

FILED EFFECTIVE

2003 DEC 26 AM 8:45
STATE OF IDAHO
ARTICLES OF MERGER
OF
FIRST AMERICAN TITLE COMPANY
(An Idaho Corporation)
AND
FIRST AMERICAN TITLE COMPANY OF EAST IDAHO
(An Idaho Corporation)
AND
FIRST AMERICAN TITLE COMPANY OF NORTH IDAHO, INC.
(An Idaho Corporation)
AND
FIRST AMERICAN TITLE COMPANY OF BONNERS FERRY, INC.
(An Idaho Corporation)
AND
PRESTON LAND TITLE COMPANY
(An Idaho Corporation)
AND
FIRST AMERICAN TITLE COMPANY OF VALLEY COUNTY, LLC
(An Idaho Limited Liability Company)

WITH AND INTO

FIRST AMERICAN TITLE COMPANY SUBSIDIARY, INC.
(An Idaho Corporation)

The undersigned corporation, pursuant to applicable Idaho law, does hereby certify the following:

1. That the name and state of organization of the constituent companies which are parties to the merger are as follows:

NAME	STATE OF ORGANIZATION
FIRST AMERICAN TITLE COMPANY	Idaho
FIRST AMERICAN TITLE COMPANY OF EAST IDAHO	Idaho
FIRST AMERICAN TITLE COMPANY OF NORTH IDAHO, INC.	Idaho
FIRST AMERICAN TITLE COMPANY OF BONNERS FERRY, INC.	Idaho
PRESTON LAND TITLE COMPANY	Idaho

ARTICLES OF MERGER - 1

IDAHO SECRETARY OF STATE
12/26/2003 05:00
CK: 30153 CT: 1168 BH: 718623
1 B 30.00 = 30.00 MERGER # 4
1 B 20.00 = 20.00 EXPEDITE C # 5

C 151890

FIRST AMERICAN TITLE COMPANY OF
VALLEY COUNTY, LLC
(Collectively "Merging Companies")

Idaho

FIRST AMERICAN TITLE COMPANY SUBSIDIARY, INC. Idaho
("Surviving Company")

2. That the name of the Surviving Company to the merger is FIRST AMERICAN TITLE COMPANY SUBSIDIARY, INC., a corporation organized and existing under the laws of the State of Idaho and that the Surviving Company's principal place of business is located at 195 S. Broadway, Blackfoot, Idaho 83221.

3. That the above named companies have entered into an Agreement and Plan of Merger that has been adopted, approved, executed, and acknowledged by the Members, Board of Directors, and Shareholders of the constituent companies as provided in applicable provisions of Section 30-1-1103 of the Idaho Business Corporations Act and Section 53-662 of the Idaho Limited Liability Company Act. That the Agreement and Plan of Merger is kept at the Surviving Company's principal place of business located at 195 S. Broadway, Blackfoot, Idaho 83221. That a copy of the Agreement and Plan of Merger will be furnished by the Surviving Company to any person or entity which owned an interest in the merged companies upon request and without cost.

4. That the Agreement and Plan of Merger among the parties to the merger has been adopted, approved, executed, and acknowledged by their respective Members and/or Board of Directors of each of the constituent companies in accordance with applicable law, as follows:

A. That the issued and outstanding interests or shares entitled to vote on the Agreement and Plan of Merger are as follows:

Company:	Voting Common Shares/Points Outstanding and Entitled Vote:
FIRST AMERICAN TITLE COMPANY	96,837
FIRST AMERICAN TITLE COMPANY OF EAST IDAHO	3,919
FIRST AMERICAN TITLE COMPANY OF NORTH IDAHO, INC.	75,000
FIRST AMERICAN TITLE COMPANY OF BONNERS FERRY, INC.	100

PRESTON LAND TITLE COMPANY	10,000
FIRST AMERICAN TITLE COMPANY OF VALLEY COUNTY, LLC	100%

That the interests or shares voted for or against the Agreement and Plan of Merger is as follows:

Company:	For:	Against:
FIRST AMERICAN TITLE COMPANY	96,837	0
FIRST AMERICAN TITLE COMPANY OF EAST IDAHO	3,919	0
FIRST AMERICAN TITLE COMPANY OF NORTH IDAHO, INC.	75,000	0
FIRST AMERICAN TITLE COMPANY OF BONNERS FERRY, INC.	100	0
PRESTON LAND TITLE COMPANY	10,000	0
FIRST AMERICAN TITLE COMPANY OF VALLEY COUNTY, LLC	100%	0%

That the foregoing votes in favor of the Agreement and Plan of Merger were sufficient under applicable law for the approval of the same.

B. That there are 1,000 shares of voting common stock of the Surviving Company issued and outstanding. That the sole shareholder of the Surviving Company entitled to vote on the Agreement and Plan of Merger voted in favor of the adoption of the Agreement and Plan of Merger, and that such votes were sufficient for approval of the same.

5. That these Articles of Merger shall become effective upon the close of business on December 31, 2003.

6. That Article I of the Articles of Incorporation of the Surviving Company are amended by the Agreement and Plan of Merger as follows:

ARTICLE I

The name of the Corporation shall be FIRST AMERICAN TITLE COMPANY, INC.

IN WITNESS HEREOF, these Articles of Merger have been subscribed this 14th day of December, 2003, by the undersigned who affirms that the statements made herein are true under the penalties of perjury.

**FIRST AMERICAN TITLE COMPANY
SUBSIDIARY, INC.
(Surviving Company)**

By: Dwain H. Stufflebeam
DWAIN H. STUFFLEBEAM
Chief Executive Officer

AGREEMENT AND PLAN OF MERGER

COPY

BY AND AMONG

FIRST AMERICAN TITLE HOLDING COMPANY

AND

FIRST AMERICAN TITLE COMPANY SUBSIDIARY, INC.

AND

FIRST AMERICAN ADMINISTRATIVE SERVICES, INC.

AND

FIRST AMERICAN TITLE COMPANY

AND

FIRST AMERICAN TITLE COMPANY OF EAST IDAHO

AND

FIRST AMERICAN TITLE COMPANY OF NORTH IDAHO, INC.

AND

FIRST AMERICAN TITLE COMPANY OF BONNERS FERRY, INC.

AND

PRESTON LAND TITLE COMPANY

AND

FIRST AMERICAN TITLE COMPANY OF VALLEY COUNTY, LLC

AND

FIRST AMERICAN TITLE COMPANY OF MONTANA SUBSIDIARY, INC.

AND

FIRST AMERICAN TITLE COMPANY OF GREAT FALLS, INC.

AND

FIRST AMERICAN TITLE COMPANY OF MONTANA, INC.

AND

FIRST AMERICAN TITLE COMPANY, INC.

AND

FIRST AMERICAN TITLE COMPANY OF MINERAL COUNTY, INC.

AND

FIRST AMERICAN TITLE COMPANY OF ANACONDA, LLC

AND

FIRST AMERICAN TITLE COMPANY OF LEWISTOWN, LLC

AGREEMENT AND PLAN OF MERGER 7/12:45

THIS AGREEMENT AND PLAN OF MERGER ("Agreement") dated as of December ___, 2003, by and between FIRST AMERICAN TITLE HOLDING COMPANY, an Idaho corporation ("Parent"), FIRST AMERICAN TITLE COMPANY SUBSIDIARY, INC., an Idaho corporation and wholly owned subsidiary of Parent ("Idaho Sub"), FIRST AMERICAN TITLE COMPANY OF MONTANA SUBSIDIARY, INC., a Montana corporation and wholly owned subsidiary of Parent ("Montana Sub"), and FIRST AMERICAN ADMINISTRATIVE SERVICES, INC., an Idaho corporation ("FAAS"), and FIRST AMERICAN TITLE COMPANY, an Idaho corporation, FIRST AMERICAN TITLE COMPANY OF EAST IDAHO, an Idaho corporation, FIRST AMERICAN TITLE COMPANY OF NORTH IDAHO, INC., an Idaho corporation, FIRST AMERICAN TITLE COMPANY OF BONNERS FERRY, INC., an Idaho corporation, PRESTON LAND TITLE COMPANY, an Idaho corporation, FIRST AMERICAN TITLE COMPANY OF VALLEY COUNTY, LLC, an Idaho limited liability company (collectively the "Idaho Targets"), and FIRST AMERICAN TITLE COMPANY OF GREAT FALLS, INC., a Montana corporation, FIRST AMERICAN TITLE COMPANY OF MONTANA, INC., a Montana corporation, and FIRST AMERICAN TITLE COMPANY, INC., a Montana corporation, FIRST AMERICAN TITLE COMPANY OF MINERAL COUNTY, INC., a Montana corporation, FIRST AMERICAN TITLE COMPANY OF ANACONDA, LLC, a Montana limited liability company, FIRST AMERICAN TITLE COMPANY OF LEWISTOWN, LLC (collectively the "Montana Targets") (Idaho Sub, Montana Sub, Idaho Targets, Montana Targets, and FAAS are sometimes collectively referred to as the "Constituent Companies"), and the Shareholder and Member Representatives of the shareholders and members of the Idaho Targets and the Montana Targets as listed in Schedule 1 hereto.

