

After Recording Return to:  
Windstar, LLC  
1400 Franklin Street Suite 300  
San Francisco CA 94109



200406180144  
Skagit County Auditor

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Filed for Record at Request of:  
CHICAGO TITLE  
INSURANCE COMPANY  
PO Box 1115  
1616 Cornwall Avenue, Suite 115  
Bellingham, WA 98225

Escrow No.: 179360-DJD  
CHICAGO TITLE IC31314 ✓

Abbreviated Legal: ~~Portion of the 1003 Quarter of Section 1006, Township 1007 North, Range 1008 East, West~~  
Additional Legal(s) on page: LOT 2 DECEPTION SHORES PUD  
Assessor's Tax Parcel No.: ~~4780-000-002-0000~~ 4780-000-002-0000

### STATUTORY WARRANTY DEED

THE GRANTOR Sunshine Home Management Company, LLC, a Arizona Limited Liability Company for and in consideration of TEN DOLLARS AND OTHER VALUABLE CONSIDERATION AND AS PART OF AN IRC SECTION 1031 TAX DEFERRED EXCHANGE in hand paid, conveys and warrants to Windstar, LLC, a California Limited Liability Company the following described real estate, situated in the County of Whatcom, State of Washington:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR COMPLETE LEGAL DESCRIPTION.

SUBJECT TO: COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS OF RECORD, ATTACHED HERETO AS EXHIBIT "B" AND MADE A PART HEREOF.

Dated: 6/17/04

3102  
SKAGIT COUNTY WASHINGTON  
Real Estate Excise Tax  
PAID

JUN 18 2004

Amount Paid \$ 6230.00  
Skagit County Treasurer  
By: *man* Deputy

Sunshine Home Management Company, LLC

*Robert M. Flick*  
By Robert M. Flick  
Member

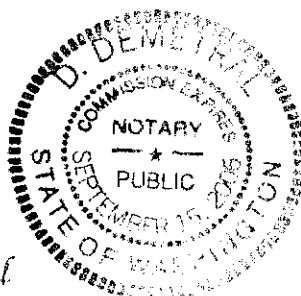
*Vicky Flick*  
By Vicky Flick  
Member

STATE OF WASHINGTON  
COUNTY OF WHATCOM

I certify that I know or have satisfactory evidence that Robert M. Flick to me known to be the Member, of of Sunshine Home Management Company, LLC the entity that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of the said entity, for the uses and purposes therein mentioned, and on oath state that he is/are authorized to execute the said instrument on behalf of said entity.

Dated: 6/16/04

*D. Demetral*  
D. Demetral  
Notary Public in and for the State of Washington  
Residing at Bellingham  
My appointment expires: September 15, 2006



Deborah Demetral

STATE OF ARIZONA )

County of )

) ss.

On 6-17-04, before me, the undersigned Notary Public, personally appeared Vicki Fife, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

My Commission Expires:

Aug 19 2007

\_\_\_\_\_  
Notary Public



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**EXHIBIT "A"**

Lot 2, DECEPTION SHORES PLANNED UNIT DEVELOPMENT, recorded on September 10, 2001, in Skagit County as Auditor's File No. 200109100117, records of Skagit County, Washington; situate in a portion of Government Lots 3, 4, 5 and 6, Section 24, Township 34 North, Range 1 East of the Willamette Meridian.

Situated in Skagit County, Washington

- END OF EXHIBIT "A" -



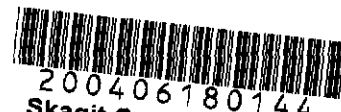
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EXHIBIT "B"

1. Easement, including the terms, covenants, and provisions thereof, granted by instrument  
Recorded: September 24, 1925  
Auditor's No.: 187590, records of Skagit County, WA  
In favor of: Puget Sound Power & Light Company  
For: Electric transmission and/or distribution line, together with necessary appurtenances
2. Easement, including the terms, covenants, and provisions thereof, granted by instrument  
Recorded: September 1, 1955  
Auditor's No.: 523434, records of Skagit County, WA  
In favor of: Puget Sound Power & Light Company  
For: Electric transmission and/or distribution line, together with necessary appurtenances
3. The right to use a 50 foot strip of land running across the Northwesterly portion of the subject property for road purposes and utilities as granted to various property owners in Government Lots 3, 4 and 5, in Section 24, Township 34 North, Range 1 East of the Willamette Meridian, in instruments under Auditor's File Nos. 550936, 612026, 625085, 637331,, 660749, 704373, and 9806230097, and as reserved in instruments under Auditor's No. 66074, all instruments executed by E.C. Heilman and Amelia Heilman, his wife etal  
  
