 <b>First American Title™</b>	<b>Litigation Guarantee</b>
	ISSUED BY <b>First American Title Insurance Company</b>
<b>Guarantee</b>	GUARANTEE NUMBER <b>5015853-0010603e</b>

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,

**FIRST AMERICAN TITLE INSURANCE COMPANY**  
a Nebraska corporation, herein called the Company

**GUARANTEES**

the Assured named in Schedule A of this Guarantee

herein called the Assured, against loss not exceeding the liability amount stated in Schedule A 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 of Guarantee shown in Schedule A,

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 their priority; AND
2. The necessary parties defendant in an action, the nature of which is referred to in Schedule A, are as herein stated.

THIS LITIGATION GUARANTEE IS FURNISHED SOLELY FOR THE PURPOSE OF FACILITATING THE FILING OF THE ACTION REFERRED TO IN SCHEDULE A. IT SHALL NOT BE USED OR RELIED UPON FOR ANY OTHER PURPOSE.

**First American Title Insurance Company**



Kenneth D. DeGiorgio, President



Greg L. Smith, Secretary

For Reference:

**File #:** 24-20753-TO

**Policy #:** 5015853-0010603e

Issued By:

**Guardian Northwest Title & Escrow Company**

1301-B Riverside Drive, P.O. Box 1667  
Mount Vernon, WA 98273

This jacket was created electronically and constitutes an original document

Item 11 R32924-170-3790/ PI 481605



*First American Title™*

## Litigation Guarantee

ISSUED BY

**First American Title Insurance Company**

# Schedule A

GUARANTEE NUMBER

**5015853-0010603e**

File No.: 24-20753-TO

Liability: \$100,000.00

Tax: \$45.00

Fee: \$500.00

1. Name of Assured: Island County Treasurer
2. Date of Guarantee:  
May 22, 2024
3. This Litigation Guarantee is furnished solely for the purpose of facilitating the filing of an action to:  
foreclose delinquent taxes
4. The estate or interest in the Land which is covered by this Guarantee is:  
fee simple
5. Title to the estate or interest in the Land is vested in:  
KW & CW, L.L.C., a Washington Limited Liability Company
6. The Land referred to in this Guarantee is described as follows:  
PARCEL A:

A portion of the Northwest Quarter of the Southeast Quarter of Section 24, Township 29 North, Range 3 East of the Willamette Meridian, described as follows:

Beginning at the Southeast corner of Lot 6, CLINTON HEIGHTS DIVISION NO. 1, according to the plat thereof recorded in Volume 10 of Plats, page 19, records of Island County, Washington;  
thence South 0° 33' 23" west along the Westerly right-of-way margin of Bob Galbreath Road as it existed on June 21, 1967, a distance of 96.07 feet;  
thence North 89° 26' 37" West a distance of 134.93 feet to the Easterly boundary of Lot 7, said plat of Clinton Heights Division No. 1;  
thence North 23° 10' 49" East a distance of 137.45 feet to the Northeasterly corner of said Lot 7;  
thence South 68° 52' 16" East a distance of 87.65 feet to the point of beginning.

PARCEL B:

A portion of the Northwest Quarter of the Southeast Quarter of Section 24, Township 29 North, Range 3 East of the Willamette Meridian, described as follows:

Commencing at the Southeast corner of Lot 6, CLINTON HEIGHTS DIVISION NO. 1, according to the plat thereof recorded in Volume 10 of Plats, page 19, records of Island County, Washington;  
thence South 0° 33' 23" West along the West line of Bob Galbreath Road as it existed on June 21, 1967, a distance of 96.07 feet to the true point of beginning;  
thence continue South 0° 33' 23" West along said West line a distance of 75.99 feet;  
thence South 86° 22' 51" west a distance of 172.29 feet to the Easterly boundary of Lot 7 of said plat;  
thence North 23° 10' 49" East along the boundary of said Lots 7 and 8, a distance of 95.92 feet to a point which lies North 89° 26' 37" West from the true point of beginning;  
thence South 89° 26' 37" East a distance of 134.93 feet to the true point of beginning.

