

AFTER RECORDING MAIL TO:
Mr. and Mrs. Walter E. Smith
12349 Bartholomew Road
Anacortes, WA 98221



200601200151
Skagit County Auditor

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Filed for Record at Request of
First American Title Of Skagit County
Escrow Number: A84925

Statutory Warranty Deed

Grantor(s): Estate of Ruth M. Terrana and Michael Mastro
Grantee(s): Walter E. Smith and Velma D. Smith
Assessor's Tax Parcel Number(s): 3926-005-007-0007, P65950

FIRST AMERICAN TITLE CO.

A84925E-2

THE GRANTOR Carmelo Terrana, Arthur A. Terrana, Mary A. Terrana Kirchner and Gina M. Terrana, as Co-Personal Representatives of the Estate of Ruth M. Terrana, deceased, and Michael Mastro, a married man as his separate estate for and in consideration of TEN DOLLARS AND OTHER GOOD AND VALUABLE CONSIDERATION in hand paid, conveys and warrants to Walter E. Smith and Velma D. Smith, husband and wife the following described real estate, situated in the County of Skagit, State of Washington.

Lots 5 through 7, Block 5, "HOLIDAY HIDEAWAY NO. 1", according to the plat thereof recorded in Volume 8 of Plats, pages 36 to 42, inclusive, records of Skagit County, Washington.

SUBJECT TO the Easements, Restrictions and other Exceptions set forth on Exhibit "A" attached hereto.

Dated: January 12, 2006

Estate of Ruth M. Terrana

Carmelo Terrana
By: Carmelo Terrana, Personal Representative

Arthur A. Terrana
By: Arthur A. Terrana, Personal Representative

Mary A. Terrana Kirchner
By: Mary A. Terrana Kirchner, Personal Representative

Gina M. Terrana
By: Gina M. Terrana, Personal Representative

Michael Mastro
Michael Mastro

310
SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

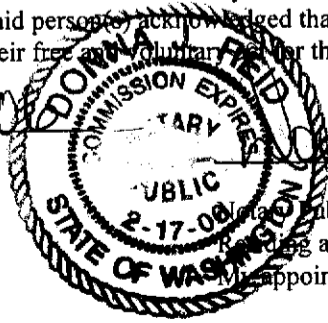
JAN 20 2006

Amount Paid \$ 1073.00
Skagit Co. Treasurer
By: [Signature]

STATE OF Washington }
COUNTY OF Skagit } SS:

I certify that I know or have satisfactory evidence that Michael Mastro, the persons who appeared before me, and said persons acknowledged that he/she/they signed this instrument and acknowledge it to be his/her/their free and voluntary act for the uses and purposes mentioned in this instrument.

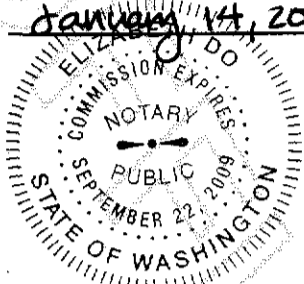
Date: 1/17/06
[Signature]
Public in and for the State of Washington
at Skagit County
Appointment expires: 2/17/06



STATE OF Washington)
County of King , SS:

I certify that I know or have satisfactory evidence that Gina M. Terrana
signed this instrument, on oath stated that she is
authorized to execute the instrument and acknowledged it as the Co-Personal Representative
of Ruth M. Terrana to be the free and voluntary act of such
party for the uses and purposes mentioned in this instrument.

Dated: January 14, 2006



[Signature]
Notary Public in and for the State of Washington
Residing at 4701 California Ave. SW, Seattle, WA 98116
My appointment expires: 9/22/2009

STATE OF Washington)
County of King , SS:

I certify that I know or have satisfactory evidence that Carmelo Terrana
signed this instrument, on oath stated that he is
authorized to execute the instrument and acknowledged it as the Co-Personal Representative
of Ruth M. Terrana to be the free and voluntary act of such
party for the uses and purposes mentioned in this instrument.

