When recorded return to:

Mr. Richard T. Favaro 15802 36th NE Lake Forest Park, WA 98155

Recorded at the request of: First American Title File Number: A88931



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Statutory Warranty Deed

THE GRANTORS Robert G. Lundquist and Ann I. Lundquist, husband and wife for and in consideration of TEN DOLLARS AND OTHER GOOD AND VALUABLE CONSIDERATION, and as part of an IRS 1031 Tax Deferred Exchange, in hand paid, conveys and warrants to Richard T. Favaro and Susan C. Favaro, husband and wife the following described real estate, situated in the County of Skagit, State of Washington FIRST AMERICAN TITLE CO. ACC931E-3

Abbreviated Legal:

Lot 84, Block 6, "HOLIDAY HIDEAWAY NO. 1"

Tax Parcel Number(s): P66045, 3926-006-0084-0001

Lot 84, Block 6, "HOLIDAY HIDEAWAY NO. 1", as per plat recorded in Volume 8 of Plats, pages 36 through 42, inclusive, records of Skagit County, Washington.

Subject to easements, restrictions or other exceptions set forth in Exhibit A attached hereto.

Dated: August 29, 2006
Ma Que skagit COUNTY WASHINGTON LUNG LEVEL SY
Robert G. Lundquist / // Ann I. Lundquist
SEP 1 2006 Philippellic in FACT
Amount Paul 5 4597. 40
Skagit Co. Treasurer By Deputy
To the second se
STATE OF Washington }
COUNTY OF Skagit SS:
COUNTY OF SKAGA
On this 3/57 day of August, 2006 before me personally appeared
Robert G. Lundquist , to me known to be the individual described in and
who executed the foregoing instrument for him self and as Attorney in Fact for
Ann I. Lundquist and acknowledged that he signed and
sealed the same as his free and voluntary act and deed for him self and also as his
free and voluntary act and deed as Attorney in Fact for said principal for the uses and purposes therein
mentioned, and on oath stated that the Power of Attorney authorizing the execution of this instrument has not
been revoked and that the said principal is now living, and is not incompetent.
Given under my hand and official seal the day and year last above written.
(Seal) Summary C Saffe
(Seal) Kulling Kulling Kulling Children
Notary Public in and for the State of Washington
exp. 11-7-07 Z Residing at Anaptortes
My appointment expires: 4/7/07
(Seal) White the state of Washington Residing at Anaptortes My appointment expires: 4/7/07

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, now known as Holiday Hideaway Association, recorded March 29, 1982 and January 11, 2006 under Auditor's File Nos. 8203290018, 8203290019 and 200601100165.
- 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 CONDITIOINS 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. AGREEMENT, AND THE TERMS AND PROVISIONS THEREOF:

Between:

Robert Lundquist

And:

Skagit County Planning and Development Services

Dated: Recorded: July 18, 2006

Auditor's No.:

July 25, 2006 200607250126

Regarding:

On-site Sewage System Operation and Maintenance

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 .:

200604050082

Document Title:

Plat Lot of Record Certification

Auditor's File No.:

200606090135

Document Title:

Reasonable Use Exception Determination

Auditor's File No.:

200608030092

Document Title:

Protected Critical Area Site Plan

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