When recorded return to:

Mr. and Mrs. David R. Margerum 29000 Outlook Lane Sedro Woolley, WA 98284

Recorded at the request of: First American Title File Number: B88333



FIRST AMERICAN TITLE CO.

B88332E-1

Statutory Warranty Deed

THE GRANTORS Stephen L. Green and Pam J. Deming, each as their separate estate for and in consideration of TEN DOLLARS AND OTHER GOOD AND VALUABLE CONSIDERATION in hand paid, conveys and warrants to David R. Margerum and Paula M. Margerum, husband and wife the following described real estate, situated in the County of Skagit, State of Washington

Abbreviated Legal:

Section 13, Township 35, Range 5; NW NW; and

Section 14, Township 35, Range 5; NE NE (aka Lot 2 Short Plat No. PL 04-0694)

Tax Parcel Number(s): P39066, 350514-1-001-0013 P108858, 350513-12-020-0100

Lot 2, Short Plat No. PL 04-0694, approved March 24, 2005, recorded March 28, 2005, under Skagit County Auditor's File No. 200503280132. Being a portion of the Northwest 1/4 of the Northwest 1/4 of Section 13, Township 35, Range 5 East, W.M., and of the Northeast 1/4 of the Northeast 1/4 of Section 14, Township 35, Range 5 East, W.M.

TOGETHER WITH an easement for ingress, egress and utilities as created in instrument recorded under Skagit County Auditor's File No. 8910300086.

Subject to easements, restrictions or other exceptions hereto attached as Exhibit A Dated Stephen L. Green Pam Deming SKAGIT COUNTY WASHINGTO REAL ESTATE EXCISE TAX JUN 2 9 2006 Amount Paid \$ 84 STATE OF Washington COUNTY OF I certify that I know or have satisfactory evidence that Stephen L. Green and Pam Deming, the persons who appeared before me, and said person(s) 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. Notary Public in and for the State of Washington

Residing at Blatanter

My appointment expires:

Notary Public State of Washington CHERYL A. FROEHLICH My Appointment Expires Apr. 21, 2007

Schedule "B-1"

EXCEPTIONS:

A. RESERVATIONS AND/OR EXCEPTIONS CONTAINED IN INSTRUMENT:

From:

Noretep, a General Partnership

Recorded:

October 11, 1988

Auditor's No.:

8810110042

As Follows:

Reserves to itself and its heirs and assigns, forever, all minerals of every nature whatsoever, including but not limited to coal, uranium, iron, natural gas and oil upon or under the property legally described on the attached Exhibit "A" pages 1 through 9.

TOGETHER WITH the right to the use of such part of the surface as may be reasonable necessary for the purpose of exploring for (by geological, geophysical or other methods) drilling for, mining, extracting and removing the same, provided however, that the land owner shall be paid, at the time or times such mining operations are commenced, the then fair market value of such portion of the surface as may be used for such operations, including any improvements thereon.

B. DECLARATION OF EASEMENTS, COVENANTS AND ROAD MAINTENANCE AGREEMENT:

Dated:

February 17, 1989

Recorded:

February 21, 1989

Auditor's No.:

8902210090

Executed By:

Noretep, a Washington General Partnership, consisting

of Peter J. Poeschel and Ronald Schultz

Said Easement was modified and partially rerecorded under Auditor's File No. 8910230016.

C. RESERVATION CONTAINED IN INSTRUMENT

Executed by:

David G. Sloan and Edith Grace Sloan

Recorded:

November 17, 1909

Auditor's No.:

76436

As Follows:

"All coal and minerals being expressly reserved and

exempted from this conveyance."

D. PROTECTIVE COVENANTS AND/OR EASEMENTS, BUT OMITTING RESTRICTIONS, IF ANY, BASED ON RACE, COLOR, RELIGION OR NATIONAL ORIGIN:

Recorded:

October 30, 1989

Auditor's No.:

8910300086

Executed By:

Peter J. Poeschel and Ronald Schultz

Said covenants provide for joint road maintenance.

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E. PROTECTIVE COVENANTS AND/OR EASEMENTS, BUT OMITTING RESTRICTIONS, IF ANY, BASED ON RACE, COLOR, RELIGION OR NATIONAL ORIGIN:

Dated:

December 4, 1989

Recorded:

December 29, 1989

Auditor's No.:

8912290124

Executed By:

Ronald Schultz and Peter Poeschel

F. RESERVATION CONTAINED IN DEED

Executed by:

Peter J. Poeschel and Donna J. Poeschel,

husband and wife

Recorded:

December 31, 1990

Auditor's No.:

9012310079

As Follows:

"The parties hereto agree that if Lot 7 of survey recorded under Auditor's File No. 8910230031 cannot get buildable perk and design, that this property will supply.