Dated: January 14, 2006

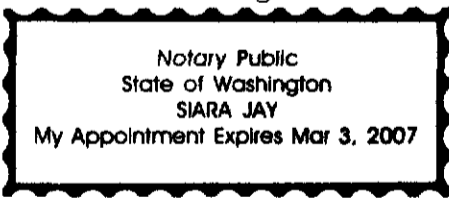


[Signature]
Notary Public in and for the State of Washington
Residing at 4701 California Ave. SW, Seattle, WA 98116
My appointment expires: 9/22/2009

STATE OF Washington)
County of King , SS:

I certify that I know or have satisfactory evidence that Arthur A. Terrana
signed this instrument, on oath stated that he is
authorized to execute the instrument and acknowledged it as the Co-Personal Representative
of Ruth M. Terrana to be the free and voluntary act of such
party for the uses and purposes mentioned in this instrument.

Dated: January 17, 2006

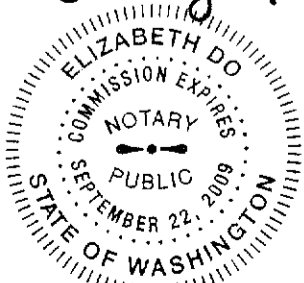


[Signature]
Notary Public in and for the State of Washington
Residing at Kent, Washington
My appointment expires: 03-03-2007

STATE OF Washington)
County of King , SS:

I certify that I know or have satisfactory evidence that Mary A. Terrana Kirchner
signed this instrument, on oath stated that she is
authorized to execute the instrument and acknowledged it as the Co-Personal Representative
of Ruth M. Terrana to be the free and voluntary act of such
party for the uses and purposes mentioned in this instrument.

Dated: January 14, 2006



[Signature]
Notary Public in and for the State of Washington
Residing at 4701 California Ave. SW, Seattle, WA 98116
My appointment expires: 9/22/2009



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EXCEPTIONS:

A. The right granted in the "PLAT OF HOLIDAY HIDEAWAY NO. 1" to make all necessary slopes for cuts and fills upon the lots and blocks shown on the Plat in the original reasonable grading of all streets thereon. The County or its successors shall have the right to continue to drain all roads and easements over and across any lot or lots where water might take a natural course after the roads are graded.

B. MATTERS AS DISCLOSED AND/OR DELINEATED ON THE FACE OF THE FOLLOWING PLAT/SUBDIVISION:

Plat/Subdivision Name: Holiday Hideaway No. 1
Auditor's No: 625483

Said matters include but are not limited to the following:

(1) With respect to matters relating to water services, we note DECLARATION OF SERVICE, executed by Guemes Island Water Company, Inc., recorded under Auditor's File No. 8902230048, which indicates service having been provided to the following lots:

- ~ Tract All
 - Lots 27-54, Block 1
 - All lots within Block 2; EXCEPT Lots 89-98, inclusive
 - All lots within Block 3
 - All lots within Block 4; EXCEPT Lots 1-8, inclusive
 - All lots within Block 5
 - All lots within Block 6; EXCEPT Lots 11-38, inclusive
 - Lots 47-49, inclusive, and Lots 78 and 79
 - All lots within Block 7
 - All lots within Block 8; EXCEPT Lots 8 and 9

~ Also, included on said Declaration is the following note:

"Whereas, the present and future owners are hereby reminded of the following restriction on the face of said filed plat:

~ Each lot shall be entitled to one hook up to the private water system upon its installation. The cost of the hook up, materials, labor and meter to be paid for by the owner of the lot."

~ Said Declaration was modified by MODIFICATION OF DECLARATION OF SERVICE, dated January 22, 1990 and recorded January 23, 1990 under Auditor's File No. 9001230041, which added the following tracts to the list of lots within said Declaration as being able to obtain service in said Plat:

Tracts "B", "C" and "D"

Said modification was re-recorded March 2, 1990, under Auditor's File No. 9003020121 to add Tract "E" to said declaration.

