

WA LITIGATION GUARANTEE

ISSUED BY
STEWART TITLE GUARANTY COMPANY
a corporation, herein called the Company

Guarantee No.:	G-0000563611198	Liability:	\$ 100,000.00	Fee:	\$ 583.00
Order No.:	20-5600-TO/Item#9/R33023-281-4260/149388	Dated:	April 24, 2020		

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE LIMITS OF LIABILITY AND OTHER PROVISIONS OF THE CONDITIONS AND STIPULATIONS HERETO ANNEXED AND MADE A PART OF THIS GUARANTEE.

GUARANTEES

herein called the Assured, against loss not exceeding the liability amount stated above which the Assured shall sustain by reason of any incorrectness in the assurance which the Company hereby gives that, according to the public records, on the date stated below,

1. The title to the herein described land was vested in the vestee named, subject to the matters shown as Exceptions herein, which Exceptions are not necessarily shown in the order of priority;

All subject, however, to the exclusions from coverage, the limits of liability and the other provisions of the Conditions and Stipulations hereto annexed and made a part of the Guarantee.

Signed under seal for the Company, but this Guarantee is to be valid only when it bears an authorized countersignature.

Countersigned by:



Authorized Countersignature

Guardian Northwest Title & Escrow Company DBA
First American Title of Skagit County
Company Name

121 NE Midway Blvd.
Suite 101
Oak Harbor, WA 98277
City, State



Frederick H. Eppinger
President and CEO



Denise Carraux
Secretary

For purposes of this form the "Stewart Title" logo featured above is the represented logo for the underwriter, Stewart Title Guaranty Company.

GUARANTEE CONDITIONS AND STIPULATIONS

1. **Definition of Terms** – The following terms when used in this Guarantee mean:
 - (a) "land": the land described, specifically or by reference, in this Guarantee and improvements affixed thereto which by law constitute real property;
 - (b) "public records": those records which impart constructive notice of matters relating to said land;
 - (c) "date": the effective date;
 - (d) "the Assured": the party or parties named as the Assured in this Guarantee, or in a supplemental writing executed by the Company;
 - (e) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.
2. **Exclusions from Coverage of this Guarantee** – The Company assumes no liability for loss or damage by reason of the following:
 - (a) Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
 - (b) Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
 - (c) Title to any property beyond the lines of the land expressly described in the description set forth in this Guarantee, or title to streets, roads, avenues, lanes, ways or waterways on which such land abuts, or the right to maintain therein vaults, tunnels, ramps or any other structure or improvement; or any rights or easements therein unless such property, rights or easements are expressly and specifically set forth in said description.
 - (d) Defects, liens, encumbrances, adverse claims against the title as guaranteed or other matters (1) created, suffered, assumed or agreed to by one or more of the Assured; or (2) resulting in no loss to the Assured.
3. **Prosecution of Actions** –
 - (a) The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to establish or confirm the matters herein guaranteed; and the Company may take any appropriate action under the terms of this Guarantee whether or not it shall be liable hereunder and shall not thereby concede liability or waive any provision thereof.
 - (b) In all cases where the Company does so institute and prosecute any action or proceeding, the Assured shall permit the Company to use, at its option, the name of the Assured for such purpose. Whenever requested by the Company, the Assured shall give the Company all reasonable aid in prosecuting such action or proceeding, and the Company shall reimburse the Assured for any expense so incurred.
4. **Notice of Loss - Limitation of Action** – A statement in writing of any loss or damage for which it is claimed the Company is liable under this Guarantee shall be furnished to the Company within sixty days after such loss or damage shall have been determined, and no right of action shall accrue to the Assured under this Guarantee until thirty days after such statement shall have been furnished, and no recovery shall be had by the Assured under this Guarantee unless action shall be commenced thereon within two years after expiration of said thirty day period. Failure to furnish such statement of loss or damage or to commence such action within the time hereinbefore specified, shall be a conclusive bar against maintenance by the Assured of any action under this Guarantee.
5. **Options to Pay, Settle or Compromise Claims** – The Company shall have the option to pay or settle or compromise for or in the name of the Assured any claim which could result in loss to the Assured within the coverage of this Guarantee, or to pay the full amount of this Guarantee or, if this Guarantee is issued for the benefit of a holder of a mortgage, the Company shall have the option to purchase the indebtedness secured by said mortgage. Such purchase, payment or tender of payment of the full amount of the Guarantee shall terminate all liability of the Company hereunder. In the event after notice of claim has been given to the Company by the Assured the Company offers to purchase said indebtedness, the owner of the indebtedness shall transfer and assign said indebtedness and the mortgage to the Company upon payment of the purchase price.
6. **Limitation of Liability – Payment of Loss** –
 - (a) The liability of the Company under this Guarantee shall be limited to the amount of actual loss sustained by the Assured because of reliance upon the assurances herein set forth, but in no event shall such liability exceed the amount of liability stated on the face page thereof.
 - (b) The Company will pay all costs imposed upon the Assured in litigation carried on by the Company for the Assured, and all costs and attorneys' fees in litigation carried on by the Assured with the written authorization of the Company.
 - (c) No claim for damages shall arise or be maintainable under this Guarantee (1) if the Company after having received notice of an alleged defect, lien or encumbrance not shown as an Exception or excluded herein removes such defect, lien or encumbrance within a reasonable time after receipt of such notice, or (2) for liability voluntarily assumed by the Assured in settling any claim or suit without written consent of the Company.
 - (d) All payments under this Guarantee, except for attorneys' fees as provided for in paragraph 6(b) hereof, shall reduce the amount of the liability hereunder pro tanto, and no payment shall be made without producing this Guarantee for endorsement of such payment unless the guarantee has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.
 - (e) When liability has been definitely fixed in accordance with the conditions of this Guarantee, the loss or damage shall be payable within thirty days thereafter.
7. **Subrogation Upon Payment or Settlement** – Whenever the Company shall have settled a claim under this Guarantee, all right of subrogation shall vest in the Company unaffected by any act of the Assured, and it shall be subrogated to and be entitled to all rights and remedies which the Assured would have had against any person or property in respect to such claim had this Guarantee not been issued. If the payment does not cover the loss of the Assured, the Company shall be subrogated to such rights and remedies in the proportion which said payment bears to the amount of said loss. The Assured if requested by the Company, shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect such right of subrogation, and shall permit the Company to use the name of the Assured in any transaction or litigation involving such rights or remedies.
8. **Guarantee Entire Contract** – Any action or actions or rights of action that the Assured may have or may bring against the Company arising out of the subject matter hereof must be based on the provisions of this Guarantee.
No provision or condition to this Guarantee can be waived or changed except by a writing endorsed or attached hereto signed by the President, a Vice President, the Secretary, an Assistant Secretary or other validating officer of the Company.
9. **Notices, Where Sent** – All notices required to be given the Company and any statement in writing required to be furnished the Company shall be addressed to it at P.O. Box 2029, Houston, Texas 77252-2029.
10. **The fee specified on the face of this Guarantee is the total fee for title search and examination and for this Guarantee.**