RECITALS

WHEREAS, the Boards of Directors, Shareholders and Members of the Parent and the Constituent Companies have approved, and deem it advisable and in the best interests of the parties, to consummate the merger of the Idaho Targets with and into the Idaho Sub, the merger of the Montana Targets with and into the Montana Sub, and the merger of FAAS with and into the Parent, with the Idaho Sub, the Montana Sub, and the Parent being the surviving entities (the "Merger");

WHEREAS, Section 30-1-1101 and other applicable sections of the Idaho Business Corporations Act ("IBCA"), Section 53-661 of the Idaho Limited Liability Company Act ("ILLCA"), Section 35-1-813 and other applicable sections of the Montana Business Corporations Act ("MBCA"), and Section 35-8-1201 and other applicable sections of the Montana Limited Liability Company Act, permit the Idaho Targets to

merge with and into the Idaho Sub, permit the Montana Targets to merge with and into the Montana Sub, and permit FAAS to merge with and into the Parent; and

WHEREAS, for federal income tax purposes, it is intended that the Merger qualify as a “reorganization” within the meaning of Sections 368(a)(1)(A) and/or 368(a)(2)(D) of the Internal Revenue Code of 1986, as amended (“Code”); and

WHEREAS, each of the parties to this Agreement desires to make certain representations, warranties and agreements in connection with the Merger and also to prescribe various conditions to the Merger.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth herein, the parties hereto agree as follows:

Section 1. The Merger.

1.1 The Merger. Subject to the terms and conditions of this Agreement, in accordance with the applicable provisions of the IBCA, ILLCA, MBCA, and MLLCA at the Effective Time (as defined in Section 1.2):

A. The Idaho Targets shall merge with and into the Idaho Sub and the separate existence of the Idaho Targets shall terminate and the Idaho Sub shall be the surviving corporation in this part of the Merger, and shall continue its corporate existence under the laws of the State of Idaho; and

B. The Montana Targets shall merge with and into the Montana Sub and the separate existence of the Montana Targets shall terminate and the Montana Sub shall be the surviving corporation in this part of the Merger, and shall continue its corporate existence under the laws of the State of Montana; and

C. FAAS shall merge with and into the Parent and the separate existence of FAAS shall terminate and the Parent shall be the surviving corporation in this part of the Merger, and shall continue its corporate existence under the laws of the State of Idaho; and

1.2 Effective Time. The Merger shall become effective on close of business on December 31, 2003 (“Effective Time”), provided, however, that properly executed articles of merger are duly filed in a timely manner. The Idaho Sub shall file Articles of Merger with the Idaho Secretary of State in accordance with Section 30-1-1105 of the IBCA and Section 53-663 of the ILLCA, the Montana Sub shall file Articles of Merger with the Montana Secretary of State in accordance with Section 35-1-815 of the MBCA

and Section 35-8-1202 of the MLLCA, on or before the Closing Date (as defined in Section 1.3).

1.3 Closing. Unless this Agreement shall have been terminated and the transactions herein contemplated shall have been abandoned pursuant to Section 7 hereof the closing of the Merger will take place at 10:00 a.m., local time, on a date to be specified by the parties on or before December 20, 2003 (the "Closing Date").

1.4 Effects of Merger. At and after the Effective Time, the Merger with respect to the Idaho Sub and the Idaho Targets shall have the effects set forth in Section 30-1-1106 and other applicable sections cited therein of the IBCA and Section 53-664 and other applicable sections cited therein of the ILLCA, the Merger with respect to the Montana Sub and the Montana Targets shall have the effects set forth in Section 35-1-817 and other applicable sections cited therein of the MBCA and Section 35-8-12-03 and other applicable sections cited therein of the MLLCA, and the Merger with respect to the Parent and FAAS shall have the effects set forth in Section 30-1-1106 and other applicable sections cited therein of the IBCA.

1.5 Articles of Incorporation.

A. At the Effective Time, the Articles of Incorporation of the Idaho Sub shall continue to be the Articles of Incorporation of said corporation until thereafter amended in accordance with such Articles of Incorporation, the Bylaws of the Idaho Sub and applicable law, except that Article I of the Idaho Sub's Articles of Incorporation shall be amended to read as follows:

ARTICLE I

The name of the Corporation shall be FIRST AMERICAN TITLE COMPANY, INC.

B. At the Effective Time, the Articles of Incorporation of the Montana Sub shall continue to be the Articles of Incorporation of said corporation until thereafter amended in accordance with such Articles of Incorporation, the Bylaws of the Montana Sub and applicable law, except that Article I of the Montana Sub's Articles of Incorporation shall be amended to read as follows:

ARTICLE I

The name of the Corporation shall be FIRST AMERICAN TITLE COMPANY OF MONTANA, INC.

1.6 Bylaws.

A. At the Effective Time, the Bylaws of the Idaho Sub shall continue to be the Bylaws of said corporation until thereafter amended in accordance with such Bylaws and applicable law.

B. At the Effective Time, the Bylaws of the Montana Sub shall continue to be the Bylaws of said corporation until thereafter amended in accordance with such Bylaws and applicable law.

C. At the Effective Time, the Bylaws of the Parent shall continue to be the Bylaws of said corporation until thereafter amended in accordance with such Bylaws and applicable law.

1.7 Officers and Directors.

A. At the Effective Time, the officers and directors of the Idaho Sub immediately prior to the Effective Time shall, from and after the Effective Time, continue to be the officers and directors of said corporation until their successors have been duly elected or appointed and qualified.

B. At the Effective Time, the officers and directors of the Montana Sub immediately prior to the Effective Time shall, from and after the Effective Time, continue to be the officers and directors of said corporation until their successors have been duly elected or appointed and qualified.

C. At the Effective Time, the officers and directors of the Parent immediately prior to the Effective Time shall, from and after the Effective Time, continue to be the officers and directors of said corporation until their successors have been duly elected or appointed and qualified.

1.8 Tax Consequences. It is intended that the Merger of the Idaho Targets with and into the Idaho Sub and the Merger of the Montana Targets with and into the Montana Sub shall each constitute a “reorganization” (or forward triangular merger) within the meaning of Code Sections 368(a)(1)(A) and 368(a)(2)(D) and accompanying regulations. It is intended that the Merger of FAAS with and into the Parent shall constitute a “reorganization” (or statutory merger) within the meaning of Code Section 368(a)(1)(A) and accompanying regulations.

1.9 Further Assurances. Each of the parties hereto will, either prior to or after the Effective Time, execute such further documents, instruments, deeds, bills of sale, assignments and assurances and take such further actions as may be requested by the other party to consummate the Merger, to vest the Idaho Sub, the Montana Sub, and the Parent with full title to all assets, properties, privileges, rights, approvals, immunities and

franchises of the Idaho Targets, the Montana Targets, and FAAS, respectively, or to effect the other purposes of this Agreement.

Section 2. Conversion and Exchange of Shares/Interests.

2.1 Conversion of Idaho Targets, Montana Targets, and FAAS Shares/Interests. At the Effective Time and by virtue of the Merger and without any action on the part of any holder of any capital stock or membership interest of the Idaho Targets, the Montana Targets or FAAS:

A. All shares of common stock or membership interests of the Idaho Targets, the Montana Targets, and FAAS ("Target Common Stock") owned by Parent, Idaho Sub, Montana Sub, Idaho Targets, Montana Targets, and FAAS shall be cancelled and shall cease to exist from and after the Effective Time; and

B. Each remaining issued and outstanding share or stock or membership interest in the Idaho Targets, Montana Targets or FAAS, other than the Idaho Targets, the Montana Targets, or FAAS Dissenting Shares/Interests (as defined in Section 2.4), shall be converted into, and become exchangeable for, the number of shares of validly issued, fully paid and nonassessable common stock, without par value, of Parent ("Parent Common Stock") equal to the Conversion Ratio times 45,000,000. In this Agreement, the term "Conversion Ratio" means a fraction, the numerator of which is equal to (i) the aggregate value of a shareholder's respective ownership interests in the Idaho Targets, in the Montana Targets, and FAAS as provided in Schedule 2, divided by (ii) agreed upon aggregate value of all the Idaho Targets, the Montana Targets, and FAAS as provided in Schedule 2. Fractional shares shall be rounded to the nearest whole share. As a result of the conversion of the Idaho Targets, the Montana Targets, and FAAS shares or membership interests as provided herein, the Parent or the Idaho Sub or Montana Sub shall issue to each continuing shareholder the number of shares of Parent Common Stock as set forth next to such shareholder's or member's name in Schedule 3 of this Agreement. The consideration referred to in this Section 2.1 is hereinafter referred to as the "Merger Consideration."

2.2 Status of Idaho Sub and Montana Sub Shares. At the Effective Time, by virtue of the Merger and without any action on the part of any holder of any capital stock of the Idaho Sub or the Montana Sub, each issued and outstanding share of common stock of Idaho Sub and the Montana Sub shall continue unchanged and remain outstanding as a share of common stock of said corporations, respectively.

