

When Recorded Return to:
CHARTER BUILDERS, INC
George P. O'Neal
2084 S. Eagle Road
Meridian ID 83642



200603280056
Skagit County Auditor

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Chicago Title Company - Island Division
Order No: IQOE2005 GMN / 1C37764

fn LPO

STATUTORY WARRANTY DEED

THE GRANTOR ISLAND CONSTRUCTION, INC., a Washington corporation

for and in consideration of One Million Two Hundred Thousand and 00/100 (\$1,200,000.00) Dollars

in hand paid, conveys and warrants to

CHARTER BUILDERS, INC., an Idaho Corporation

the following described real estate, situated in the County of Skagit, State of Washington:


That portion of the Southeast Quarter of the Northeast Quarter of Section 17, Township 34 North, Range 4 East of the Willamette Meridian more fully described on Exhibit "A" attached hereto and made a part thereof.

Tax Account No. : 340417-1-014-0207 P25889

Subject to: Restrictions, reservations and easements of record.

Dated: March 23, 2006

ISLAND CONSTRUCTION, INC.


By John Williams Date
Vice President

#1399
SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX


MAR 28 2006

Amount Paid \$ 81,365.00
Skagit Co. Treasurer
By Deputy

STATE OF WASHINGTON
COUNTY OF ISLAND

I certify that I know or have satisfactory evidence that William L. Massey the person(s) who appeared before me, and said person(s) acknowledged that he signed this instrument, on oath stated that he is authorized to execute the instrument and acknowledged it as the President of ISLAND CONSTRUCTION, INC. to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: March 27, 2006


Notary Public in and for the State of Washington
Residing at Oak Harbor
My appointment expires: December 14, 2008

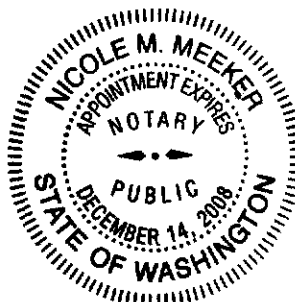


EXHIBIT "A"

PARCEL A:

The South 1,122.5 feet of the East Half of the Southeast Quarter of the Northeast Quarter of Section 17, Township 34 North, Range 4 East of the Willamette Meridian;

EXCEPT the South 550 feet thereof;

EXCEPT the East 214 feet thereof;

AND EXCEPT the North 15.33 feet of the South 565.33 feet of the West 333 feet of the East Half of the Southeast Quarter of the Northeast Quarter of said Section 17;

AND ALSO EXCEPT Tract A of Survey recorded August 4, 1997 under Auditor's File No. 9708040071 in Volume 19 of Surveys, page 153, records of Skagit County, Washington.

Situated in Skagit County, Washington.

PARCEL B:

The South 1,122.5 feet of the East 15 feet of the West Half of the Southeast Quarter of the Northeast Quarter of Section 17, Township 34 North, Range 4 East of the Willamette Meridian;

EXCEPT the South 565.33 feet thereof.

Situated in Skagit County, Washington.

PARCEL C:

A non-exclusive easement for ingress, egress, drainage and utilities over and across the West 30 feet of the following described tract:

The North 285.33 feet of the South 565.33 feet of the West 333 feet of the East Half of the Southeast Quarter of the Northeast Quarter of Section 17, Township 34 North, Range 4 East of the Willamette Meridian;

TOGETHER WITH the North 285.33 feet of the South 565.33 feet of the East 15 feet of the West Half of the Southeast Quarter of the Northeast Quarter of Section 17, Township 34 North, Range 4 East of the Willamette Meridian.

Situated in Skagit County, Washington.

PARCEL D:

A non-exclusive easement of ingress, egress, drainage and utilities over and across the West 30 feet of the following described tract:

The East 98.5 feet of the West 143.5 feet of the North 250 feet of the South 280 feet of the East Half of the Southeast Quarter of the Northeast Quarter of Section 17, Township 34 North, Range 4 East of the Willamette Meridian;

TOGETHER WITH the West 45 feet of the North 250 feet of the South 280 feet of the East Half of the Southeast Quarter of the Northeast Quarter of Section 17, Township 34 North, Range 4 East of the Willamette Meridian;

TOGETHER WITH the East 15 feet of the North 250 feet of the South 280 feet of the West Half of the Southeast Quarter of the Northeast Quarter of Section 17, Township 34 North, Range 4 East of the Willamette Meridian.

Situated in Skagit County, Washington.