Said easements were amended by instrument recorded under Auditor's File No. 200007110058
4. Easement, including the terms, covenants, and provisions thereof, granted by instrument  
Recorded: May 8, 1957  
Auditor's No.: 551047, records of Skagit County, WA  
In favor of: Puget Sound Power & Light Company  
For: Electric transmission and/or distribution line, together with necessary appurtenances
5. Easement, including the terms, covenants, and provisions thereof, granted by instrument  
Recorded: August 10, 1959  
Auditor's No.: 584155, records of Skagit County, WA  
In favor of: West Coast Telephone Company  
For: Telephone communication pole line
6. Right to enter said premises and to cut, top and/or trim any and all brush or trees within 25 feet of grantee's electric line centerline, including terms and provisions therein, granted by instrument  
Recorded: November 23, 1965  
Auditor's No.: 674970, records of Skagit County, WA

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7. Easement, including the terms, covenants, and provisions thereof, granted by instrument  
Recorded: March 21, 1989  
Auditor's No.: 8903210035, records of Skagit County, WA  
In favor of: Goodyear Nelson Hardwood Lumber Co., Inc.  
For: Ingress and egress
8. Easement, including the terms, covenants, and provisions thereof, reserved by instrument  
Recorded: May 5, 1989  
Auditor's No.: 8905050006, records of Skagit County, WA  
In favor of: Richard H Wakefield and Grace G. Wakefield, husband and wife  
For: Ingress, egress and utilities
9. Exceptions and reservations contained in Deed 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., provided that no rights shall be exercised until provision has been made for full payment of all damages sustained by reason of such entry; TOGETHER WITH the right, upon paying reasonable compensation, to acquire rights of way for transporting and moving products from other lands, contained in Deed  
From: The State of Washington  
Recorded: April 14, 1921  
Auditor's No.: 149313, records of Skagit County, WA  
Affects: Tidelands
10. Agreement, including the terms and conditions thereof, entered into  
By: E. C. Heilman and Amelia Heilman, husband and wife  
And between: Puget Sound Power & Light Company  
Recorded: February 7, 1956  
Auditor's No.: 531365, records of Skagit County, WA  
Providing: For the grubbing of stumps
11. Assessments or charges and liability to further assessments or charges, including the terms, covenants, and provisions thereof, disclosed in instrument  
Recorded: April 4, 1958  
Auditor's No.: 563759, records of Skagit County, WA  
Imposed by: Quiet Cove Community, Inc.
12. Provision contained in deed executed by E. C. Heilman and Amelia Heilman, husband and wife, (and various other instruments of record)  
Recorded: August 14, 1962  
Auditor's No.: 625085, records of Skagit County, WA  
As follows: Subject to the right of the grantor to convey all easements described above to Skagit County for road purposes.

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13. Public or private easements, if any, lying within vacated Peoria Avenue.
14. Covenants, conditions, and restrictions contained in declaration of restrictions, but omitting any covenant or restriction based on race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicap persons.
- Recorded: March 25, 1957  
Auditor's No.: 549053, records of Skagit County, WA  
Executed by: E.C. Heilman and Emelia Heilman, husband and wife

AMENDED by instrument

Recorded : June 15, 1959  
Auditor's No.: 581813, records of Skagit County, WA

15. Provision contained in deed executed by E. C. Heilman and Amelia Heilman, husband and wife, affecting easements set forth in the caption herein,
- Recorded: November 21, 1977  
Auditor's No.: 869037, records of Skagit County, WA  
As follows:

Subject to the right of the grantor to convey all easements described above to Skagit County for road purposes.

16. Notes set forth on face of short plat as follows:
- A. All maintenance and construction of private roads are the responsibility of the lot owners and the responsibility of maintenance shall be in direct relationship to the usage of said road.
- B. Short Plat number and date of approval shall be included in all deeds and contracts.
- C. No building permit shall be issued for any residential and/or commercial structures which are not at the time of application determined to be within an official designated boundary of Skagit County Fire District.
- D. Lot 2 requires an alternative on-site sewage system. An alternative on-site sewage disposal system may have special design, construction, and maintenance requirements. See Skagit County Health Officer for details.
- E. A portion of the subject property is designated as unstable on the coastal zone atlas of Washington. A geotechnical report may be required when obtaining a development permit.