2.3 Parent, Idaho Sub and Montana Sub to Make Shares Available. At or prior to the Effective Time, the Parent, Idaho Sub and Montana Sub shall deposit, or shall cause to be deposited, with its corporate counsel (or other agent) for exchange in accordance with this Article 2 and the respective Articles of Merger, the certificates representing the Parent Common Stock, to be issued pursuant to Section 2.1.B and the

respective Articles of Merger, in exchange for the outstanding shares of Target Common Stock. Each shareholder in the Idaho Targets and in the Montana Targets will sign and deliver to corporate counsel (or other agent) an exchange agreement in such form as shall be acceptable to such counsel (or other agent).

2.4 Dissenting Shares/Interests. Notwithstanding anything to the contrary contained in this Agreement, holders of shares of Target Common Stock with respect to which dissenters' rights, if any, are granted by reason of the Merger under the IBCA or the MBCA and who otherwise do not vote in favor of the Merger and otherwise comply with the requirements of the IBCA and MBCA ("Target Dissenting Shares"), shall not be entitled to shares of Parent Common Stock pursuant to Section 2.1.B, unless and until the holder thereof shall have failed to perfect or shall have effectively withdrawn or lost such holder's right to dissent from the Merger under the IBCA or MBCA, and shall be entitled to receive only the payment provided for pursuant to the IBCA or the MBCA, respectively. If any such holder shall have failed to perfect or shall have effectively withdrawn or lost such holder's dissenters' rights under the IBCA or the MBCA, such holder's Target Dissenting Shares shall thereupon be deemed to have been converted into and to have become exchangeable for, as of the Effective Time, the right to receive the Merger Consideration. Holders of membership interests designated as Target Common Stock in Section 2.1.A, above, who do not vote in favor of the Merger and choose to exercise their right to dissociate from the Idaho Targets or the Montana Targets and be paid the fair value provided under the ILLCA or the MLLCA will also be considered Target Dissenting Shares.

2.5 Closing of Transfer Books. From and after the Effective Time, the stock or membership transfer books of Idaho Targets, the Montana Targets, and FAAS shall be closed and no transfer of shares of Target Common Stock shall thereafter be made. If, after the Effective Time, Target Common Stock certificates are presented to Parent, Idaho Sub or Montana Sub, they shall be cancelled and exchanged for the Merger Consideration in accordance with the procedures set forth in this Section 2.

Section 3. Shareholders'/Members' Representatives.

3.1 Designation. In order to administer efficiently the execution and implementation of this Agreement by the shareholders and members of the Idaho Targets, the Montana Targets, and FAAS and the consummation of the Merger by said entities, the respective shareholders and members have designated, and do hereby designate and irrevocably appoint, the individuals listed in Schedule 1 as their representative and attorney-in-fact for all purposes under this Agreement (collectively the "Shareholders' Representatives").

3.2 Authority. The shareholders and members have authorized and do hereby authorize the Shareholders' Representatives (i) to take all action necessary in connection with the implementation of this Agreement and the Merger on behalf of the shareholders

and members and the Idaho Targets, the Montana Targets, and FAAS, (ii) to give and receive all notices required to be given under this Agreement and (iii) to take any and all additional action as is contemplated to be taken by or on behalf of the shareholders and members and the Idaho Targets, the Montana Targets, and FAAS by the terms of this Agreement. All decisions and actions of and by the Shareholders' Representatives in connection with this Agreement shall be binding upon all of the shareholders and members, and no individual shareholder or member shall have the right to object, dissent, protest or otherwise contest the same, in the absence of fraud, gross negligence or willful misconduct of the Shareholders' Representatives.

3.3 Limitation on Authority. Notwithstanding any other provision of this Agreement, the Shareholders' Representatives shall have no power or authority whatsoever to incur any liability or obligation, nor make any additional representations or warranties, on behalf of any shareholder or member or the Montana Targets, the Idaho Targets or FAAS, other than as expressly set forth in this Agreement.

Section 4. Representations and Warranties of the Idaho Targets, the Montana Targets, and FAAS.

The Idaho Targets, the Montana Targets, and FAAS hereby jointly and severally represent and warrant to the Parent and the Idaho Sub and the Montana Sub as follows:

4.1 Organization and Standing. The Idaho Targets, the Montana Targets, and FAAS are duly organized, validly existing and in good standing under the laws of the State of Idaho and the State of Montana, respectively, and have full corporate power and authority to conduct their businesses as and to the extent now conducted and to own, use and lease their assets and properties, and are duly licensed or qualified to do business in each jurisdiction in which the nature of the business conducted by them or the character or location of the properties and assets owned or leased by them makes such licensing or qualification necessary, except where the failure to be so licensed or qualified would not have nor reasonably be expected to have a material adverse effect on the business, assets, properties or financial condition of the Idaho Targets, the Montana Targets, and FAAS.

4.2 Authority. The Idaho Targets, the Montana Targets, and FAAS have full corporate power and authority to execute and deliver this Agreement and to carry out the terms and conditions of the Merger. The Idaho Targets, the Montana Targets, and FAAS have taken all corporate action necessary to authorize the execution, delivery, and performance by them of this Agreement and the Merger. This Agreement constitutes the valid and binding obligation of the Idaho Targets, the Montana Targets, and FAAS, enforceable in accordance with its terms and conditions, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting enforcement of creditors' rights generally and by general principles of equity (whether applied in a proceeding at law or in equity) (the "Equitable Exceptions").

4.3 Effect of Agreement. The execution, delivery and performance by the Idaho Targets, the Montana Targets, and FAAS of this Agreement and the consummation by them of the Merger does not and will not violate, conflict with, result in a breach of or constitute a default under any judgment, award or decree or under any material mortgage, promissory note, indenture, material agreement or other material instrument to which the said entities are a party, or by which the said entities or their properties and assets are bound, or violate the said entities' charter documents, or result in the creation or imposition of any lien or encumbrance of any nature whatsoever upon any of the assets or properties of said entities.

4.4 Governmental Approvals. To the knowledge of the Idaho Targets, the Montana Targets, and FAAS, no approval, authorization, consent or order or action of or filing with any governmental or legal authority is required to be obtained by said entities for the execution and delivery by said entities of this Agreement or the consummation by them of the Merger, except for the filing of Articles of Merger as provided in Section 1.2 above.

4.5 Capitalization.

A. The authorized and issued capital stock or membership interests of the respective Idaho Targets, the Montana Targets, and FAAS representing 100% of the equity in and ownership of said entities consists of the shares of stock or membership interests as set forth in Schedule 1 attached hereto.

B. Except as provided in Schedule 1, there are no outstanding subscriptions, options, warrants, rights (including "phantom" stock rights), preemptive rights, convertible debt instruments or other contracts, commitments, understandings or arrangements, including any right of conversion or exchange under any outstanding security, instrument or agreement, obligating the Idaho Targets, the Montana Targets, or FAAS to issue or sell any equity interests in the said entities or to grant, extend or enter into any option with respect thereto.

C. Other than the issued and outstanding shares shown in Schedule 1, there are no outstanding contractual obligations of the Idaho Targets, the Montana Targets, or FAAS to repurchase, redeem or otherwise acquire any share or ownership interest in said entities or to provide funds to, or make any investment (in the form of a loan, capital contribution or otherwise) in, any entity or person.

4.6 Litigation. Except as shown in the Schedule 4, there is no claim, action, suit, litigation, audit, investigation, or other proceeding pending, or, to the knowledge of the Idaho Targets or the Montana Targets, threatened against them or their assets, properties, or business, or the transactions contemplated by this Agreement, and neither the said entities nor their assets or properties are subject to or bound by any order, writ,

injunction, judgment, or decree of any court or governmental regulatory agency, commission, board, or administrative body.

4.7 Tax Matters. With respect to Taxes (as defined below):

A. Idaho Targets, Montana Targets, and FAAS have filed, within the time and in the manner prescribed by law, all returns, declarations, reports, estimates, information returns and statements ("Returns") required to be filed under federal, state, or local laws by said entities, and all such Returns are true, correct and complete in all material respects.

B. Except as set forth on Schedule 5, the Idaho Targets, the Montana Targets, and FAAS have within the time and in the manner prescribed by law, paid (and until the Effective Time will, within the time and in the manner prescribed by law, pay) all Taxes (as defined below) that are due and payable.

C. The Idaho Targets, the Montana Targets, and FAAS have established (and until the Effective Time will establish) on its respective books and records reserves (to be specifically designated as an increase to current liabilities) that are adequate for the payment of all Taxes not yet due and payable.

D. There are no liens for Taxes upon the assets of the Idaho Targets, the Montana Targets, and FAAS except liens for Taxes not yet due.