PARCEL F:

A non-exclusive easement for ingress, egress and utilities over and across the West 354.56 feet of the East 568.56 feet of the North 25 feet of the South 1,147.5 feet of the East Half of the Southeast Quarter of the Northeast Quarter of said Section 17.

Situated in Skagit County, Washington.



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PARCEL G:

A non-exclusive easement for ingress, egress and utilities over and across the following described tract:

Beginning at the Southwest corner of the West 184 feet of the East 214 feet of the North 60 feet of the South 1,182.5 feet of the Southeast Quarter of the Northeast Quarter of said Section 17;
Thence South 87°55'03" East, 184.03 feet to the Southeast corner of said West 184 feet of the East 214 feet of the North 60 feet of the South 1,182.5 feet;
Thence North 1°01'55" East, 60.01 feet along the East line thereof to the Northeast corner thereof;
Thence North 87°55'03" West 90.14 feet along the North line of said South 1,182.5 feet to a point of curvature;
Thence along the arc of said curve concave to the Southeast having a radius of 130.00 feet, through a central angle of 32°03'12", an arc distance of 72.73 feet to a point of tangency;
Thence South 60°01'45" West, 0.34 feet to the North line of the South 1,162.5 feet of said subdivision;
Thence North 87°55'03" West, 24.24 feet along said North line to the West line of said East 214 feet to the North 1,182.5 feet of said subdivision;
Thence South 1°01'55" West, 40.01 feet along said West line to the point of beginning.

Situated in Skagit County, Washington.

PARCEL H:

A non-exclusive easement for ingress, egress and utilities over and across the following described tract:

Beginning at the Northwest corner of said West 184 feet of the East 214 feet of the South 1,122.5 feet of the Southeast Quarter of the Northeast Quarter of said Section 17;
Thence South 87°55'03" East, 92.79 feet along the North line of said South 1,122.5 feet to a cusp;
Thence along the arc of a curve concave to the Southeast having a radius of 70.00 feet and an initial tangent bearing of North 87°55'03" West, through a central angle of 32°03'12", an arc distance of 39.16 feet to a point of tangency;
Thence South 60°01'45" West, 28.62 feet to a point of curvature;
Thence along the arc of a curve concave to the Northwest having a radius of 130.00 feet; through a central angle of 14°54'00", an arc distance of 33.81 feet to the West line of said East 214 feet of the South 1,122.5 feet to the Southeast Quarter of the Northeast Quarter of said Section 17;
Thence North 1°01'55" East 39.90 feet along said West line to the point of beginning.

Situated in Skagit County, Washington.

PARCEL I:

A non-exclusive easement for ingress, egress and utilities over and across the following described tract:

Commencing at the Southeast corner of the Northeast Quarter of Section 17, Township 34 North, Range 4 East of the Willamette Meridian;
Thence North 01°01'55" East along the East line of said subdivision a distance of 843.99 feet;
Thence North 87°55'04" West parallel to the South line of said subdivision to a point on a line parallel with and 214.00 feet distance, as measured perpendicularly from said East line of said subdivision, said point being the true point of beginning;
Thence North 87°55'04" West, a distance of 30.01 feet;
Thence South 01°01'55" West, a distance of 71.60 feet to the beginning of a tangent curve of 95.00 foot radius concave Northeasterly;
Thence Southeasterly through a central angle of 46°49'35" for a distance of 77.64 feet, to a point of on the West line of Lot 2 of Mount Vernon Short Plat 4-87, as recorded in Volume 8 of Short Plats, page 8, under Auditor's File No. 8712210075, records of Skagit County, Washington;
Thence North 01°01'55" East along the West line of said Lot 2 and the Northerly projection thereof, a distance of 140.33 feet to the true point of beginning.

Situated in Skagit County, Washington.

PARCEL K:

A non-exclusive easement established by document recorded under Auditor's File No. 9510100090, records of Skagit County, Washington, for ingress, egress and utilities over and across the South 30 feet of Lot 2 of Mount Vernon Short Plat No. MV-4-87, approved December 17, 1987 and recorded December 21, 1987, as Auditor's File No. 8712210075, in Volume 8 of Short Plats, page 8, records of Skagit County, being a portion of the East Half of the Southeast



Quarter of the Northeast Quarter of Section 17, Township 34 North, Range 4 East of the Willamette Meridian;

TOGETHER WITH a non-exclusive easement for ingress, egress and utilities over and across both the South 15 feet of Lot 1 of said short plat, and the North 15 feet of the South 45 feet of Lot 2 of said Short Plat.

Situated in Skagit County, Washington.