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F. Quiet cove road cannot be used as access for future subdivision of Lots 1 and 2 without being reconstructed to county standards or receiving a variance from that requirement

17. Any question that may arise as to location of lateral boundaries of tidelands described herein.

18. Any prohibition or limitation on the use, occupancy, or improvement of the land resulting from the rights of the public or riparian owners to use any waters which may cover the land OR to use any portion of the land which is now or may formerly have been covered by water.

19. Right of use, control, or regulation by the United States of America in the exercise of power over navigation.

20. Any question that may arise due to shifting or change of the line of high water of Deception Passage OR due to said waters having shifted or changed its line of high water.

21. Easement, including the terms and conditions thereof, granted by instrument(s);  
Recorded: July 22, 2002  
Auditor's No(s): 200207220174, records of Skagit County, Washington  
In favor of: Puget Sound Energy, Inc.  
For: Electric transmission and/or distribution line, together with necessary appurtenances  
Affects: Lots 7, 8, 9, 10, 11, 12, and 16 and areas A, C, D and E

22. Covenants, conditions, restrictions, and easements contained in declaration(s) of restriction, but omitting any covenant, condition or restriction based on race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicap persons;  
Recorded: September 10, 2001  
Auditor's No(s): 200109100116, records of Skagit County, Washington  
Executed By: Heilman Heritage Group

AMENDED by instrument(s):

Recorded: January 8, 2004  
Auditor's No(s): 200401080043, records of Skagit County, Washington

23. Easement contained in Dedication of said plat;  
For: All necessary slopes for cuts and fills  
Affects: Any portions of said premises which abut upon streets, avenues, alleys and roads

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24. Easement provisions contained on the face of said plat, as follows:

- 1) The developer reserves a utility easement for the installation of utilities including water, power, gas, cable and telephone over, across and under a 40-foot strip in area E located between North Deception Shores Drive and the Quiet Cove Road right-of-way easement as shown hereon. The purpose of this easement is to allow the future extension of utilities to the properties along said Quiet Cove Road Southerly and adjacent to the PUD. Said 40-foot easement as shown hereon may be moved or relocated for topographic reasons within said area E to accommodate the installation of said utilities causing the least interference and disturbance to said area E.
- 2) Developer hereby reserves in area E two drainfield easement sites for the purpose of location two separate and independent single family residential drainfields or one single drainfield site that shall accommodate two single family residential connections for the use, benefit and enjoyment of three parcels or property as shall be determined by the developer which are Southerly and adjacent to the PUD; TOGETHER WITH a 20 foot easement over and across said area E that will access and connect said drainfield site(s) to the adjacent lot or lots utilizing said drainfield site(s). The exact location of said drainfield easement sites and the benefited properties shall be determined by the developer with the approval of the Skagit County Health Department. Upon construction, installation and connection to a drainfield site, a drainfield agreement and covenant describing the drainfield area, the 20-foot easement connecting the lot to the drainfield and the lot utilizing said drainfield site shall be recorded as a binding easement and covenant, as to Area E and the lot connecting to said drainfield. The drainfield agreement and covenant shall provide that the lot connecting to said drainfield shall keep and maintain the drainfield in good condition and repair subject to Skagit County Health Department Rules and Regulations at the cost and expense of the owner of the lot connecting thereto.
- 3) Developer reserves an easement 50 feet in width for road right-of-way and utility purposes over, across and under that portion of area C between the Southwesterly end of Deception Shores Drive North and the Southwesterly boundary of the PUD, with the centerline of said 50-foot easement being the centerline of North Deception Shores Drive as extended to said Southwesterly boundary of the PUD. This easement herein reserved by the developer is for the benefit of the developer and the developers successors and assigns, and the developer may transfer and assign said easement to the Southwesterly adjoining property owner so that said adjoining property may have access, ingress and egress, together with utilities through the PUD.