(2) Easements for private roads, utilities, drainage and bridle paths, as shown on the face of the Plat of Holiday Hideaway No. 1.



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C. SUBJECT, also, to exceptions and reservation of minerals, mineral rights, fossils, etc., in Deeds from the State of Washington, conveying tidelands, recorded in Volumes 68, 90 and 101 of Deeds, pages 633, 267 and 113, respectively, records of Skagit County.

Affects: Lots abutting tidelands

D. Matters relating to Holiday Hideaway Country Club, recorded March 29, 1982 under Auditor's File Nos. 8203290018 and 8203290019.

E. Right of the general public to the unrestricted use of all the waters of a navigable body of water not only for the primary purposes of navigation, but also for corollary purposes, including (but not limited to) fishing, boating, bathing, swimming, water skiing and other related recreational purposes, as those waters may affect the tidelands, shorelands, or adjoining uplands, and whether the level of the water has been raised naturally or artificially to a maintained or fluctuating level, all as further defined by the decisional law of this state. (Affects all of the premises subject to such submergence.)

Affects: Lots abutting tidelands

F. DECLARATION OF EASEMENT FOR PRIVATE ROADWAY:

Recorded: April 10, 1969
Auditor's No.: 725226
Purpose: Ingress, egress, drainage and utilities
Affects: Reference is hereby made to the record for full particulars

G. PROVISIONS CONTAINED IN CONTRACTS THROUGH WHICH TITLE IS CLAIMED, AS FOLLOWS:

"...Buyer agrees to pay, in addition to any other sums or charges herein provided, to the non-profit GUEMES ISLAND BEACH CLUB, according to its Articles and By-Laws, his proportionate share of the cost of maintenance and upkeep of its property and facilities.

Water will be made available to the property through distribution lines to be installed by Municipal Water District or private water company, such installation to be financed in such manner as may be determined by such District or Company. In the event that such lines are not so installed within three years from the date hereof, or sooner, at Seller's option, Seller shall install such distribution lines and water system for the use of Buyer, and Buyer agrees to use said lines when they have been installed. Buyer agrees to pay, upon completion, a hook up charge to the said distribution lines and a periodic use charge. In such case Buyer and Seller agree that Seller may, at its discretion, continue to own, control, operate and maintain the water distribution lines, or may transfer the water distribution lines to any public or private utility.

Seller reserves the right to remove such standing timber, deadfalls, brush and other ground cover as shall be necessary, in Seller's option, to open the view of adjacent lots..."

(For your information, Holiday Hideaway Country Club is the apparent successor to Guemes Island Beach Club.)



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H. RESERVATIONS CONTAINED IN DEED

Executed by: Square Harbor Development Corporation
Recorded: February 15, 1968 and January 15, 1969
Auditor's Nos.: 710270 and 722327
As Follows: Subject to reservation by Seller, its successors and/or assigns,
to use said Tracts for recreational purposes

I. DECLARATION OF COVENANTS, AND THE TERMS AND CONDITIONS THEREOF:

Dated: July 28, 1983
Recorded: August 1, 1983
Auditor's No: 8308010025
Executed By: Albert P. Terrana and Ruth Marie Terrana, husband and wife

J. TERMS AND CONDITIONS OF EASEMENT FOR WELL AND WATERLINE AND RESTRICTIVE COVENANT:

Recorded: March 5, 2004
Auditor's No.: 200403050196

Note # 1.: We note the following recorded documents which may affect building or land use. Governmental regulations are not a matter of title insurance and said documents are shown as a courtesy only. Reference is made to the record for the full particulars. Matters set forth in said notice/agreement (s) may have expired, changed or may change in the future without recorded notice.

Auditor's File No.: 200601100103
Document Title: Skagit County Planning and Development Services –
Reasonable Use Exception Determination
Regarding: Residential Development



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