E. Except as set forth in Schedule 5 (which shall set forth the type of return, date filed, and date of expiration of the statute of limitations), (i) the statute of limitations for the assessment of federal income taxes has expired for all federal income tax returns of the Idaho Targets, the Montana Targets, and FAAS or such returns have been examined by the Internal Revenue Service for all periods through [1999 taxable year]; (ii) the statute of limitations for the assessment of state and local income taxes has expired for all applicable Returns of the Idaho Targets, the Montana Targets, and FAAS or such Returns have been examined by the appropriate tax authorities for all periods through [1999 taxable year]; and (iii) no deficiency for any Taxes has been proposed, asserted or assessed against Target or any of its subsidiaries which has not been resolved and paid in full.

F. There are no outstanding waivers or comparable consents regarding the application of the statute of limitations with respect to any Taxes or Returns that have been given by the Idaho Targets, the Montana Targets, and FAAS.

G. Except as set forth on Schedule 5 (which shall set forth the nature of the proceeding, the type of return, the deficiencies proposed or assessed and the amount thereof, and the taxable year in question), no federal, state, or local audits or other

administrative proceedings or court proceedings are presently pending with regard to any Taxes or Returns.

H. The Idaho Targets, the Montana Targets, and FAAS are not a party to any tax-sharing or allocation agreement, nor does they owe any amount under any tax-sharing or allocation agreement.

I. No amounts payable under the any retirement plans will fail to be deductible for federal income tax purposes by virtue of Section 280G of the Code.

J. The Idaho Targets, the Montana Targets, and FAAS have complied (and until the Effective Time will comply) in all respects with all applicable laws, rules and regulations relating to the payment and withholding of Taxes (including, without limitation, withholding of Taxes pursuant to Sections 1441 or 1442 of the Code) and have, within the time and in the manner prescribed by law, withheld from employee wages and paid over to the proper governmental authorities all amounts required to be so withheld and paid over under all applicable laws.

K. The Idaho Targets, the Montana Targets, and FAAS have never been (or has any liability for unpaid Taxes because it once was) a member of an "affiliated group" within the meaning of Section 1502 of the Code during any part of any consolidated return year within any part of which year any corporation other than said entities were also a members of such affiliated group.

L. For purposes of this Agreement, "Taxes" shall mean all taxes, charges, fees, levies or other assessments of whatever kind or nature, including, without limitation, all net income, gross income, gross receipts, sales, use, ad valorem, transfer, franchise, profits, license, withholding, payroll, employment, excise, estimated, severance, stamp, occupancy or property taxes, customs duties, fees, assessments or charges of any kind whatsoever (together with any interest and any penalties, additions to tax or additional amounts) imposed by any taxing authority upon or payable by the Idaho Targets, the Montana Targets, and FAAS.

Section 5. Representations and Warranties of the Shareholders/Members.

Each shareholder or member of the Idaho Targets, the Montana Targets, and FAAS represent and warrant, by and through the respective Shareholders' Representative designated in Schedule 1, to the Parent, the Idaho Sub and the Montana Sub, as follows:

5.1 Authorization of Transaction. Such shareholder or member has full power and authority to authorize the Shareholders' Representative to execute and deliver this Agreement and to perform its obligations hereunder and this Agreement has been duly executed and delivered by the Shareholders' Representative. This Agreement constitutes the valid and legally binding obligation of such shareholder or member,

enforceable in accordance with its terms and conditions, except as such enforcement may be limited by the Equitable Exceptions. Such shareholder or member need not give any notice to, make any filing with, or obtain any authorization, consent or approval of any government or governmental agency in order to consummate the transactions contemplated by this Agreement (other than as provided for in Section 1.2 of this Agreement).

5.2 Noncontravention. Neither the execution and the delivery of this Agreement by the Shareholders' Representatives, nor the consummation of the transactions contemplated hereby by such shareholder or member, will (a) violate any statute, regulation, rule, judgment, order, decree, stipulation, injunction, charge or other restriction of any government, governmental agency, or court to which such shareholder is subject, or (b) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify or cancel, or require any notice under any contract, lease, sublease, license, sublicense, franchise, permit, indenture, agreement or mortgage for borrowed money, instrument of indebtedness, security interest, or other agreement to which such shareholder or member is a party or by which he is bound or to which any of his assets is subject.

5.3 Investment. Such shareholder or member is acquiring the Parent's Common Shares for his own account and not with a view to their distribution within the meaning of Section 2(11) of the Securities Act of 1933, as amended.

5.4 Parent Common Shares Not Registered. Each shareholder or member acknowledges and understands: that (1) the offer and the issuance of the Parent Common Shares hereunder has not been registered with the Securities and Exchange Commission or any other State securities agency, and is being made pursuant to exemptions from the registration provisions of the Securities Act of 1933, as amended, and any applicable State securities laws; (2) Parent Common Shares are restricted under applicable securities laws and the Parent's Bylaws and must be held indefinitely unless the offer and sale thereof is approved by the other shareholders and subsequently registered under the Securities Act of 1933, as amended, and any applicable State securities laws, or unless an exemption from registration is available; and (3) that certificates representing Parent Common Shares shall bear an appropriate restrictive legend to this effect.

5.5 Ownership. Such shareholder or member holds of record and owns beneficially the percentage of shares or membership interests in the Idaho Targets, the Montana Targets, and FAAS as set forth next to his name on Schedule 1, and such shares are free and clear of any restrictions on transfer (other than any restrictions under the federal and state securities laws and under any applicable Bylaws or shareholder agreements which are hereby waived), claims, taxes, security interests, options, warrants, rights, contracts, calls, commitments, equities and demands. Such shareholder or member is not a party to (or has otherwise waived all rights under) any option, warrant, right, contract, call, put or other agreement or commitment providing for the disposition

or acquisition of any equity interest in or other securities of the Idaho Targets or the Montana Targets (other than this Agreement). Such shareholder or member is not a party to (or has otherwise terminated) any voting trust, proxy or other agreement or understanding with respect to the voting of any equity interest in the Idaho Targets and the Montana Targets.

Section 6. Representations and Warranties of the Parent, Idaho Sub and Montana Sub.

The Parent and the Idaho Sub and the Montana Sub hereby jointly and severally represent and warrant to the Idaho Targets, the Montana Targets, and FAAS and to their shareholders or members, as follows:

6.1 Organization and Standing. The Parent, Idaho Sub and Montana Sub are duly organized, validly existing and in good standing under the laws of the State of Idaho and the State of Montana and have full corporate power and authority to conduct its business as and to the extent now conducted and to own, use and lease their assets and properties, and is duly licensed or qualified to do business in each jurisdiction in which the nature of the business conducted by it or the character or location of the properties and assets owned or leased by them makes such licensing or qualification necessary, except where the failure to be so licensed or qualified would not have nor reasonably be expected to have a material adverse effect on the business, assets, properties or financial condition of said entities.

6.2 Authority. The Parent, Idaho Sub and Montana Sub have full corporate power and authority to execute and deliver this Agreement and to carry out the terms and conditions of the Merger. Said entities have taken all corporate action necessary to authorize the execution, delivery, and performance by them of this Agreement and the Merger. This Agreement constitutes the valid and binding obligation of said entities, enforceable in accordance with its terms and conditions, except as such enforcement may be limited by the Equitable Exceptions.

6.3 Effect of Agreement. The execution, delivery and performance by the Parent, Idaho Sub and Montana Sub of this Agreement and the consummation by them of the Merger does not and will not violate, conflict with, result in a breach of or constitute a default under any judgment, award or decree or under any material mortgage, promissory note, indenture, material agreement or other material instrument to which said entities are a party, or by which said entities or their properties and assets are bound, or violate the said entities' charter documents, or result in the creation or imposition of any lien or encumbrance of any nature whatsoever upon any of the assets or properties of said entities.

6.4 Governmental Approvals. To the knowledge of the Parent, Idaho Sub, and Montana Sub, no approval, authorization, consent or order or action of or filing with

any governmental or legal authority is required to be obtained by said entities for the execution and delivery by said entities of this Agreement or the consummation by them of the Merger, except for the filing of Articles of Merger as provided in Section 1.2 above.

6.5 Capitalization. The authorized capital stock of the Parent, Idaho Sub and Montana Sub are as provided in Schedule 6. Except for the stock of the Idaho Sub and Montana issued to the Parent, and the Parent Common Stock that will be exchanged with the Idaho Targets, Montana Targets, and FAAS shareholders or members as provided in Article 2, there are no other shares of Parent, Idaho Sub or Montana Sub stock issued or outstanding. There are no outstanding subscriptions, options, warrants, rights (including "phantom" stock rights), preemptive rights, convertible debt instruments or other contracts, commitments, understanding or arrangements, including any right of conversion or exchange under any outstanding security, instrument or agreement, obligating the Parent, Idaho Sub or Montana Sub to issue or sell any capital stock said entities or to grant, extend or enter into any option with respect thereto.

Section 7. Termination.

At any time prior to the Effective Time, any of the Boards of Directors or the Members of the Idaho Targets, the Montana Targets, or FAAS or the Board of Directors of the Parent may terminate and abandon this Agreement and the Merger.

Section 8. Amendments.