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- 4) Developer hereby reserves an easement 20 feet in width over and across area A between Quiet Cove Road (vacated Peoria Avenue) to the East of said area A and North Deception Shores Drive to the West of said Area A as shown hereon. The easement shall provide access, ingress and egress from Quiet Cove Road to North Deception Shores Drive and said easement is for the benefit of the developer and developer's successors and assigns. Said 20-foot easement as shown in said area A may be moved or relocated within said area A for topographic reasons to accommodate access, ingress and egress to North Deception Shores Drive, causing the least interference and disturbance to said area A,
- 5) Developer reserves an easement in area E as shown hereon for an existing 10,000 gallon water storage tank, together with a 20-foot wide easement over and across said area E that will access said water storage tank, for the benefit of the properties along Quiet Cove Road Southerly and adjacent to the PUD.
- 6) An utility easement is hereby reserved for and granted to Cascade Natural Gas within area A said easement to be 10 feet in width, the centerline of which is to be defined by the constructed gas line. Cascade Natural Gas reserves the right to enter upon said area A for the purposes of installation, construction, review, operation and maintenance of said gas line.
- 7) NOTE: The easements reserved by the developer herein are for the benefit of the developer and the developers successors and assigns, and the developer may transfer and assign said easements for the benefit and use and enjoyment of the property owners owning adjacent property or property in the immediate vicinity of Deception Shores P.U.D. As shall be determined by the developer, and the easements and the reservations contained herein shall constitute permanent easements and covenants running with the land.
- 8) NOTE: The location of the easements as shown on the map herein is an approximation of the location of said easements and said easements may be moved or relocation to accommodate the installation or construction of the anticipated improvements or relocation of the easements will not result in substantial or greater interference to the common areas.
- 9) NOTE: The easements referred to herein by these notes and as located and described on the face of the P.U.D. map are hereby fully incorporated in and made a part of the declaration of covenants, conditions, restrictions, easements and reservations of Deception Shores P.U.D. as though fully set herein.
- 10) NOTE: Property owners within the P.U.D. reserve the right to access beach by footpath in area "E". The location of which can be determined by said property owners based on topographic conditions and access limitations.

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- 11) At no time shall PSE's existing transmission line easement (shown hereon). Be used for storage of flammable or volatile material or placement of any buildings or other structures, including but not limited to, the following: Decks, patios, septic drain fields, and outbuildings of any nature. At no time shall PSE's access to the transmission lines or structures along the easement area be permanently blocked off or unduly restricted.
- 12) The developer or future P.U.D. lot owners must pay for any and all costs associated with changes in vertical line clearance, re-stabilization of any electrical structure or anchor, or facilities access as a result of uses that do not comply with PSE conditions or restrictions outlined hereon or as noted as approved construction plans.
- 13) Transmission or distribution lines have been or will be constructed, operated, and maintained within the PSE (PSE) easement area said facilities may require tree and brush cutting within the adjacent to the easement right-of-way. PSE retains the right to cut, remove and dispose of any and all brush, tress and other vegetation presently existing upon the easement area. PSE shall also have the right to control, on a continuing basis and by any prudent and reasonable means, the establishment and growth of bushes, tress and other vegetation upon the easement areas which in the opinion of PSE, interfere with the exercise of PSE rights or create a hazard to PSE's systems. PSE shall have the right to cut, trim remove, and dispose of any trees located on the property outside. The easement area, which could, in PSE's sole judgment, interfere with or create a hazard to PSE's Systems. PSE Shall prior to the exercise of such rights, identify such trees and make a reasonable effort to give prior notice that such trees will be cut, trimmed, removed or disposed of (Except that shall have no obligation to identify such trees or give such prior notice when trees are cut, trimmed, removed or otherwise disposed of in response to emergency conditions). Owners shall be entitled to no compensation for trees cut, trimmed, removed or disposed of except for the actual market value of merchantable timber (if any) cut and removed from the property by PSE. All shrubs and trees to be situated in the easement area must be of a low growing variety which normally do not exceed 15 feet in height at maturity.