PARCEL C:

A portion of the Northwest Quarter of the Southeast Quarter of Section 24, Township 29 North, Range 3 East of the Willamette Meridian, described as follows:

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 <b>First American Title™</b>	<b>Litigation Guarantee</b>
	ISSUED BY <b>First American Title Insurance Company</b>
<b>Schedule B</b>	GUARANTEE NUMBER <b>5015853-0010603e</b>

File No.: 24-20753-TO

**EXCEPTIONS**

1. Any and all offers of dedications, conditions, restrictions, easements, fence line/boundary discrepancies and encroachments, notes, provisions and/or any other matters as disclosed and/or delineated on the face of the following plat/short plat/survey named Record of Survey - Boundary Line Agreement recorded on August 31, 1984 as Auditor's File No. **84002696**.
2. Regulatory notice/agreement regarding Off-Site Drainfield Easement and Operation Maintenance Agreement that may include covenants, conditions and restrictions affecting the subject property, recorded on December 29, 1995 as Auditor's File No. **95020795**.

Reference is hereby made to the record for the full particulars of said notice/agreement. However, said notice/agreement may have changed or may in the future change without recorded notice. Said notice/agreement may pertain to governmental regulations for building or land use. Said matters are not a matter of title insurance. If such non-title insurance matters are shown, they are shown as a courtesy only, without the expectation that all such matters have been shown.

Affects this and other property.

The effect of an Extinguishment of Off-Site Drainfield Easement and Operation Maintenance Agreement recorded as **95020795** which purports to remove the Off-Site Drainfield Easement which recorded December 15, 2000, as Auditor's File No. **20021824**.

3. Any tax, fee, assessments or charges as may be levied by **Clinton Water District**.
4. Delinquent general taxes, plus interest & penalties:

Year: 2024  
1st Installment Amount: \$59.40, **DELINQUENT**  
2nd Installment Amount: \$59.34  
Amount Billed: \$118.74  
Amount Paid: \$0.00  
Amount Due: Contact County Treasurer's Office  
Tax Account No.: R32924-170-3790/ PI 481605

Said 1st installment taxes are considered delinquent as of April 30th. Please contact the Island County Treasurer's office for delinquent tax amounts. Late property taxes have fees that are not disclosed.

Last half taxes are due on or before October 31st.

Delinquent general taxes, plus interest & penalties:

Year: 2023  
Amount Billed: \$125.54  
Amount Paid: 0.00  
Amount Due: Contact County Treasurer's Office  
Tax Account No.: R32924-170-3790/ PI 481605

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Delinquent general taxes, plus interest & penalties:

Year: 2022

Amount Billed: \$121.79

Amount Paid: 0.00

Amount Due: Contact County Treasurer's Office

Tax Account No.: R32924-170-3790/ PI 481605

Delinquent general taxes, plus interest & penalties:


Year: 2021

Amount Billed: \$1,129.94

Amount Paid: 0.00

Amount Due: Contact County Treasurer's Office

Tax Account No.: R32924-170-3790/ PI 481605

 <b>First American Title™</b>	<b>Litigation Guarantee</b>
	<small>ISSUED BY</small> <b>First American Title Insurance Company</b>
<b>Informational Notes</b>	<small>GUARANTEE NUMBER</small> <b>5015853-0010603e</b>

File No.: 24-20753-TO

**ATTORNEYS NOTES :**

2. Being an action to **Foreclose Delinquent Taxes**
3. Said necessary parties (those having claim or interest by reason of ownership of fee title and matters shown in Exceptions of the attached Schedule "B"), to be made defendants in said action to be brought by:

**Island County, Washington**

4. According to the County Assessor's Rolls the address for the subject property is:

**NHN Bob Galbreath Road, Clinton, WA 98236**

5. 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:

**Ptn. NW SE 24-29-3E**

6. Said necessary parties (those having claim or interest by reason of ownership of fee title and matters shown in Exceptions of the attached Schedule "B"), to be made defendants in said action to be brought by:

**KW & CW, L.L.C., a Washington Limited Liability Company  
(Note we do not find the above as a valid company on the State Secretary Company rolls)**

7. The County tax legal is acceptable for tax sale conveyance purposes.
8. The map, if one is attached hereto, may or may not be a survey of the land depicted. You should not rely upon it for any purpose other than orientation to the general location of the parcel or parcels depicted. First American Title Insurance Company expressly disclaims any liability for alleged loss or damage which may result from reliance upon this map.
9. Unless the property described in this report is located in King, Pierce or Spokane Counties no search of the records of the United States Bankruptcy Court has been made.