At any time prior to the Effective Time, any Boards of Directors or the Members of the Idaho Targets, the Montana Targets, or FAAS and the Board of Directors of the Parent may amend, modify or supplement this Agreement in such manner as they jointly may determine; provided, however, that no such amendment, modification or supplement shall alter or change any term of the Articles of Incorporation of the Idaho Sub or the Montana Sub.

Section 9. Governing Law.

This Agreement shall be governed by and construed in accordance with the domestic laws of the State of Idaho without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Idaho or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Idaho.

Section 10. General Provisions.

10.1 Nonsurvival of Representations, Warranties and Agreements. None of the representations, warranties, covenants and agreements in this Agreement or in any instrument delivered pursuant to this Agreement, including any rights arising out of any

breach of such representations, warranties, covenants and agreements, shall survive the Effective Time, except for those covenants and agreements contained herein and therein that by their terms apply or are to be performed in whole or in part after the Effective Time.

10.2 Entire Agreement; No Third Party Beneficiaries. This Agreement, including the documents and the instruments referred to herein, (a) constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof and (b) is not intended to confer upon any person other than the parties hereto any rights or remedies hereunder.

10.3 Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

10.4 Specific Performance. Each of the parties to this Agreement agrees that the other parties to this Agreement will be irreparably damaged if this Agreement is not specifically enforced. Upon a breach or threatened breach of the terms, covenants and/or conditions of this Agreement by any party hereto, the other parties to this Agreement shall, in addition to all other remedies, each be entitled to a temporary or permanent injunction, without showing any actual damage, and/or a decree for specific performance, in accordance with the provisions hereof.

10.5 Expenses. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party or parties shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

10.6 Time of Essence. Time is of the essence with respect to each and every provision of this Agreement.

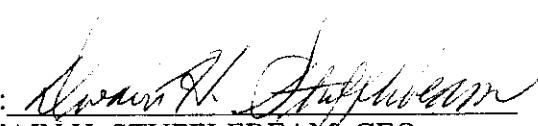
10.7 Counterparts. This Agreement may be executed in counterparts, each of which when so executed shall be deemed to be an original, and such counterparts shall together constitute but one and the same instrument.

(Signature pages and schedules follow)

IN WITNESS WHEREOF, each party hereto has caused this Agreement and Plan of Merger to be executed by its officers or shareholders representative thereunto duly authorized as of the date first above written.

PARENT:

**FIRST AMERICAN TITLE HOLDING
COMPANY**

BY: 
DWAIN H. STUFFLEBEAM, CEO

IDAHO SUB:

**FIRST AMERICAN TITLE COMPANY
SUBSIDIARY, INC.**

BY: 
DWAIN H. STUFFLEBEAM, CEO

IDAHO TARGETS/FAAS:

**FIRST AMERICAN ADMINISTRATIVE
SERVICES, INC.**

**FIRST AMERICAN TITLE COMPANY
FIRST AMERICAN TITLE COMPANY
OF EAST IDAHO**

**FIRST AMERICAN TITLE COMPANY
OF NORTH IDAHO, INC.**

**FIRST AMERICAN TITLE COMPANY OF
BONNERS FERRY, INC.**

PRESTON LAND TITLE COMPANY

**FIRST AMERICAN TITLE COMPANY OF
VALLEY COUNTY, LLC**

BY: 
DWAIN H. STUFFLEBEAM, CEO

MONTANA SUB:

**FIRST AMERICAN TITLE COMPANY
OF MONTANA SUBSIDIARY, INC.**

BY: Dwain H. Stufflebeam
DWAIN H. STUFFLEBEAM, CEO

MONTANA TARGETS:

**FIRST AMERICAN TITLE COMPANY
OF GREAT FALLS, INC.**
**FIRST AMERICAN TITLE COMPANY
OF MONTANA, INC.**
FIRST AMERICAN TITLE COMPANY, INC.
**FIRST AMERICAN TITLE COMPANY OF
MINERAL COUNTY, INC.**
**FIRST AMERICAN TITLE COMPANY OF
ANACONDA, LLC**
**FIRST AMERICAN TITLE OF LEWISTOWN,
LLC**

BY: Dwain H. Stufflebeam
DWAIN H. STUFFLEBEAM, CEO

SCHEDULE 1

Idaho Targets	Authorized Shares/Points	Issued and Outstanding Shares/Points	Shareholders/ Members and Shares/Points Held	Shareholders'/ Members' Representative
First American Administrative Services, Inc.	1,000,000 shares common stock, \$1 par value	243,341	First American Title Company (Central) -- 100,325 First American Title Company of East Idaho-- 75,243 First American Title Company of North Idaho—25,000 Dwain H. Stufflebeam— 27,873 Scott D. Stufflebeam— 1,600 Eric L. Stufflebeam— 1,500 Laura Susan Fink—1,500 Quinn H. Stufflebeam— 1,500	Dwain H. Stufflebeam, CEO
First American Title Company (Central)	100,000 shares common stock, \$1 par value	96,837	First American Title Insurance Company— 37,938 First American Title Company of East Idaho— 9,952 Dwain H. Stufflebeam— 48,012 Michael K.	Dwain H. Stufflebeam, CEO

Idaho Targets	Authorized Shares/Points	Issued and Outstanding Shares/Points	Shareholders/ Members and Shares/Points Held	Shareholders'/ Members' Representative
			Ferrin—550 Mary Lou Panatopoulos— 385	
First American Title Company of East Idaho	25,000 shares common stock, \$10 par value	3,919	Dwain H. Stufflebeam— 2,346 Joyce L. Stufflebeam—1 Scott D. Stufflebeam— 393 Eric L. Stufflebeam— 393 Laura Susan Fink—393 Quinn H. Stufflebeam— 393	Dwain H. Stufflebeam, CEO
First American Title Company of North Idaho, Inc.	150,000 shares common stock, \$1 par value	75,000	First American Title Company of East Idaho— 75,000	Dwain H. Stufflebeam, CEO
First American Title Company of Bonners Ferry, Inc.	100 shares common stock, \$250 par value	100	First American Title Company of Eastern Idaho—100	Dwain H. Stufflebeam, CEO
Preston Land Title Company	10,000 shares common stock, \$1 par value	10,000	First American Title Company of Eastern Idaho—5,100 John Weigand— 4,900	Dwain H. Stufflebeam, CEO
First American Title Company of Valley County, LLC	100%	100%	First American Title Company (Central)—50% First American Title Insurance	Dwain H. Stufflebeam, CEO

Idaho Targets	Authorized Shares/Points	Issued and Outstanding Shares/Points	Shareholders/ Members and Shares/Points Held	Shareholders'/ Members' Representative
			Company – 50%	

Montana Targets	Authorized Shares/Points	Issued and Outstanding Shares/Points	Shareholders/ Members and Shares/Points Held	Shareholders'/ Members' Representative
First American Title Company of Great Falls, Inc.	150,000 shares common stock, \$1 par value	15,000	First American Title Company of East Idaho—5,000 First American Title Company of North Idaho—5,000 First American Title Company (Central)—5,000	Dwain H. Stufflebeam, CEO
First American Title Company of Montana, Inc.	100,000 shares common stock, \$1 par value	100,000	First American Title Company (Central)—100,000	Dwain H. Stufflebeam, CEO
First American Title Company, Inc.	50,000 shares common stock, \$20 par value	12,750	First American Title Company of North Idaho—10,200 WNQR, LLC—2,550	Dwain H. Stufflebeam, CEO
First American Title Company of Mineral County, Inc.	25,000 shares common stock, \$1 par value	10,000	First American Title Company of Montana—5,000 Carol Billadeau—5,000	Dwain H. Stufflebeam, CEO
First American Title Company of Anaconda,	100%	100%	First American Title Company of Eastern	Dwain H. Stufflebeam, CEO

Montana Targets	Authorized Shares/Points	Issued and Outstanding Shares/Points	Shareholders/ Members and Shares/Points Held	Shareholders'/ Members' Representative
LLC			Idaho—33 1/3% Michael F. Kleese— 33 1/3% Michael K. Ferrin— 33 1/3%	
First American Title Company of Lewistown, LLC	100%	100%	First American Title Company of Great Falls—60% Terry Hilgendorf— 25% Jay E. Williams— 15%	Dwain H. Stufflebeam, CEO

SCHEDULE 2

VALUATION OF MONTANA TARGETS, IDAHO TARGETS, AND FAAS

(See Attached)

ATTACHMENT TO SCHEDULE 2

VALUATION OF IDAHO AND MONTANA TARGETS

THE VALUATION SUMMARY SET FORTH IN THE ATTACHED SHEETS IS PREPARED BASED ON THE VALUATION OF THE IDAHO AND MONTANA TARGETS FROM 1/1/03 THRU 9/30/03. THE FINAL VALUATION SUMMARY WILL BE DETERMINED BASED ON COMPLETE RESULTS OF OPERATIONS OF THE IDAHO AND MONTANA TARGETS FROM 1/1/03 THRU 12/31/03. THEREFORE, THIS ATTACHMENT WILL BE REVISED AND UPDATED AND IS SUBJECT TO CHANGE.