The grantees herein agree to join into a non-profit road maintenance agreement. Grantees agree that there will be a \$15.00 monthly charge for water, to be adjusted as per the State of Washington D.O.T."

G. EASEMENT, INCLUDING TERMS AND PROVISIONS THEREOF:

Grantee:

Ronald Schultz and Kathryn Schultz, husband and wife

Dated:

December 20, 1990

Recorded:

December 31, 1990.

Auditor's No.:

9012310078

Purpose:

Domestic on-site drainfield

Area Affected:

As shown of face of short plat

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

Plat/Subdivision Name:

PL04-0694

Recorded:

March 28, 2005

Auditor's No.:

200503280132

Said matters include but are not limited to the following:

1. Short Plat number and date of approval shall be included in all deeds and contracts.

2. All private roads, easements, community utilities and properties shall be owned and maintained by separate corporate entity or the owners of property served by the facility and kept in good repair and adequate provisions shall be made for appropriate pro-rata contributions for such maintenance by any future land division that will also use the same private road. In no case shall the County accept a dedication or any obligation as to any such road, street, and/or alley until the same and all roads, streets, and/or alleys connecting the same to the full current County road system have been brought to full, current County road standards and a right-of-way deed has been transferred to and accepted by the County.

3. Sewer – Individual on-site sewage disposal systems. Lot 2 has an existing sewage disposal system. An alternative system is proposed for Lot 1 of this Short Plat which may have special design, construction, and maintenance requirements, see health officer for details.

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- 4. The Drainfield Easement to Lot 7 created in Auditor's File No. 9012310078 also includes a 20' wide strip easement from the drainfield to the West line of the subject property. The location of the 20' strip would be determined by the actual constructed location of the sewer tightline. The drainfield or tightline have not been constructed so the location of the strip easement has not been fixed. An easement in lieu of said strip easement is hereby created as shown herein.
- 5. 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 and official designated boundary of a Skagit County Fire District.
- 6. A Skagit County address range has been applied to the road system in the subdivision. At the time of application for building and/or access, Skagit County GIS will assign individual addresses in accordance with the provisions of Skagit County Code 15.24. Change in location of access, may necessitate a change of address, contact Skagit County Planning and Development Services.
- 7. Water Bacus Hill Water Association.
- 8. All runoff from impervious surfaces and roof drains shall be directed so as not to adversely effect adjacent properties.
- 9. SCC 14.18.310(8) requires the following: A) 20' setback from public road; B) 200' setback from adjacent NRL designated parcel; C) No other setbacks shall be required, except that fire separation may be required based on the UBC.
- 10. This parcel lies within an area or within 500 feet of area designated as a natural resource land (agriculture, forest and mineral resource lands of long-term commercial significance) in Skagit County. A variety of natural resource land commercial activitites occur or may occur in the area that may not be compatible with non-resource uses and may be inconvenient or cause discomfort to area residents. This may arise from the use of chemicals, or from spraying, pruning, harvesting, or mineral extraction with assocatied activities, which occasionally generates traffic, dust, smoke, noise, and odor. Skagit County has established natural resource management operations as a priority use on designated natural reasource lands, and area residents should be preapared to accept such incompatibilities, inconveniences, or discomfort from normal, necessary natural resource land operations when performed in compliance with best management practices and local, state and federal law. In the case of mineral lands, application might be made for mininge-related activities includinge extraction, washing, crushing stockpiling, blasting, transporting and recycling of minerals. In additon, greater setbacks than typical may be required from the resource areas, consistant with SCC 14.16.810. Contact the Skagit County Planning and Development Services for details.
- 11. A portion of Lot 1 is designated open space rural open (OS-RO). This designation is to provide for open areas within the rural portions of the County without having to be committed to a specific recreational use. It is intended for open space purposes and/or greenbelts. All open space placed in this designation shall remain in OS-RO unless the County has adopted a comprehensive plan amendment and implementing regulation resulting from the completion of a County-wide comperehensive needs analysis for future development. In which case the OS-RO open space may be redesignated to OS-UR upon application to the County. Maintenance of the OS-RO shall be the responsibility of the owner of Lot 1.
- 12. Locations of building setback line, protected critical area, top of slope, proposed access, soil log note, existing structures, drainfield areas, buildable area and open space.

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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.:

200503280131

Document Title:

Protected Critical Area Agreement

Regarding:

A non-exclusive perpetual easement establishing a PCA over, along and across that portion of the project, together with the right of ingress and egress for the sole purpose of monitoring and enforcing proper operation

and maintenance of the PCA

Auditor's File No.:

9606060050

Document Title:

Application for Classification or Reclassification as

Open Space Land or Timber Land for Current Use

Assessment under Ch.84.34 RCW

Regarding:

Forest management plan contained therein

Said instrument was modified by instrument recorded May 24, 2005, under Auditor's File No. 200505240156.

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