**As Plaintiff (or as Attorney for Plaintiff), are as follows:**

**Parties in Possession**

1.  
**KW & CW, L.L.C.**  
**P.O. Box 45**  
**Clinton, WA 98236-0045**

2.  
**Keith and Craig Wrightsman**

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P.O. Box 45  
Clinton, WA 98236-0045

3.  
Clinton Water District  
6437 S Harding Ave  
Clinton, WA 98236

**The land referred to in this Guarantee is described in Schedule "A" and made a part thereof**

**SCHEDULE OF EXCLUSIONS FROM COVERAGE OF THIS GUARANTEE**

1. Except to the extent that specific assurances are provided in Schedule A of this Guarantee, the Company assumes no liability for loss or damage by reason of the following:
  - (a) Defects, liens, encumbrances, adverse claims or other matters against the title, whether or not shown by the public records.
  - (b) (1) Taxes or assessments of any taxing authority that levies taxes or assessments on real property; or, (2) Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not the matters excluded under (1) or (2) are shown by the records of the taxing authority or by the public records.
  - (c) (1) Unpatented mining claims; (2) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (3) water rights, claims or title to water, whether or not the matters excluded under (1), (2) or (3) are shown by the public records.
2. Notwithstanding any specific assurances which are provided in Schedule A of this Guarantee, the Company assumes no liability for loss or damage by reason of the following:
  - (a) Defects, liens, encumbrances, adverse claims or other matters affecting the title to any property beyond the lines of the land expressly described in the description set forth in Schedule (A) of this Guarantee, or title to streets, roads, avenues, lanes, ways or waterways to which such land abuts, or the right to maintain therein vaults, tunnels, ramps or any structure or improvements; or any rights or easements therein, unless such property, rights or easements are expressly and specifically set forth in said description.
  - (b) Defects, liens, encumbrances, adverse claims or other matters, whether or not shown by the public records; (1) which are created, suffered, assumed or agreed to by one or more of the Assureds; (2) which result in no loss to the Assured; or (3) which do not result in the invalidity or potential invalidity of any judicial or non-judicial proceeding which is within the scope and purpose of the assurances provided.
  - (c) The identity of any party shown or referred to in Schedule A.
  - (d) The validity, legal effect or priority of any matter shown or referred to in this Guarantee.

**GUARANTEE CONDITIONS AND STIPULATIONS****1. Definition of Terms.**

The following terms when used in the Guarantee mean:

- (a) the "Assured": the party or parties named as the Assured in this Guarantee, or on a supplemental writing executed by the Company.
- (b) "land": the land described or referred to in Schedule (A), and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule (A), nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways.
- (c) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.
- (d) "public records": records established under state statutes at Date of Guarantee for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge.
- (e) "date": the effective date.

**2. Notice of Claim to be Given by Assured Claimant.**

An Assured shall notify the Company promptly in writing in case knowledge shall come to an Assured hereunder of any claim of title or interest which is adverse to the title to the estate or interest, as stated herein, and which might cause loss or damage for which the Company may be liable by virtue of this Guarantee. If prompt notice shall not be given to the Company, then all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any Assured under this Guarantee unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

**3. No Duty to Defend or Prosecute.**

The Company shall have no duty to defend or prosecute any action or proceeding to which the Assured is a party, notwithstanding the nature of any allegation in such action or proceeding.

**4. Company's Option to Defend or Prosecute Actions; Duty of Assured Claimant to Cooperate.**

Even though the Company has no duty to defend or prosecute as set forth in Paragraph 3 above:

- (a) The Company shall have the right, at its sole option and cost, to institute and prosecute any action or proceeding, interpose a defense, as limited in (b), or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest as stated herein, or to establish the lien rights of the Assured, or to prevent or reduce loss or damage to the Assured. 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 of this Guarantee. If the Company shall exercise its rights under this paragraph, it shall do so diligently.
- (b) If the Company elects to exercise its options as stated in Paragraph 4(a) the Company shall have the right to select counsel of its choice (subject to the right of such Assured to object for reasonable cause) to represent the Assured and shall not be liable for and will not pay the fees of any other counsel, nor will the Company pay any fees, costs or expenses incurred by an Assured in the defense of those causes of action which allege matters not covered by this Guarantee.
- (c) Whenever the Company shall have brought an action or interposed a defense as permitted by the provisions of this

Guarantee, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from an adverse judgment or order.