WA Litigation Guarantee

LITIGATION GUARANTEE

Issued by
STEWART TITLE GUARANTY COMPANY
a corporation, herein called the Company

SCHEDULE A

Prepared by: Guardian Northwest Title & Escrow Company, 60-0021028

Order Number: 20-5600-TO/Item#9/R33023-281-4260/149388

Date of Guarantee: April 24, 2020

Amount of Liability: \$100,000.00

Total: \$633.72

Guarantee No.: 563611198

Premium: \$583

Sales Tax: \$50.72

1. Name of Assured:
ISLAND COUNTY TREASURER
2. The estate or interest in the land hereinafter described or referred to covered by this Guarantee is:
Fee
3. Title to said estate or interest at the date hereof is vested in:
Alan S. Donaldson, a married man, as his separate estate
4. The land referred to in this Guarantee is situated in the State of Washington, County of Island and is described as follows:
See attached Exhibit "A".

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE LIMITS OF LIABILITY AND OTHER PROVISIONS OF THE CONDITIONS AND STIPULATIONS HERETO ANNEXED AND MADE A PART OF THIS GUARANTEE.

SCHEDULE B

Order Number: 20-5600-TO/Item#9/R33023-281-4260/149388

Guarantee No.: 563611198

GENERAL EXCEPTIONS FROM COVERAGE

1. Rights or claims of parties in possession not shown by the Public Records.
2. Easements, or claims of easements, not shown by the public records.
3. Encroachments, overlaps, boundary line disputes, or other matters which would be disclosed by an accurate survey or inspection of the premises.
4. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
5. Any titles or rights asserted by anyone including but not limited to persons, corporations, governments or other entities, to tidelands, or lands comprising the shores or bottoms of navigable rivers, lakes, bays, ocean or gulf, or lands beyond the line of the harbor or bulkhead lines as established or changed by the United States Government or water rights, if any.
6. Reservations contained in Patent from the United States of America or State where the land described in Schedule A is located.
7. Restrictive Covenants affecting the property described in Schedule A.
8. Indian tribal codes or regulations, Indian treaty or aboriginal rights, including, but not limited to, easements or equitable servitudes.

