Affects: The common area only.

95. Notice of Easement, contained in Partial Warranty Fulfillment Deed, dated November 17, 1981, executed by Gilbert H. Geiser and Gleda B. Geiser, individually; The Meade Rosario Trust, individually; and Rosario, Inc. by its successors-in-interest, Gilbert H. Geiser, Gleda B. Geiser and The Meade Rosario Trust to Rosario Resort Development Company, a general partnership, recorded June 25, 1982, in Volume 92 of Official Records at pages 89 through 93, under Auditor's File No. 122142, records of San Juan County, Washington, as follows:

"SUBJECT TO AND TOGETHER WITH a non-exclusive easement for waterline and utility purposes being 20' in width and following the existing waterline from the dam at the west end of Cascade Lake Lagoon Southwesterly across the above described parcel to the existing power plant."

Affects: a portion of common area only.

96. A Lease affecting Unit 171, Satellite Condominium, Memorandum thereof dated and recorded as herein set forth, executed by and between the parties herein names commencing March 1, 2004, terminating on December 31, 2006, and upon the terms, covenants and conditions therein provided.

Dated: November 11, 2004

Lessor: JM Land LLC

Lessee: Oly Rose, LLC, dba Rosario Resort, a Delaware limited liability Company

Recorded: November 15, 2004, under Auditor's File No. 20041115014, records of San Juan County, Washington.

NOTE: Document refers back to Master Agreement Regarding Lease of Rosario Resort Condominiums, dated February 5, 1997, recorded February 19, 1997, under Auditors File No. 97021904, records of San Juan County. Said condos not listed on this lease.

Said Lease, among other things provides for an option to renew for a period of two five year terms.

97. A Lease affecting Unit 155 Satellite Condominiums, Memorandum thereof dated and recorded as herein set forth, executed by and between the parties herein names commencing March 1, 2004, terminating on December 31, 2006, and upon the terms, covenants and conditions therein provided.

Dated: November 11, 2004

Lessor: JM Land LLC

Lessee: Oly Rose, LLC, dba Rosario Resort, a Delaware limited liability Company

Recorded: November 15, 2004, under Auditor's File No. 20041115015, records of San Juan

SCHEDULE B - SECTION II
EXCEPTIONS
(Continued)

Commitment Number: 0906-41

County, Washington.

NOTE: Document refers back to Master Agreement Regarding Lease of Rosario Resort Condominiums, dated February 5, 1997, recorded February 19, 1997, under Auditors File No. 97021904, records of San Juan County. Said condos not listed on this lease.

Said Lease, among other things provides for an option to renew for a period of two five year terms.

98. A Lease affecting Unit 158, Satellite Condominiums, Memorandum thereof dated and recorded as herein set forth, executed by and between the parties herein names commencing March 1, 2004, terminating on December 31, 2006, and upon the terms, covenants and conditions therein provided.

Dated: November 11, 2004

Lessor: JM Land LLC

Lessee: Oly Rose, LLC, dba Rosario Resort, a Delaware limited liability Company

Recorded: November 15, 2004, under Auditor's File No. 20041115016, records of San Juan County, Washington.

NOTE: Document refers back to Master Agreement Regarding Lease of Rosario Resort Condominiums, dated February 5, 1997, recorded February 19, 1997, under Auditors File No. 97021904, records of San Juan County. Said condos not listed on this lease.

Said Lease, among other things provides for an option to renew for a period of two five year terms.

99. A Lease affecting Unit 172A, Satellite Condominiums, Memorandum thereof dated and recorded as herein set forth, executed by and between the parties herein names commencing March 1, 2004, terminating on December 31, 2006, and upon the terms, covenants and conditions therein provided.

Dated: November 11, 2004

Lessor: Diane E. Cooper

Lessee: Oly Rose, LLC, dba Rosario Resort, a Delaware limited liability Company

Recorded : November 17, 2004, under Auditor's File No. 20041117012, records of San Juan County, Washington.

NOTE: Document refers back to Master Agreement Regarding Lease of Rosario Resort Condominiums, dated February 5, 1997, recorded February 19, 1997, under Auditors File No. 97021904, records of San Juan County. Said condos not listed on this lease.