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25. Notes on the face of the plat as follows:

- A. This plat may depict existing occupational indicators in accordance with W.A.C. CH. 332.130. These occupational indicators may indicate a potential for claims of unwritten title ownership. The legal resolution of ownership based upon unwritten title claims has not been resolved by the file number 9610300097 for additional boundary information.
- B. Sewage Disposal – Except for lots that are unable to obtain septic design approval or where the developer may require septic systems to be installed in a common area outside of the lot, each lot within Deception Shores PUD is to have an individual septic drainfield system. Those lots unable to obtain septic design approval or those lots the developer may require have a septic drainfield system outside of the lot will locate and install a septic drainfield system or connect to a community drainfield system in area C or such other common area within Deception Shores PUD as shall be determined by the developer, subject to the approval of the Skagit County Health Department.
- C. Alternate on-site disposal systems may have special design, construction and maintenance requirements. See Skagit County Health Officer for details.
- D. NOTE: Areas within 30 foot slope buffer and 100 foot building setback line will require GED-Technical analysis and report prior to allowance of structural encroachment by Skagit County Building Department.

26. Planned Unit Development note on the face of the plat, as follows:

Each of the lots within Deception Shores PUD are to have individual septic drainfield systems designed within each lot, except that Lots 7 and 8. To the extent said lots are unable to obtain septic design approval. That may be located within said lots. May locate a septic drainfield in area E subject to the review and approval of the Skagit County Health Department.

27. Easement provisions contained on the face of said plat, as follows:

An easement is hereby reserved for and granted to Puget Sound Energy, Northland Cable Television Company, GTE Northwest, Cascade Natural Gas and their respective successors and assigns under and upon the exterior ten feet parallel and adjacent to the street frontage of all lots. Unless shown otherwise, in which to install, lay, construct, review, operate and maintain underground conduits, cables and wires with the necessary facilities and other equipment for the purpose of the subdivision and other property with electric, television, telephone, and gas service. Together with the right to enter upon lots at all time for the purposes stated.

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28. Easement delineated on the face of said plat;  
For: Drainage  
Affects: Various lits in the plat
29. Assessments or charges and liability to further assessments or charges, including the terms, covenants, and provisions thereof, disclosed in instrument(s);  
Recorded: September 10, 2001  
Auditor's No(s): 200109100116, records of Skagit County, Washington  
Imposed By: Deception Shores Community Association
30. Easement delineated on the face of said plat;  
For: Utilities  
Affects: Exterior 10 feet of lots adjacent to streets
31. Agreement and Easement, including the terms and conditions thereof; entered into;  
By: Deception Shores Community Association  
And Between: Ron Rennebohm and Darla Rennebohm, husband and wife  
Recorded: February 6, 2004  
Auditor's No.: 200402060137, records of Skagit County, Washington  
Providing: A right of access, ingress and egress over Deception Shores PUD - Private road right-of-way for single-family residential usage
32. Agreement and Easement, including the terms and conditions thereof; entered into;  
By: Ron Rennebohm and Darla Rennebohm, husband and wife  
And Between: Deception Shores Community Association  
Recorded: February 6, 2004  
Auditor's No.: 200402060138, records of Skagit County, Washington  
Providing: Pedestrian easement for access to Deception Pass State Park - State Route 20 and Pass Lake
33. Agreement and Easement, including the terms and conditions thereof; entered into;  
By: Deception Shores Community Association  
And Between: Ron Rennebohm and Darla Rennebohm, husband and wife  
Recorded: February 6, 2004  
Auditor's No.: 200402060139, records of Skagit County, Washington  
Providing: Mutual easement over and across second class tidelands

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34. Agreement, including the terms and conditions thereof; entered into;  
By: Matthew E. Brown and Kathleen A. Brown, husband and wife;  
Rebecca Anne Hall, individually; and Jeffrey P. Heilman,  
individually  
And Between: Ron Rennebohm and Darla Rennebohm, husband and wife  
Recorded: February 24, 2004  
Auditor's No.: 200402240092, records of Skagit County, Washington  
Providing: Water use and connection agreement to the Deception Shores  
Planned Unit Development Water System
35. Agreement and Easement, including the terms and conditions thereof; entered into;  
By: Matthew E. Brown and Kathleen A. Brown, husband and wife;  
Rebecca Anne Hall, individually and Jeffrey P. Heilman, individually  
And Between: Deception Shores Community Association  
Recorded: February 24, 2004  
Auditor's No.: 200402240093, records of Skagit County, Washington  
Providing: Deception Shores Planned Unit Development Pedestrian Easement
36. Reservation and Grant of Waterline Easement and Covenant, and the terms  
and Conditions contained therein, as recorded on June 18, 2004  
under Auditors file number 200406180142.



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