End of General Exceptions

NOTE: Attention is called to the Military Reservist Relief Act of 1991 (sec. 800 to 810, Military and Veterans Code), and the Servicemembers Civil Relief Act of 2003 (50 U.S.C. Appendix, seq. 501 et seq) which replaces Soldiers' and Sailors' Civil Relief Act of 1940 and amendments thereto, which contain inhibitions against the sale of land under a Deed of Trust if the owner is entitled to the benefits of said acts. Also, federal law may require a judicial foreclosure, subject to applicable redemption rights, to cut off a junior United States judgment.

NOTE: Attention is called to the Federal Tax Lien Act of 1966 (Public Law 89-719) which, among other things, provides for the giving of written notice of sale in a specified manner to the Secretary of Treasury or his or her delegate as a requirement for the discharge or divestment of a Federal Tax Lien in a nonjudicial sale, and establishes with respect to such lien a right in the United States to redeem the property within a period of 120 days from the date of any such sale.

SCHEDULE C

Order Number: 20-5600-TO/Item#9/R33023-281-4260/149388

Guarantee No.: 563611198

SPECIAL EXCEPTIONS:

1. ANY AND ALL OFFERS OF DEDICATIONS, CONDITIONS, RESTRICTIONS, EASEMENTS, FENCE LINE/BOUNDARY DISCREPANCIES, NOTES, PROVISIONS AND/OR ANY OTHER MATTERS AS DISCLOSED AND/OR DELINEATED ON THE FACE OF THE FOLLOWING PLAT/SHORT PLAT/SURVEY:

Name: Record of Survey
Recorded: August 5, 1976
Auditor's No.: 301047

2. AGREEMENT, AND THE TERMS AND PROVISIONS THEREOF:

Between: Kent Beech
And: Various owners
Recorded: March 14, 1997
Auditor's No.: 97003493, 97003494, 97003495, 97003496, 97003497, 97003498 and 97003499
Regarding: Road maintenance, use and cost sharing
Affects: Subject property and other lands

3. TERMS AND CONDITIONS OF STATUTORY WARRANTY DEED:

Recorded: February 4, 1930
Auditor's No.: 34484
The Grantor (Pope and Talbot, Inc.) hereby reserves rights to all oils, gases, coal, fossils, metals and mineral of every name and nature, also sand and gravel in commercial quantities, which may be in or upon said land or any part thereof, with the right of entry upon said land to prospect and explore for and also to take, mine and remove the same.

4. Unrecorded leaseholds, if any, rights of vendors and chattels mortgagees of personal property, and rights of tenants to remove trade fixtures at the expiration of term.

5. Delinquent general taxes, plus interest & penalties:

Year: 2020
Amount Billed: \$755.39
Amount Paid: 0.00
Amount Due: Contact County Treasurer's Office
Tax Account No.: R33023-281-4260/149388

Delinquent general taxes, plus interest & penalties:

Year: 2019
Amount Billed: \$711.00
Amount Paid: 0.00
Amount Due: Contact County Treasurer's Office
Tax Account No.: R33023-281-4260/149388

Delinquent general taxes, plus interest & penalties:

Year: 2018
Amount Billed: \$1,431.49
Amount Paid: 0.00
Amount Due: Contact County Treasurer's Office

WA Litigation Guarantee

Tax Account No.: R33023-281-4260/149388

Delinquent general taxes, plus interest & penalties:

Year: 2017

Amount Billed: \$1,522.57

Amount Paid: 0.00

Amount Due: Contact County Treasurer's Office

Tax Account No.: R33023-281-4260/149388

6. A Deed of Trust to secure an original indebtedness of \$40,000.00, plus interest, if any recorded November 28, 2007 as Auditor's No. 4216876 of Official Records.
Dated: November 20, 2007
Trustor: Alan S. Donaldson
Trustee: Pacific Northwest Title Holding Company
Beneficiary: Elm Funding, LLC

According to the public records, the beneficial interest of Elm Funding, LLC under the deed of trust was assigned to Michael Sanderson by assignment recorded August 8, 2013 and dated April 8, 2013 as Auditor's No. 4345803 of Official Records

7. A federal tax lien in favor of the United States of America.
Tax I.D. No.: XXX-XX-6419
Debtor: Alan Donaldson and Myra Donaldson
Amount: \$178,762.06, and any other amounts due thereunder.
Recorded: November 3, 2010
Serial No.: 712408110
Auditor's No.: 4284150
8. A federal tax lien in favor of the United States of America.
Tax I.D. No.: XXX-XX-6419
Debtor: Alan Donaldson
Amount: \$35,859.97, and any other amounts due thereunder.
Recorded: November 3, 2010
Serial No.: 712408210
Auditor's No.: 4284151
9. Lien for Certificate of Delinquency in favor of Island County Treasurer
Against: Alan S. Donaldson
Amount: \$1,319.95
Recorded: May 13, 2013
Recording Information: 4339526

NOTE: Amended Certificate of Delinquency recorded August 12, 2013 at Auditor's No. 4346043.