Said Lease, among other things provides for an option to renew for a period of two five year terms.

100. Personal Property Taxes as follows:

For Year	Amount Billed	Amount Paid
2008	\$5,851.10	\$ 2,925.55

Account No. 90-00680

101. General Taxes for 2008 which are due and payable for the years and amounts as follows:

SCHEDULE B - SECTION II
EXCEPTIONS
(Continued)

Commitment Number: 0906-41

TAX CODE NO.	AMOUNT BILLED	AMOUNT PAID
160621001000	\$ 46,877.89	\$23,438.94
173143009000	\$ 1,668.38	\$ 834.19
173043001000	\$ 8,884.67	\$ 4,442.33
173152037000	\$ 27.72	\$ 27.72
173152038000	\$ 11.10	\$ 11.10
173142001000	\$ 2,552.30	\$ 1,276.15
173134005000	\$ 4,184.78	\$ 2,092.39
173133002000	\$ 913.32	\$ 913.32

102. A Deed of Trust covering the herein described land to secure an indebtedness in the sum of \$ 150,000.00 and interest, payable under the terms thereof;

Dated: May 16, 2002

Grantor: Oly Rose, L.L.C., a Delaware Limited Liability Company

Trustee: San Juan Title Company

Beneficiary: Sabine Financial Services, Inc.

Recorded: May 16, 2002, under Auditor's File No. 20020516004, records of San Juan County, Washington.

Coverage: Said Deed of Trust Covers 173134003000 only

103. A Deed of Trust covering the herein described land to secure an indebtedness in the sum of \$260,000.00 and interest, payable under the terms thereof;

Dated: June 10, 2002

Grantor: Oly Rose, L.L.C. a Delaware Limited Liability Corporation

Trustee: San Juan Title Company

Beneficiary: Sabine Financial Services, LT., a Delaware Corporation

Recorded: June 13, 2002, under Auditor's File No. 20020613005, records of San Juan County, Washington.

Coverage: Said Deed of Trust Covers 173043001000 only

104. Notice of Rights as contained in Water Rights Conveyance, executed by Oly Rose, LLC, a Delaware limited liability company, to Orcas Water Holdings, LLC, a Delaware limited liability company, recorded November 14, 2006, under Auditor's File No. 20061114003, records of San Juan County, Washington. Copy Attached.
105. Notice of Rights as contained in Water Rights Conveyance, executed by Orcas Water Holdings, LLC, a Delaware limited liability company, to Rosario Utilities, LLC, a Delaware limited liability company, recorded April 2, 2007, under Auditor's File No. 2007 0402001, records of San Juan County, Washington. Copy attached.
106. The effect of the Covenants, Conditions and Restrictions contained in Water Rights Conveyance recorded November 1, 2007, under Auditor's File No. 2007 1101020, records of San Juan County, Washington. Copy attached.

SCHEDULE B - SECTION II**EXCEPTIONS**

(Continued)

Commitment Number: 0906-41

107. The effect of the Covenants, Conditions and Restrictions contained in Easement for Water Supply and Sewer Utilities recorded November 1, 2007, under Auditor's File No. 2007 1101021, records of San Juan County, Washington. Copy attached.
108. The effect of the Covenants, Conditions and Restrictions contained in Sewer Capacity Reservation and Connection Covenant recorded November 1, 2007, under Auditor's File No. 2007 1101022, records of San Juan County, Washington. Copy attached.
109. The effect of the Terms, Provisions, Covenants, Conditions, Restrictions, Reservations and Easements contained in instrument recorded November 1, 2007, under Auditor's File No. 2007 1101024, records of San Juan County, Washington. Copy attached.
110. Memorandum of Sewer Service Agreement entered into by Rosario Utilities, LLC, a Washington Limited Liability Company and Oly Rose, LLC, a Delaware limited liability company, dated October 31, 2007, recorded November 1, 2007, under Auditor's File No. 2007 1101025, records of San Juan County, Washington. Copy Attached.
111. The effect of the Covenants, Conditions and Restrictions contained in Water Rights Coveyance recorded November 1, 2007, under Auditor's File No. 2007 1101026, records of San Juan County, Washington. Copy attached.
- Re-recorded : Said Water Rights Conveyance was re-recorded November 6, 2007, under Auditor's File No. 2007 1106008, records of San Juan County, Washington.
112. Terms, covenants, conditions and restrictions as disclosed by Application for Boundary Line Modification and Statement of Disclosure, executed by Oly Rose LLC, recorded November 2, 2007, under Auditor's File No. 2007 1102015, records of San Juan County, Washington.
113. A Lease affecting the premises herein stated, executed by and between the parties herein named for the term of 1 years, and upon the terms, covenants and conditions therein provided.