Corporate Name	Office Locations	Owners	Percentage owned	Authorized	Issued & Outstanding	Value
First American Title Company of North Idaho	Coeur d'Alene ID Wallace ID St Maries ID	First American Title Company of East Idaho	100	150,000.00	75,000.00	6,411,717.81
First American Title Company of Asotin County	Clarkston WA	First American Title Company (Central)	100	5,000.00	500.00	0.00
First American Title Company of Montana	Missoula MT Glendive MT Philipsburg MT	First American Title Company (Central)	100	100,000.00	100,000.00	12,754,709.17
First American Title Company of Bonners Ferry	Bonners Ferry ID	First American Title Company of East Idaho	100	250.00	123.75	444,805.00
First American Title Company - Central	Ketchum ID Pocatello ID Twin Falls ID Sandpoint ID Lewiston ID Blackfoot ID (Staff)	First American Title Insurance Company First American Title Company of East Idaho Dwain H Stufflebeam Michael K Ferrin Mary Lou Panatopoulos	40 10 49 0.5 0.5	100,000.00 9,932.00 48,012.00 580.00 385.00	37,938.00 9,932.00 48,012.00 580.00 96837	10,322,934.34 13,064,070.95 149,655.07 104,758.55
First American Title Company of Mineral County	Superior MT	First American Title Company of Montana	50 50	25,000.00 5,000.00	5,000.00 10000	325,610.00
First American Administrative Services	Blackfoot ID	First American Title Company (Central)	43 32 11 12 0.5 0.5 0.5	1,000,000.00 100,325.00 75,243.00 25,000.00 27,873.00 1,600.00 1,500.00 1,500.00 1,500.00	100,325.00 75,243.00 25,000.00 27,873.00 1,600.00 1,500.00 1,500.00 1,500.00 234541	162,805.00 162,805.00 162,805.00 54,799.67 3,145.68 2,949.07 2,949.07 2,949.07
First American Title Company of Ravalli County	Hamilton MT	First American Title Company of Montana	50	50,000.00	25,000.00	461,119.00
First American Title Company of Great Falls	Great Falls MT	First American Title Company of Montana	50	25,000.00	50000	3,755,404.00
First American Title Company of East Idaho	Idaho Falls ID Blackfoot ID Rexburg ID Driggs ID Rigby ID Blackfoot ID (Star Quinn H Stufflebeam)	First American Title Company of East Idaho Joyce L Stufflebeam Scott D Stufflebeam Eric L Stufflebeam Laura Susan Fink Quinn H Stufflebeam	33.3 33.3 33.3 33.3 33.3 33.3	150,000.00 5,000.00 5,000.00 5,000.00 5,000.00 5,000.00	2,346.00 1,00 393.00 393.00 393.00 393.00	1,877,702.00 1,877,702.00 1,877,702.00 1,877,702.00 1,877,702.00 1,877,702.00
First American Title Company of Preston	Preston ID	First American Title Company of East Idaho	51 49	10,000.00 4,900.00	5,100.00 10000	542,379.00
First American Title Company of Anaconda	Anaconda MT	First American Title Company of East Idaho	33.3 33.3	LLC		265,765.71
First American Title Company of Valley County	McCall ID	First American Title Company (Central)	50	LLC		334,892.00

SCHEDULE 3
CONVERSION RATIO SCHEDULE
(See Attached)

ATTACHMENT TO SCHEDULE 3

CONVERSION RATIO

THE CONVERSION RATIO SET FORTH IN THE ATTACHED SHEET IS PREPARED BASED ON THE VALUATION OF THE IDAHO AND MONTANA TARGETS FROM 1/1/03 THRU 9/30/03. THE FINAL RATIO WILL BE DETERMINED BASED ON COMPLETE RESULTS OF OPERATIONS OF THE IDAHO AND MONTANA TARGETS FROM 1/1/03 THRU 12/31/03. THEREFORE, THIS ATTACHMENT WILL BE REVISED AND UPDATED AND IS SUBJECT TO CHANGE.

Shareholder
(Estimated based on 9/30/03 valuation)
Targets and FAS

Shareholder Aggregate Value of Idaho and Montana (Aggregate SH Value/Total Targets and FAS)	Conversion Ratio (45,000,000 x Value of Merged Entities)	Parent Shares Conversion Ratio)
22,553,905	53.881164%	25,146,524
4,022	0.009885%	4,484
1,583,695	3.923387%	1,765,744
1,583,498	3.923388%	1,765,525
1,583,498	3.923388%	1,765,525
First American Title Insurance Company	3.923388%	1,765,525
Michael K Ferin	25.866670%	11,640,002
Mary Lou Panakopoulos	0.747404%	336,332
John Weigand	0.000000%	0
Michael F Kleese	0.658480%	296,316
Carol Bladreau	0.376608%	169,474
Terry Hilgendorf	0.366212%	164,795
Jay E Williams	0.056208%	25,294
Shelley A Krahbel	0.193213%	86,946
Peggy A Turner	0.100024%	45,011
	0.050012%	22,505
40,360,478	100.000000%	45,000,000

Jay E Williams - Insured Value not converted
Kate Joyce - Insured Value not converted
Robert E Sewell III - Insured Value not converted
Michael F Kleese - Ravalii Value not converted

Distributions
Mary Lou Panakopoulos
Carol Bladreau
Terry Hilgendorf
Peggy A Turner

42,672,821	
104,759	
15,000	
40,000	
20,185	

42,852,765	
167,170	
167,170	
100,302	
1,877,702	

SCHEDULE 4

IDAHO TARGETS, MONTANA TARGETS, AND FAAS LITIGATION

(See Attached)

ATTACHMENT TO SCHEDULE 4

LITIGATION/CLAIM SCHEDULE

In the ordinary course of business, the Idaho and Montana Targets are involved in claims and/or litigation related to its business of issuing title insurance policies and in closing escrow/real property transactions. As of December 30, 2003, the Idaho and Montana Targets had estimated claims against them totaling approximately \$310,000.00. Of the aggregate claims, those that are estimated to be equal to or greater than \$50,000.00 are listed below.

<u>Claim</u>	<u>Estimated Amount</u>
Alcorn/Pringle Idaho Targets	\$50,000.00
Gamache Idaho Targets	\$80,000.00
Bensley Montana Targets	<u>\$75,000.00</u>
Total:	\$205,000.00

SCHEDULE 5

**IDAHO TARGETS, MONTANA TARGETS, AND FAAS TAX OUTSTANDING
TAX LIABILITIES, OUTSTANDING RETURNS, TAX LITIGATION**

(See Attached)

ATTACHMENT TO SCHEDULE 5

OUTSTANDING TAX LIABILITIES, OUTSTANDING RETURNS, TAX LITIGATION

In 2002, the Idaho Targets were the subject of a sales/use tax audit by the Idaho State Tax Commission (“Commission”) for the tax periods 7/1/93 thru 12/31/00. At the conclusion of the audit, the Idaho Targets and the Commission were unable to agree as to the additional amounts of tax owed. In early 2003, the Commission issued a notice of deficiency and the Idaho Targets timely sought a re-determination of their sales/use tax liability before the Idaho Board of Tax Appeals (“Board”). Currently, the re-determination request has not been scheduled for administrative proceedings before the Board. The affected entities, the claimed deficiency amounts and the estimated liabilities are set forth below:

<u>Entity</u>	<u>Asserted Deficiency</u>	<u>Estimated Amount</u>
First American Administrative Services, Inc.	\$4,601.00	\$262.30
First American Title Company of East Idaho	\$163,819.00	\$30,513.36
Computer Information Services, LLC ¹	\$13,851.00	\$7,428.55
First American Title Company	<u>\$246,197.00</u>	<u>\$34,869.04</u>
Totals:	\$428,468.00	\$73,073.25

¹ Computer Information Services, LLC is an Idaho limited liability company and is owned 72.5% by the Idaho Targets and 27.5% by the Montana Targets. This entity is not a party to the merger and will be dissolved in 2003.

SCHEDULE 6

PARENT, IDAHO SUB AND MONTANA SUB CAPITAL STRUCTURE

(See Attached copies of Articles of Incorporation)

FILED EFFECTIVE

2003 NOV 28 AM 8:42

STATE OF IDAHO

**ARTICLES OF INCORPORATION
OF
FIRST AMERICAN TITLE HOLDING COMPANY**

The undersigned, acting as incorporator, hereby executes these Articles of Incorporation for the purposes of forming a corporation (hereinafter referred to as the "**Corporation**") under Chapter 1, Title 30 of the Idaho Code, the Idaho Business Corporation Act (the "**IBCA**"), and adopts the following Articles of Incorporation for such Corporation:

ARTICLE I

The name of the Corporation shall be FIRST AMERICAN TITLE HOLDING COMPANY.

ARTICLE II

The Corporation shall have perpetual existence, and the nature of the business or purposes to be conducted or promoted by the Corporation is to acquire, own and operate title insurance, escrow services and related business services and to transact any and all other lawful business for which corporations may be organized under the IBCA.