10. An abstract of judgment.
Court: Superior Court of Snohomish County
Judgment No.: 14-9-00147-9
Against: Alan S. Donald and Myra Donaldson
For: Pterodactyl Enterprises
Amount: \$90,506.00, and any other amounts due thereunder.
Date Filed: February 20, 2014
Cause No.: 14-2-00119-8

End of Special Exception

WA Litigation Guarantee

Order Number: 20-5600-TO/Item#9/R33023-281-4260/149388

Guarantee No.: 563611198

INFORMATIONAL NOTES

1. NOTE #1: In accordance with the Document Standardization Requirements becoming effective January 1, 1997, the Company recommends the following abbreviated legal description be used when the full legal description does not appear on the first page OR when a standardization cover sheet is required for recording:
Section 23, Township 30 North, Range 3 East; Ptn. SW NE (aka Lot 6, Block 1, Porter's Estates Div 2)
2. NOTE #2: The County tax legal is acceptable for tax sale conveyance purposes.
3. NOTE #3: According to the County Assessor's Rolls, the address for the subject property is:
3798 South Whale Way Camano Island 98282 WA
4. NOTE #4: As a courtesy, necessary parties (those having claim or interest by reason of ownership of fee title and matters shown in Special Exceptions), to be made defendants in a court action, are as follows:
 1. Alan S. Donaldson and Myra A. Donaldson
3798 Whale Way
Camano Island, WA 98282
 2. Alan S. Donaldson and Myra A. Donaldson
16642 Southeast 48th Court
Bellevue, WA 98006
 3. Michale Sanderson
21410 Snag Island Drive
Lake Tapps, WA 98391
 4. Department of the Treasury Internal Revenue Service
114 West Magnolia
Bellingham, Wa 98225
 5. Pterodactyl Enterprises c/o Deanne Minor, Attorney
2821 Wetmore Avenue
Everett, WA 98201
5. Local Contact Information:

Aaron B. Baker
Guardian Northwest Title & Escrow
121 NE Midway Blvd
PO Box 727
Oak Harbor, WA 98277
Ph: (360)675-2286
Email: aaron.baker@gnwttitle.com

WA Litigation Guarantee

EXHIBIT A

Order Number: 20-5600-TO/Item#9/R33023-281-4260/149388

Guarantee No.: 563611198

PROPERTY DESCRIPTION:

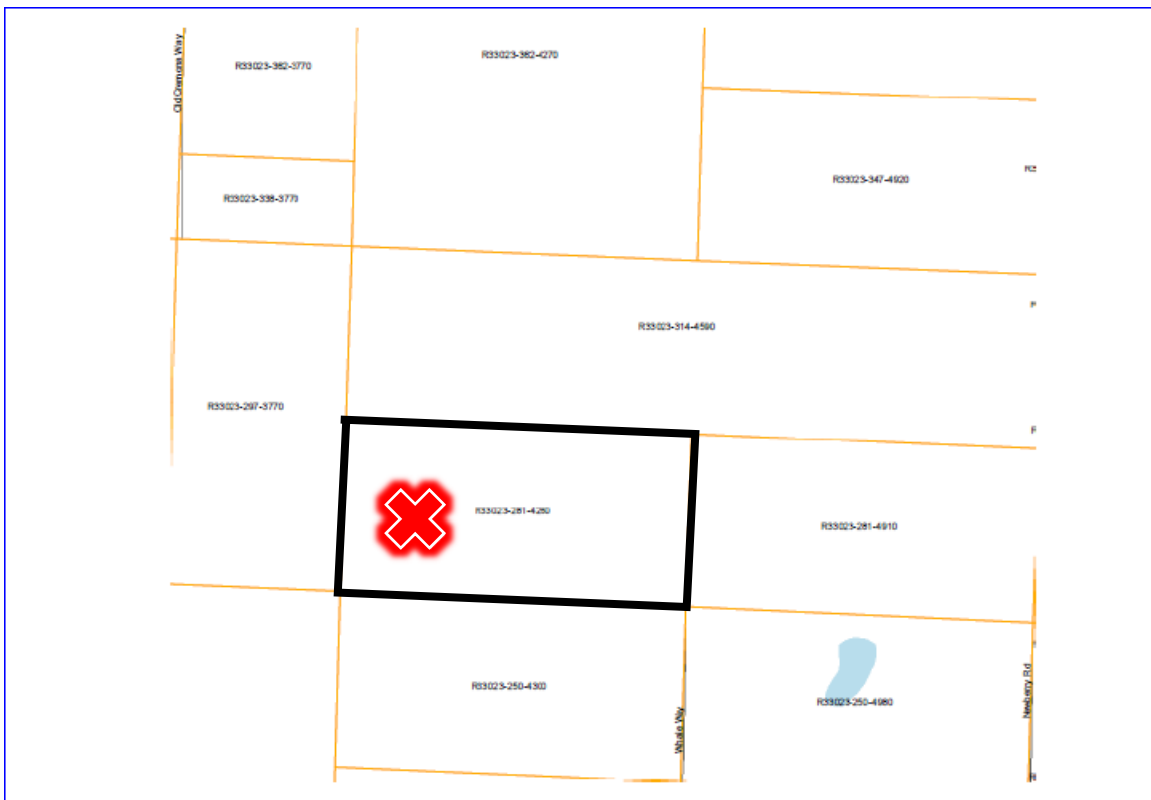
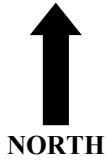
Lot 6, Block 1, PORTER'S ESTATES, DIVISION NO. 2, as delineated on survey filed in Book 4 of Surveys, page 1, recorded under Auditor's File No. 301047, records of Island County, Washington, being a portion of the Southeast Quarter of the Northeast Quarter, Section 23, Township 30 North, Range 3 East of the Willamette Meridian.

Situate in Island County, Washington.



Oak Harbor
360-675-2286

Order #20-5600



NOTICE: This sketch is furnished by Guardian Northwest Title & Escrow Company, and its underwriters, as a courtesy only. This sketch is not part of any commitment for title insurance or policy of title insurance. This sketch is furnished solely to assist in locating the premises. It does not purport to be a survey of the premises, to show all highways, to show all roads and/or easements affecting the subject premises. No reliance should be placed upon this sketch for dimensions of the premises. No liability is assumed by Guardian Northwest Title & Escrow Company as to the correctness depicted herein. **This map is not to scale.**



EXHIBIT "A"

Lot 6, Block 1, PORTER'S ESTATES, DIVISION NO. 2, as delineated on survey filed in Book 4 of Surveys, page 1, recorded under Auditor's File No. 301047, records of Island County, Washington, being a portion of the Southeast Quarter of the Northeast Quarter, Section 23, Township 30 North, Range 3 East of the Willamette Meridian.

TOGETHER WITH a non-exclusive easement for ingress, egress and installation, operation and maintenance of utilities over, under and across a 60 foot strip of land the centerline of which is described as follows:

Beginning at the Southeast corner of the Northeast Quarter of the Southeast Quarter of the Northeast Quarter in Section 23, Township 30 North, Range 3 East of the Willamette Meridian; thence South to the East Quarter corner of said Section 23; thence East along the North line of the Northwest Quarter of the Southwest Quarter, Section 24, Township 30 North, Range 3 East of the Willamette Meridian, to the West boundary of the county road.

ALSO TOGETHER WITH a non-exclusive easement for ingress, egress and installation, operation and maintenance of utilities over, under and across a 60 foot strip of land the centerline of which is described as follows:

Beginning at the Southeast corner of the Southwest Quarter of the Southwest Quarter of the Southwest Quarter in said Section 24; thence West along the Section line to a point 100 feet East of the Southwest corner of said Section 24; thence Northwesterly to a point on the West line of said Section 24, 100 feet North of the Southwest corner thereof; thence North along the Section line to the West Quarter corner; thence East along the North line of the Northwest Quarter of the Southwest Quarter of said Section 24, to the West boundary of the County Road.

AND ALSO COMMENCING at the East Quarter corner of Section 23, Township 30 North, Range 3 East of the Willamette Meridian; thence South 1°09'24" East 764.95 feet; thence South 89°26'32" West 60 feet to the true point of beginning of said line; thence North 1°09'24" West 100 feet; thence South 89°26'32" West 631.73 feet; thence North 89°26'32" West 30.0 feet; thence North 1°14'52" West 660.02 feet.

SUBJECT TO easements, restrictions and reservations of record.