Dated : October 9, 2007

Lessor : Bonnie J. Meyers, Leo R. and Eleanor Jensen; Jaycee Investments, LLC; Marcia Ostyn; Sarah H. Geiser, J M. Land, LLC; Conver Family Trust; Kathryn H. Whiting; Peanut Gallery Trust; Diane E. Cooper; Pam Cobb- Beverly Jacobs; J. Cooper and Martha Cooper Trust; Skip & Jack Associates; Philip and Karla Storrer; collectively known as the Rosario Independent Owners Association, a Washington Non-Profit Corporation

Lessee : Oly Rose, LLC, a Delaware Limited Liability Company

Recorded : November 14, 2007, under Auditor's File No. 2007 1114013, records of San Juan County, Washington.

Affects : Hillside Condominiums

NOTE: Document refers back to Master Agreement Regarding Lease of Rosario Resort Condominiums, dated February 5, 1997, recorded February 19, 1997, under Auditors File No. 97021904, records of San Juan County; Notice of Master Agreement Amendment and Grant of Rights, recorded March 14, 2006, under Auditor's File No. 2006 0314002, records of San Juan County, Washington and Memorandum of Lease, recorded January 1, 2007, under Auditor's File No. 2007 0130007, records of San Juan County, Washington.

114. Matters disclosed by Record of Survey recorded February 8, 2008 in Book 21 of Surveys, at page

SCHEDULE B - SECTION II**EXCEPTIONS**

(Continued)

Commitment Number: 0906-41

87, under Auditor's File No. 2008 0208011, records of San Juan County, Washington. Copy attached.

115. The effect of the Covenants, Conditions and Restrictions contained in Grant of Rights and Payment Obligations recorded January 9, 2008, under Auditor's File No. 2008 0109010, records of San Juan County, Washington. Copy attached.
116. A Lease affecting the premises herein stated, executed by and between the parties herein named for the term of 1 years, and upon the terms, covenants and conditions therein provided.

Dated : December 7, 2007

Lessor : JM Land, LLC, a Washington Limited Liability Company

Lessee : Oly Rose, LLC, a Delaware Limited Liability Company

Recorded : January 9, 2008, under Auditor's File No. 2008 0109011, records of San Juan County, Washington.

Affects : Hillside Condominiums

Pacific Northwest Title

Commitment Number: 0906-41

SCHEDULE C
PROPERTY DESCRIPTION

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

PARCEL 160621001000 (Mansion)

That portion of Government Lot 3, Section 6, Township 36 North, Range 1 West, W.M., and that portion of Government Lots 4 and 5 Section 31, Township 37 North, Range 1 West, W.M., described as follow:

Beginning at the Southeast corner of Lot 18 as shown in the Plat of Rosario Estates recorded at Volume 2 of Plats at page 3, records of said county; Thence along the Easterly boundary of said Lot 18 and continuing along the Easterly boundaries of Lots 19, 20E and 21E to the Southeast corner of Lot 22E; Thence along the Easterly boundary of Lot 22E North 6°10' West 38.7 feet; Thence Northwesterly 45 feet, more or less, to the most Southerly corner of Lot 10 of said plat; Thence continuing Northeasterly along the Southeasterly boundaries of Lots 1 through 10 to the Southeast corner of said Lot 1; Thence along the Northeasterly boundary of said Lot 1, 75.1 feet, more or less to a point on a line parallel with and 75.0 feet Northerly of the North margin of a 40-foot wide easement road as shown on the face of "Sucia" as described at Volume 1 of Condominiums at page 1, said records; Thence leaving said boundary and along said parallel line North 82°30' East 130.38 feet; Thence North 87°57'40" East 90.38 feet; Thence perpendicular to said North margin South 2°02'20" East 115.0 feet to the Southerly margin of said 40-foot wide easement; Thence along said Southerly margin North 87°57'40" East 258.78 feet to the Northwest corner of that parcel of land described at Auditor's File No. 51101; Thence along the Westerly boundary of said parcel described at Auditor's File No. 51101 Southeasterly to a point on the line of ordinary high tide; Thence southwesterly along said line of ordinary high tide to a point on the Northerly boundary of Lot 18B of said Plat of Rosario Estates, that bears South 66°09' East from said TRUE POINT OF BEGINNING; Thence leaving said line of ordinary high tide and along said Northerly lot boundary North 66°09' West to said point of beginning.