ARTICLE III

The address of the initial registered office of the Corporation in the State of Idaho is 195 South Broadway, Blackfoot, Idaho 83221. The name of its registered agent at such address is DWAIN H. STUFFLEBEAM.

ARTICLE IV

Section 4.1 The aggregate number of shares which this Corporation shall have the authority to issue is One Hundred Million (100,000,000) shares, as follows:

(1) Common Stock. Of the total authorized capital stock, the Corporation shall have the authority to issue Ninety Million (90,000,000) shares with no par value, which shares shall be divided into two classes designated as "Class A Voting Common Stock" and "Class B Non-Voting Common Stock" respectively.

(a) Class A Voting Common Stock. Eighty Million (80,000,000) shares of Class A Voting Common Stock shall be designated as Class A Voting Common Stock. Each share of Class A Voting Common Stock shall have unlimited voting rights. Other than voting rights, Class A Voting Common Stock and Class B Non-Voting Common Stock shall have identical rights, including but not limited to the right to receive dividends when and

as declared by the Board of Directors of the Corporation in accordance with applicable law.

(b) Class B Non-Voting Common Stock. Ten Million (10,000,000) shares shall be designated as Class B Non-Voting Common Stock. The shares of Class B Non-Voting Common Stock shall have no voting rights. No separate vote of the holders of Class B Non-Voting Common Stock as a class shall be required for any purposes except as may be required by law. Other than with respect to voting rights, Class A Voting Common Stock and Class B Non-Voting Common Stock shall have identical rights, including but not limited to the right to receive dividends when and as declared by the Board of Directors of the Corporation in accordance with applicable law.

(2) Preferred Stock. Of the total authorized capital stock, the Corporation shall have the authority to issue Ten Million (10,000,000) shares with the no par value, which shares shall be designated "Preferred Stock". The Preferred Stock may be issued in one or more series. The Board of Directors is hereby authorized to issue the shares of Preferred Stock in such series and to fix from time to time before issuance the number of shares to be included in any such series and the designation, relative powers, preferences, and rights and qualifications, limitations or restrictions of all such series. The authority of the Board with respect to each such series will include, without limiting the generality of the foregoing, the determination of any or all of the following:

(a) the number of shares of any series and the designation to distinguish the shares of such series from the shares of all other series;

(b) the voting powers, if any, and whether such voting powers are full or limited in such series;

(c) the redemption provisions, if any, applicable to such series, including the redemption price or prices to be paid;

(d) whether dividends, if any, will be cumulative or noncumulative, the dividend rate of such series, and the dates and preferences of dividends on such series;

(e) the rights of such series upon the voluntary or involuntary dissolution of, or upon any distribution of the assets of, the Corporation;

(f) the provisions, if any pursuant to which the shares of such series are convertible into, or exchangeable for, shares of any other class or classes of stock, or any other security of the Corporation or any other corporation or other entity, and the price or prices or the rates of exchange applicable thereto;

(g) the right, if any, to subscribe for or to purchase any securities of the Corporation or any other corporation or entity;

(h) the provisions, if any, of a sinking fund applicable to such series; and

(i) any other relative, participating, optional, or other special powers, preferences, rights, qualifications, or restrictions thereof;

all as may be determined from time to time by the Board of Directors and stated in the resolution or resolutions providing for issuance of such Preferred Stock (collectively, a "**Preferred Stock Designation**").

Section 4.2 Each share of Preferred Stock issued by the Corporation, if reacquired by the Corporation (whether by redemption, repurchase, conversion to Common Stock or other means), shall upon such reacquisition resume the status of authorized and unissued shares of Preferred Stock, undesignated as to series and available for designation and issuance by the Corporation in accordance with the immediately preceding paragraph.

Section 4.3 The Corporation shall from time to time in accordance with the IBCA increase the authorized amount of its Common Stock if at any time the number of shares of Common Stock remaining unissued and available for issuance shall not be sufficient to permit conversion of the Preferred Stock.

Section 4.4 Except as may otherwise be provided in a Preferred Stock Designation, the holders of Class A Voting Common Stock will be entitled to one vote on each matter submitted to a vote at a meeting of stockholders for each share of Class A Voting Common Stock held of record by such holder as of the record date for such meeting.

ARTICLE V

Section 5.1 All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation managed under the direction of, its Board of Directors, subject to any limitation in a shareholder agreement authorized under Section 30-1-732 of the IBCA.

Section 5.2 The number of directors constituting the initial Board of Directors is one (1), and the name and address of the person who is to serve as the initial director until the first annual meeting of shareholders or until his successors are elected and qualified is:

<u>Name</u>	<u>Address</u>
DWAIN H. STUFFLEBEAM	195 South Broadway Blackfoot, Idaho 83221

Section 5.3 Except with respect to the initial Board of Directors, the number of directors constituting the Board of Directors shall be determined in the manner specified in the Bylaws. In the absence of such a provision in the Bylaws, the Board shall consist of the number of directors constituting the initial Board of Directors.

ARTICLE VI

No shareholder of this Corporation shall have any preemptive rights with respect to (i) any shares of stock of the Corporation, whether now or hereafter authorized, (ii) any warrants, rights, or options to purchase any such shares, or (iii) any obligations convertible into any such shares or into warrants, rights or options to purchase any such shares.

ARTICLE VII

The shareholders of the Corporation shall not be entitled to cumulative voting at any election of Directors.

ARTICLE VIII

The Board of Directors and also the shareholders are authorized to make, adopt, amend, alter or repeal the Bylaws of the Corporation in the manner specified in the By Laws.

ARTICLE IX

This Corporation reserves the right to amend or repeal any of the provisions contained in these Articles of Incorporation in any manner now or hereafter permitted by law, and the rights of the stockholders of this Corporation are granted subject to this reservation.

ARTICLE X

The name and address of the Incorporator is:

<u>Name</u>	<u>Address</u>
Dwain H. Stufflebeam	195 South Broadway Blackfoot, Idaho 83221

ARTICLE XI

To the full extent permitted by the IBCA or any other applicable laws as presently or hereafter in effect, no director of the Corporation shall be personally liable to the Corporation or its shareholders for or with respect to any acts or omissions in the performance of his or her duties as a director of the Corporation. No amendment to or repeal of this *Article XI* shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to the effective date of such amendment or repeal.

ARTICLE XII

Each person who is or was or had agreed to become a director, officer, employee or agent of the Corporation (including the heirs, executors, administrators or estate of such person), shall be indemnified by the Corporation to the full extent permitted by the IBCA or any other applicable laws presently or hereafter in effect. Without limiting the generality or effect of the foregoing, the Corporation may enter into one or more agreements with any person which provide for indemnification greater or different than that provided in this *Article XII*. No amendment to or repeal of this *Article XII* shall apply to or have any effect on the right to indemnification permitted or authorized hereunder for or with respect to any acts or omissions of such director, officer, employee or agent occurring prior to the effective date of such amendment or repeal.

* * *

IN WITNESS WHEREOF, the undersigned has executed these Articles of Incorporation in duplicate this 21st day of November, 2003.

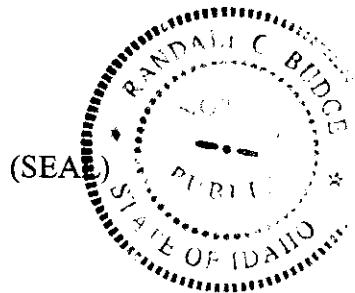


DWAIN H. STUFFLEBEAM, Incorporator

1STATE OF IDAHO)
: ss
County of Bingham)

On this 21st day of November, 2003, before me, the undersigned Notary Public, in and for said State and County, personally appeared DWAIN H. STUFFLEBEAM, known or identified to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.

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



Randall C. Budge
NOTARY PUBLIC FOR IDAHO
Residing at: Locality of
Commission expires: 10/14/2006



FILED EFFECTIVE

**ARTICLES OF INCORPORATION
OF
FIRST AMERICAN TITLE COMPANY SUBSIDIARY, INC.**

2003 NOV 28 AM 8:42

STATE OF IDAHO

The undersigned, acting as incorporator, hereby executes these Articles of Incorporation for the purposes of forming a corporation (hereinafter referred to as the "Corporation") under Chapter 1, Title 30 of the Idaho Code, the Idaho Business Corporation Act (the "IBCA"), and adopts the following Articles of Incorporation for such Corporation:

ARTICLE I

The name of the Corporation shall be FIRST AMERICAN TITLE COMPANY SUBSIDIARY, INC.

ARTICLE II

The Corporation shall have perpetual existence and the nature of the business or purposes to be conducted or promoted by the Corporation is to acquire, own and operate title insurance businesses and provide escrow and related business services and to transact any and all other lawful business for which corporations may be organized under the IBCA.

ARTICLE III

The address of the initial registered office of the Corporation in the State of Idaho is 195 South Broadway, Blackfoot, Idaho 83221. The name of its registered agent at such address is Dwain H. Stufflebeam.

ARTICLE IV

The Corporation shall have the authority to issue 1000 shares of no par common stock.

ARTICLE V

Section 5.1 All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation managed under the direction of its Board of Directors, subject to any limitation in a shareholder agreement authorized under Section 30-1-732 of the IBCA.

