

WHEN RECORDED RETURN TO:

James L. Knight and Sharon L. Knight, Trustees P.O. Box 1313
La Conner, Washington 98257

QUITCLAIM DEED OF WATER RIGHTS AND MINERAL RIGHTS

For consideration of Ten Dollars (\$10.00) and other valuable considerations, the undersigned Grantors,

JAMES L. KNIGHT and SHARON L. KNIGHT, husband and wife,

do hereby convey to:

JAMES L. KNIGHT and SHARON L. KNIGHT, Trustee of the James L. Knight and Sharon L. Knight Revocable Trust dated May 5, 2006,*

the following described real property ("Property") situated in Skagit County, Washington:

SEE EXHIBIT "A", ATTACHED HERETO AND HEREBY INCORPORATED BY REFERENCE.

EXCEPT all water, water rights, applications for water rights, and claims to or interests in water or applications for the same, which are appurtenant or in any way applicable to or derived from the Property;

SUBJECT TO current taxes and other assessments, reservations in patents and all easements, rights of way, encumbrances, liens, covenants, conditions, restrictions, obligations and liabilities as may appear of record;

To hold, sell, convey, lease, mortgage or pledge the Property, or otherwise to handle the Property in the same manner as though the Trustee holds the Property in fee simple and not as Trustee; including full power to sell, convey, and lease the Property, or any part thereof, upon such terms as Trustee shall designate; and to make, execute and deliver deeds and leases

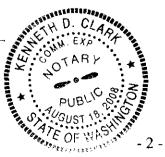
therefore in the name of said Trustee; and do all further acts and things necessary or incidental for the carrying out of the above purposes.

And Grantors hereby bind themselves and their successors to warrant and defend the title, as against all acts of Grantors herein and none other, subject to the matters above set forth.

FURTHERMORE, Grantors hereby quitclaim to Grantee, without covenant or warranty of any kind whatsoever, any rights or claims to title to water, applications for water rights, and claims to or interests in water rights which are appurtenant or in any way applicable to or derived from the Property, whether surface, underground, wells, springs, percolating, flood, vested,

contingent, recorded, certificated, appropriated, or otherwise. *For disclosure pursuant to A.R.S. § 33-404, see EXHIBIT "B", attached hereto and hereby incorporated by reference. DATED this ______ day of JUM 2006. JAMES L. KNIGHT REAL ESTATE EXCISE TAX JUL 1 7 2008 Amount Paid? SHÁRON L. KNIGHT Skagit Co. Treasurer "GRANTORS" STATE OF WASHINGTON) County of Snohemish On this, the U day of TWW , 2006, before me, the undersigned Notary Public, personally appeared JAMES L. KNIGHT and SHARON L. KNIGHT, known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged that they executed the same for the purposes therein contained and in the capacity therein stated. IN WITNESS WHEREOF, I hereunto set my hand and official seal My Commission Expires:

8-18-08





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EXHIBIT "A"

Assessor Parcel No.: 330202-0-000-1914

Tract "Y" of Short Plat No. 2-84, approved January 16, 1984 and recorded January 16, 1984, under Auditor's File No. 8401160015 in Volume 6 of Short Plats, page 111, records of Skagit County, Washington, being a portion of Tract 5 of Short Plat No. 116-77, commonly known as "EAGLE'S NEST", recorded June 21, 1977, under Auditor's File No. 858833 in Volume 2 of Short Plats, Pages 74, 75 and 76 and being a portion of Government Lots 4 and 5 of Section 2, Township 33 North, Range 2 East, W.M.

TOGETHER WITH that certain access and utility easement over Tract "X" and other property as shown on the face of said Short Plat.

Situate in the County of Skagit, State of Washington.



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EXHIBIT "B"

Disclosure Pursuant to A.R.S. Section 33-404

JAMES L. KNIGHT and SHARON L. KNIGHT are the Trustees of the James L. Knight and Sharon L. Knight Revocable Family Trust dated May 5, 2006, and whose address is: P.O. Box 1313, La Conner, Washington 98257.

The beneficiaries of the Trust and their addresses as shown by the records of the Trustee are as follows:*

James L. Knight
P.O. Box 1313
La Conner, Washington 98257

Sharon L. Knight P.O. Box 1313 La Conner, Washington 98257

*Note: There are other contingent beneficiaries of the Trust whose interests have not yet vested.

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