TOGETHER WITH the Tidelands of the Second Class situate in front of, adjacent to, abutting upon that portion of the U.S. Government Meander Line of Government Lot 5 as conveyed by the State of Washington by Tideland Deed, recorded January 20, 1906, in Volume 10 of Deeds, at page 130 records of San Juan County, Washington.

TOGETHER WITH the Tidelands of the Second Class situate in front of, adjacent to, abutting upon Government Lot 5 lying between the line of mean low tide and the line of extreme low tide as conveyed by the State of Washington by Deed, recorded February 3, 1912, in Volume 12 of Deeds, at page 615, under Auditor's File No. 12709, records of San Juan County, Washington.

Situate in San Juan County, Washington.

PARCEL 160621001000 (Mansion)

Vacated Lots 18A, 18B, 18C, 18D, 18E, 20E and 21E as Vacated pursuant to San Juan County Board of Commissioners Resolution No. 90-1986, May 20, 1986 of ROSARIO ESTATES, according to the Plat thereof, recorded in Volume 2 of Plats, at page 3, in the office of Auditor of San Juan County, Washington.

EXCEPTING THEREFROM those portions of vacated Lots 20E and 21E as Vacated pursuant to San Juan County Board of Commissioners Resolution No. 90-1986, May 20, 1986 of ROSARIO ESTATES, according to the Plat thereof, recorded in Volume 2 of Plats, at page 3, in the office of Auditor of San Juan County, Washington, lying Westerly of the following described line:

ALTA Commitment
Schedule C

(0906-41.pfd/0906-41/33)

SCHEDULE C
(Continued)

Commitment Number: 0906-41

Beginning at the Southeast corner of said Lot 20E as marked by an iron pipe set by Rehm & Condon, Inc. from which the Southwest corner of said Lot as marked by an iron pipe set by Rehm & Condon, Inc., bears South 74° 21' 58" West, a distance of 109.00; thence North 39° 38' 03" West a distance of 35.92 feet; thence North 6° 43' 40" East a distance of 170.04 feet; thence North 11° 11' 36" West a distance of 15.94 feet to a point on the North line of said Lot 21E and the terminus of this line description from which the Northwest corner of said Lot 21E as marked by an iron pipe set by Rehm & Condon, Inc. bears South 74° 39' 36" West a distance of 121.67 feet..

Situate in San Juan County, Washington.

PARCEL 173143009000 (SATELLITE HALL)

Portion of Government Lot 6, Section 31, Township 37 North, Range 1 West of W.M., more particularly described as follows:

Commencing at the most Easterly corner of Lot 30 of the Plat of Rosario No. 3, recorded in Volume 4 of Plats at page 15, records of San Juan County, Washington. Thence North 69°16'20" East, 59.30 feet; Thence South 3°15'44" West 119.52 feet; Thence South 51°59'15" East 133.17 feet to an iron pipe and the TRUE POINT OF BEGINNING; Thence from said True Point of Beginning East 207.56 feet to a point marked by an iron pipe; Thence South 46°29'29" West 125.00 feet to a point marked by an iron pipe; Thence West 180.13 feet to a point marked by an iron pipe; Thence North 36°18' East 106.79 feet to the TRUE POINT OF BEGINNING.

SUBJECT TO AND TOGETHER WITH a non-exclusive easement for roadway and utility purposes as described within and conveyed by Mutual Easement, recorded April 5, 1989, Volume 236 of Official Records, at page 48, Auditor's File No. 89156743, records of San Juan County, Washington.