Section 5.2 The number of directors constituting the initial Board of Directors is one (1), and the name and address of the person who is to serve as the initial director until the first annual meeting of shareholders or until his successors are elected and qualified is:

Name

Dwain H. Stufflebeam

Address

195 South Broadway

IDaho SECRETARY OF STATE

11/28/2003 05:00

CK: 29768 CT: 1188 BH: 713889

100.00 = 100.00 CORP # 2

Blackfoot, Idaho 83221

Section 5.3 Except with respect to the initial Board of Directors, the number of directors constituting the Board of Directors shall be determined in the manner specified in the By Laws. In the absence of such a provision in the By Laws, the Board shall consist of the number of directors constituting the initial Board of Directors.

ARTICLE VI

No shareholder of this Corporation shall have any preemptive rights with respect to (i) any shares of stock of the Corporation, whether now or hereafter authorized, (ii) any warrants, rights, or options to purchase any such shares, or (iii) any obligations convertible into any such shares or into warrants, rights, or options to purchase any such shares.

ARTICLE VII

The shareholders of the Corporation shall not be entitled to cumulative voting at any such election of Directors.

ARTICLE VIII

The Board of Directors and also the shareholders are authorized to make, adopt, amend, alter or repeal the By Laws of the Corporation in the manner specified in the By Laws.

ARTICLE IX

The Corporation reserves the right to amend or repeal any of the provisions contained in these Articles of Incorporation in any manner now or hereafter permitted by law, and the rights of the shareholders of the Corporation are granted subject to this reservation.

ARTICLE X

The name and address of the Incorporator is:

<u>Name</u>	<u>Address</u>
First American Title Holding Company, an Idaho Corporation	195 South Broadway Blackfoot, Idaho 83221

ARTICLE XI

To the full extent permitted by the IBCA or any other applicable laws as presently or hereafter in effect, no director of the Corporation shall be personally liable to the Corporation or its

shareholders for or with respect to any acts or omissions in the performance of his or her duties as a director of the Corporation. No amendment to or repeal of this *Article XI* shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to the effective date of such amendment or repeal.

ARTICLE XII

Each person who is or was or had agreed to become a director, officer, employee or agent of the Corporation (including the heirs, executors, administrators or estate of such person), shall be indemnified by the Corporation to the full extent permitted by the IBCA or any other applicable laws presently or hereafter in effect. Without limiting the generality or effect of the foregoing, the Corporation may enter into one or more agreements with any person which provide for indemnification greater or different than that provided in this *Article XII*. No amendment to or repeal of this *Article XII* shall apply to or have any effect on the right to indemnification permitted or authorized hereunder for or with respect to any acts or omissions of such director, officer, employee or agent occurring prior to the effective date of such amendment or repeal.

* * *

IN WITNESS WHEREOF, the undersigned has executed these Articles of Incorporation in duplicate this 21st day of November, 2003.

FIRST AMERICAN TITLE HOLDING
COMPANY

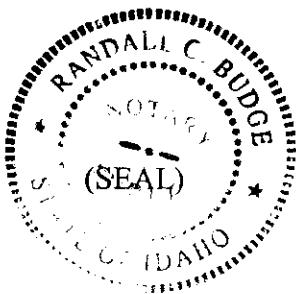
By Dwain H. Stufflebeam
DWAIN H. STUFFLEBEAM
Chief Executive Officer

STATE OF IDAHO)
: ss
County of Bingham)

On this 21st day of November, 2003, before me, the undersigned Notary Public, in and for said State and County, personally appeared DWAIN H. STUFFLEBEAM, known or identified to me to be the Chief Executive Officer of First American Title Holding Company, whose name is subscribed to the within instrument and acknowledged to me that he is authorized and instructed to execute the same on behalf of said Corporation, and further acknowledged to me that said Corporation executed the same.

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

Randall C. Budge
NOTARY PUBLIC FOR IDAHO
Residing at: Pocatello, Id.
My Commission Expires: 10/11/2006





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STATE OF MONTANA
FILED *jd*
DECEMBER 2 2003
pp #7C

**ARTICLES OF INCORPORATION
OF
FIRST AMERICAN TITLE COMPANY SUBSIDIARY OF MONTANA, INC.**

SECRETARY OF STATE

The undersigned, acting as incorporator, hereby executes these Articles of Incorporation for the purposes of forming a corporation (hereinafter referred to as the "*Corporation*") under Chapter 1, Title 35 of the Montana Code, the Montana Business Corporation Act (the "MBCA"), and adopts the following Articles of Incorporation for such Corporation:

ARTICLE I

The name of the Corporation shall be FIRST AMERICAN TITLE COMPANY SUBSIDIARY OF MONTANA, INC.

ARTICLE II

The Corporation shall have perpetual existence and the nature of the business or purposes to be conducted or promoted by the Corporation is to acquire, own and operate title insurance businesses and provide escrow and related business services and to transact any and all other lawful business for which corporations may be organized under the MBCA.

ARTICLE III

The address of the initial registered office of the Corporation in the State of Montana is 1006 W. Sussex, Missoula, Montana 59802. The name of its registered agent at such address is Robert J. Sewell, III.

ARTICLE IV

The Corporation shall have the authority to issue 1000 shares of no par common stock.

ARTICLE V

Section 5.1 All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation managed under the direction of its Board of Directors.

Section 5.2 The number of directors constituting the initial Board of Directors is one (1), and the name and address of the person who is to serve as the initial director until the first annual meeting of shareholders or until his successors are elected and qualified is:

Name Address

Dwain H. Stufflebeam 195 South Broadway
Blackfoot, Idaho 83221

Section 5.3 Except with respect to the initial Board of Directors, the number of directors constituting the Board of Directors shall be determined in the manner specified in the By Laws. In the absence of such a provision in the By Laws, the Board shall consist of the number of directors constituting the initial Board of Directors.

ARTICLE VI

No shareholder of this Corporation shall have any preemptive rights with respect to (i) any shares of stock of the Corporation, whether now or hereafter authorized, (ii) any warrants, rights, or options to purchase any such shares, or (iii) any obligations convertible into any such shares or into warrants, rights, or options to purchase any such shares.

ARTICLE VII

The shareholders of the Corporation shall not be entitled to cumulative voting at any such election of officers.

ARTICLE VIII

The Board of Directors and also the shareholders are authorized to make, adopt, amend, alter or repeal the By Laws of the Corporation in the manner specified in the By Laws.

ARTICLE IX

The Corporation reserves the right to amend or repeal any of the provisions contained in these Articles of Incorporation in any manner now or hereafter permitted by law, and the rights of the shareholders of the Corporation are granted subject to this reservation.

ARTICLE X

The name and address of the Incorporator is:

Name Address

First American Title
Holding Company, an
Idaho Corporation 195 South Broadway
Blackfoot, Idaho 83221

ARTICLE XI

To the full extent permitted by the MBCA or any other applicable laws as presently or hereafter in effect, no director of the Corporation shall be personally liable to the Corporation or its shareholders for or with respect to any acts or omissions in the performance of his or her duties as a director of the Corporation. No amendment to or repeal of this *Article XI* shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to the effective date of such amendment or repeal.

ARTICLE XII

Each person who is or was or had agreed to become a director, officer, employee or agent of the Corporation (including the heirs, executors, administrators or estate of such person), shall be indemnified by the Corporation to the full extent permitted by the MBCA or any other applicable laws presently or hereafter in effect. Without limiting the generality or effect of the foregoing, the Corporation may enter into one or more agreements with any person which provide for indemnification greater or different than that provided in this *Article XII*. No amendment to or repeal of this *Article XII* shall apply to or have any effect on the right to indemnification permitted or authorized hereunder for or with respect to any acts or omissions of such director, officer, employee or agent occurring prior to the effective date of such amendment or repeal.

* * *

IN WITNESS WHEREOF, the undersigned has executed these Articles of Incorporation in duplicate this 4th day of December, 2003.

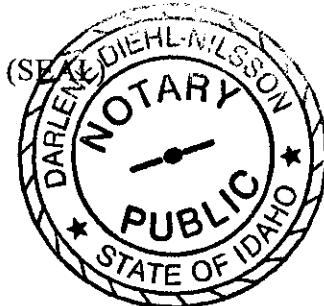
FIRST AMERICAN TITLE HOLDING
COMPANY

By Dwain H. Stufflebeam
DWAIN H. STUFFLEBEAM
Chief Executive Officer

STATE OF IDAHO)
: ss
County of Bingham)

On this 44 day of December, 2003, before me, the undersigned Notary Public, in and for said State and County, personally appeared DWAIN H. STUFFLEBEAM, known or identified to me to be the Chief Executive Officer of First American Title Holding Company, whose name is subscribed to the within instrument and acknowledged to me that he is authorized and instructed to execute the same on behalf of said Corporation, and further acknowledged to me that said Corporation executed the same.

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



NOTARY PUBLIC FOR IDAHO

Residing at: Blackfoot, ID

My Commission Expires: 11-26-06