Situate in San Juan County, Washington.

PARCEL 173043001000

A portion of the Southeast Quarter of Section 30 and the Northeast Quarter of Section 31, Township 37 North, Range 1 West, Willamette Meridian, San Juan County, Washington, more particularly described as follows:

Beginning at the South Quarter Corner of Section 30; Thence S.01°09'58"W., a distance of 89.58 feet to the intersection of the centerline of the Orcas-Olga Road (County Road No. 4) and the centerline of the 60 foot access easement of "Vusario Lane", being also the POINT OF BEGINNING; Thence along said easement, North 32° 18' 30" East, a distance of 175.00 feet to a point of curve to the right having a radius of 297.85 feet and a central angle of 15° 17' 52"; Thence Northeasterly along the arc a distance of 79.52 feet; Thence North 47° 36' 22" East, a distance of 100.89 feet to a point of curve to the right having a radius of 137.09 feet and a central angle of 47°16'33"; Thence Easterly along the arc a distance of 113.11 feet; Thence South 85° 07' 05" East, a distance of 49.94 feet to a point of curve to the left having a radius of 257.37 feet and a central angle of 21° 59' 17"; Thence Easterly along the arc a distance of 98.77 feet; Thence North 72° 53' 38" East, a distance of 91.32 feet to a point of curve to the left having a radius of 281.18 feet and a central angle of 26° 01' 59"; Thence Northeasterly along the arc a distance of 127.76 feet; Thence North 46° 51' 39" East, a distance of 128.70 feet to a point of curve to the right having a radius of 82.01 feet and a central angle of 52° 00' 00"; Thence Easterly along the arc a distance of 74.43 feet; Thence South 81° 08' 21" East, a distance of 93.28 feet to a point of

SCHEDULE C
(Continued)

Commitment Number: 0906-41

curve to the right having a radius of 284.64 feet and a central angle of 26° 18' 00"; Thence Easterly along the arc a distance of 130.66 feet to a point of reverse curve to the left having a radius of 402.48 feet and a central angle of 18° 45' 50"; Thence Southeasterly along the arc, a distance of 131.81 feet; Thence South 73° 36' 11" East, a distance of 33.46 feet to a point of curve to the right having a radius of 409.89 feet and a central angle of 18° 01' 19"; Thence Southeasterly along the arc a distance of 128.93 feet to a point of reverse curve to the left having a radius of 39.00 feet and a central angle of 22° 55' 42"., Thence Southeasterly along the arc a distance of 15.61 feet; Thence leaving said easement, South 78° 30' 34" East, a distance of 305.57 feet; Thence North 46° 57' 18" East, a distance of 735.09 feet; Thence South 88° 42' 03" East, a distance of 491.29 feet to a point on the East line of Section 30; Thence along said East line, South 01° 17' 57" West, a distance of 724.09 feet to the Southeast corner of Section 30; Thence along the South line of Section 30, North 88° 46' 20" West, a distance of 1,316.41 feet; Thence South 02° 31' 56" West, a distance of 714.40 feet to the centerline of the aforesaid Orcas-Olga Road; Thence along said centerline South 75° 48' 06" West, a distance of 32.91 feet to a point of curve to the right having a radius of 349.67 feet and a central angle of 37° 16' 59"; Thence Westerly along the arc a distance 227.54 feet; Thence North 66° 54' 55" West, a distance of 290.23 feet; Thence North 69° 40' 25" West, a distance of 281.18 feet to a point of curve to the right having a radius of 699.34 feet and a central angle of 22° 10' 30"; Thence Northwesterly along the arc a distance of 270.67 feet; Thence North 47° 29' 55" West, a distance of 172.41 feet to a point of curve to the right having a radius of 699.34 feet and a central angle of 11° 36' 00"; Thence Northwesterly along the arc a distance of 141.59 feet; Thence North 35° 53' 55" West, a distance of 85.70 feet to the Point of Beginning.

Situate in San Juan County, Washington.

PARCEL 173152037000

Tract "A", of ROSARIO NO. 3, according to the plat thereof, recorded in Volume 3 of Plats, at pages 15 and 15A, in the office of the Auditor of San Juan County, Washington.

TOGETHER WITH a non-exclusive right to use the roads and streets as platted as a means of ingress and egress for private roadway purposes as created, declared and granted in the Dedication of the Plat of Rosario No. 3.

SUBJECT TO AND TOGETHER WITH a non-exclusive easement for roadway and utility purposes as described within and conveyed by Mutual Easement Agreement recorded April 5, 1989 in Volume 236 of Official Records, at page 48, under Auditor's File No. 89156743, records of San Juan County, Washington.

Situate in San Juan County, Washington.

PARCEL 173152038000

That portion of Lot 24, of ROSARIO NO. 3, according to the Plat thereof, recorded in Volume 3 of Plats, at pages 15 and 15A, in the Office of the Auditor of San Juan County, Washington, described as follows:

Beginning at a concrete monument marking the Northwest corner of said Lot 24; Thence North 76°57'30" East, 154.43 feet to a point on the East boundary of said Lot 24; Thence along said East boundary North 18°00' West, 40.15 feet to the Northeast corner of said Lot; Thence along the North boundary of said Lot, South 76°48'20" West, 105.41 feet to a point on the boundary common to said Lot 24 and Tract A of said plat and which point is on the curve to the right having a radius of 40 feet; Thence Southwesterly along said curve thru a central angle

SCHEDULE C
(Continued)

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of 98°07'40" for a distance of 68.5 feet to the Point of Beginning.

TOGETHER WITH a non-exclusive right to use the roads and streets as platted as a means of ingress and egress for private roadway purposes as created, declared and granted in the Dedication of the Plat of Rosario No. 3.

SUBJECT TO AND TOGETHER WITH a non-exclusive easement for roadway and utility purposes as described within and conveyed by Mutual Easement Agreement recorded April 5, 1989 in Volume 236 of Official Records, at page 48, under Auditor's File No. 89156743, records of San Juan County, Washington.

Situate in San Juan County, Washington.

PARCEL 173142001000

That portion of Government Lot 6 and Government Lot 7, and portions of the Northwest quarter of the Southeast Quarter and the Southeast Quarter of the Southeast Quarter all in Section 31, Township 37 North, Range 1 West, W.M., described as follows:

Beginning at the most Easterly corner of that portion of Satellite Condominiums designated as "Patos" and recorded at Volume 1 of Condominiums, Page 5, records of said County, said corner is marked by a 1" iron pipe; Thence along the boundary of that portion of Satellite Condominiums designated "Skipjack" and recorded at Volume 1 of Condominiums, Page 13, said records, North 39°47'59" East, 73.47 feet; Thence continuing along said boundary North 1°59'22" West, 146.71 feet; Thence South 44°41'37" East, 342.78 feet; South 26°52'11" East, 233.97 feet to the most Easterly corner of said "Skipjack", Phase 2: Thence leaving said boundary South 51°02'22" East, 248.28 feet to a point on the Westerly boundary of the plat of Rosario Palisades as recorded at Volume 3 of Plats, Page 37, said records; Thence along said Westerly boundary North 24°57'50" East, 310.56 feet; Thence continuing along said Westerly boundary North 37°25'40" East, 107.21 feet; Thence North 56°45' East, 77.4 feet; Thence North 37°26'10" East, 116.06 feet to the Southwesterly margin of Palisades Drive as shown on said Plat of Rosario Palisades; Thence along said Southwesterly margin of Palisades Drive to the most Northerly corner of Lot 36 as shown in the Plat of Rosario No. 3, recorded at Volume 3 of Plats, Page 15, said records; Thence along the Southeasterly boundary of said Plat of Rosario No. 3 to the most Southerly corner of Lot 31 of said Plat of Rosario No. 3; Thence leaving said Southeasterly boundary and along the Northerly boundary of the "Access Area" as shown on said "Patos" condominium North 69°16'20" East, 59.3 feet; Thence continuing along said Northerly boundary North 86°08' East, 158.25 feet; Thence South 71°28' East, 100.5 feet; Thence South 61°36'20" East, 175.42 feet to the Point of Beginning.

TOGETHER WITH that parcel of land designated as "Skipjack", Phase 2, as shown at said Volume 1 of Condominiums, at page 13, AND ASLO

TOGETHER WITH a non-exclusive easement for private roadway purposes as a means of ingress, egress and utilities as described and conveyed by Easement Agreement, recorded September 7, 1984, Volume 121 of Official Records, at page 332, Auditor's File No. 132081, records of San Juan County, Washington.

TOGETHER WITH AND SUBJECT TO a non-exclusive ingress, egress and the conveyance of public utilities as granted, conveyed and described within Mutual Easement Agreement, recorded April 5, 1989, of Official Records, Volume 236, at page 48, Auditor's File No. 89156743, records of San Juan County, Washington.

Situate in San Juan County, Washington.

SCHEDULE C
(Continued)

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PARCEL 173134005000

That portion of Government Lot 5 and Government Lot 6, Section 31, Township 37 North, Range 1 West, W.M., described as follows:

Beginning at the Southeast corner of "Sucia" as described at Volume 1 of Condominiums, page 1, records of said County, and which point is marked by a 1" iron pipe; thence along the South and West boundaries of "Sucia" to the most Southerly corner of that parcel of land designated as "Matia" in said Volume 1 of Condominiums; Thence along the Westerly margin of "Matia" to a 1" iron pipe marking the Southeast corner of Lot 29 of Rosario No. 3 as recorded at Volume 3 of Plats, Page 15, said records; Thence along the Southerly boundaries of Lots 25 through 29, all of said plat of Rosario No. 3, to the Northeast corner of Lot 24, said plat; Thence along the Easterly boundaries of said Lot 24 and along the Easterly boundary of Lot 1 of Rosario Estates as recorded in Volume 1 of Plats, Page 3, said records, to a point 75.0 feet Northerly of the Southeast corner of said Lot 1; Thence parallel with and 75.0 feet North of the North margin of a 40-foot wide easement road as shown on the face of said condominium designated "Sucia" North 82°30' East, 130.38 feet; Thence North 87°57'40" East, 90.38 feet; Thence perpendicular to said North margin South 2°02'20" East, 115.0 feet to the Southerly margin of said 40-foot wide easement; Thence along said Southerly margin North 87°57'40" East, 258.78 feet to the Northeast corner of that parcel of land described at Auditor's File No. 51101 said records; Thence along the Northeasterly boundary of said parcel described at Auditor's File No. 51101 Southeasterly to a point on the line of ordinary high tide; Thence Southeasterly along said line of ordinary high tide to a point which bears South of the Point of Beginning; Thence leaving said line of ordinary high tide North to the Point of Beginning.

TOGETHER WITH that portion of the Tidelands of the Second Class situate in front of, adjacent to, or abutting upon as conveyed by the State of Washington, by Tideland Deed recorded August 3, 1914, in Volume 13, of Deeds, at page 363, under Auditor's File No. 14170, records of San Juan County, Washington.

TOGETHER WITH AND SUBJECT TO a non-exclusive ingress, egress and the conveyance of public utilities as granted, conveyed and described within Mutual Easement Agreement, recorded April 5, 1989, Volume 236, of Official Records, at page 48, Auditor's File No. 89156743, records of San Juan County, Washington.

Situate in San Juan County, Washington.

PARCEL 173133002000

Those portions of vacated Lots 20E and 21E as Vacated pursuant to San Juan County Board of Commissioners Resolution No. 90-1986, May 20, 1986 of ROSARIO ESTATES, according to the Plat thereof, recorded in Volume 2 of Plats, at page 3, in the office of Auditor of San Juan County, Washington, lying Westerly of the following described line:

Beginning at the Southeast corner of said Lot 20E as marked by an iron pipe set by Rehm & Condon, Inc. from which the Southwest corner of said Lot as marked by an iron pipe set by Rehm & Condon, Inc., bears South 74° 21' 58" West, a distance of 109.00; thence North 39° 38' 03" West a distance of 35.92 feet; thence North 6° 43' 40" East a distance of 170.04 feet; thence North 11° 11' 36" West a distance of 15.94 feet to a point on the North line of said Lot 21E and the terminus of this line description from which the Northwest corner of said Lot 21E as marked by an iron pipe set by Rehm & Condon, Inc. bears South 74° 39' 36" West a distance of 121.67 feet..

Situate in San Juan County, Washington.