- (d) In all cases where this Guarantee permits the Company to prosecute or provide for the defense of any action or proceeding, an Assured shall secure to the Company the right to so prosecute or provide for the defense of any action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of such Assured for this purpose. Whenever requested by the Company, an Assured, at the Company's expense, shall give the Company all reasonable aid in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest as stated herein, or to establish the lien rights of the Assured. If the Company is prejudiced by the failure of the Assured to furnish the required cooperation, the Company's obligations to the Assured under the Guarantee shall terminate.

#### 5. Proof of Loss or Damage.

In addition to and after the notices required under Section 2 of these Conditions and Stipulations have been provided to the Company, a proof of loss or damage signed and sworn to by the Assured shall be furnished to the Company within ninety (90) days after the Assured shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the matters covered by this Guarantee which constitute the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of the Assured to provide the required proof of loss or damage, the Company's obligation to such assured under the Guarantee shall terminate. In addition, the Assured may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Guarantee, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Assured shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the Assured provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Assured to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in the above paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this Guarantee to the Assured for that claim.

#### 6. Options to Pay or Otherwise Settle Claims: Termination of Liability.

In case of a claim under this Guarantee, the Company shall have the following additional options:

- (a) To Pay or Tender Payment of the Amount of Liability or to Purchase the Indebtedness.

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 or a lienholder, the Company shall have the option to purchase the indebtedness secured by said mortgage or said lien for the amount owing thereon, together with any costs, reasonable attorneys' fees and expenses incurred by the Assured claimant which were authorized by the Company up to the time of purchase.

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 such indebtedness shall transfer and assign said indebtedness, together with any collateral security, to the Company upon payment of the purchase price.

Upon the exercise by the Company of the option provided for in Paragraph (a) the Company's obligation to the Assured under this Guarantee for the claimed loss or damage, other than to make the payment required in that paragraph, shall terminate, including any obligation to continue the defense or prosecution of any litigation for which the Company has exercised its options under Paragraph 4, and the Guarantee shall be surrendered to the Company for cancellation.

- (b) To Pay or Otherwise Settle With Parties Other Than the Assured or With the Assured Claimant.

To pay or otherwise settle with other parties for or in the name of an Assured claimant any claim assured against under this Guarantee, together with any costs, attorneys' fees and expenses incurred by the Assured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of the option provided for in Paragraph (b) the Company's obligation to the Assured under this Guarantee for the claimed loss or damage, other than to make the payment required in that paragraph, shall terminate, including any obligation to continue the defense or prosecution of any litigation for which the Company has exercised its options under Paragraph 4.

#### 7. Determination and Extent of Liability.

This Guarantee is a contract of Indemnity against actual monetary loss or damage sustained or incurred by the Assured claimant who has suffered loss or damage by reason of reliance upon the assurances set forth in this Guarantee and only to the extent herein described, and subject to the Exclusions From Coverage of This Guarantee.

The liability of the Company under this Guarantee to the Assured shall not exceed the least of:

- (a) the amount of liability stated in Schedule A;
- (b) the amount of the unpaid principal indebtedness secured by the mortgage of an Assured mortgagee, as limited or provided under Section 6 of these Conditions and Stipulations or as reduced under Section 9 of these Conditions and Stipulations, at the time the loss or damage assured against by this Guarantee occurs, together with interest thereon; or
- (c) the difference between the value of the estate or interest covered hereby as stated herein and the value of the estate or interest subject to any defect, lien or encumbrance assured against by this Guarantee.

**8. Limitation of Liability.**

- (a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures any other matter assured against by this Guarantee in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.
- (b) In the event of any litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title, as stated herein.
- (c) The Company shall not be liable for loss or damage to any Assured for liability voluntarily assumed by the Assured in settling any claim or suit without the prior written consent of the Company.

**9. Reduction of Liability or Termination of Liability.**

All payments under this Guarantee, except payments made for costs, attorneys' fees and expenses pursuant to Paragraph 4 shall reduce the amount of liability pro tanto.

**10. Payment of Loss.**

- (a) No payment shall be made without producing this Guarantee for endorsement of the 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.
- (b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within thirty (30) days thereafter.

**11. Subrogation Upon Payment or Settlement.**

Whenever the Company shall have settled and paid a claim under this Guarantee, all right of subrogation shall vest in the Company unaffected by any act of the Assured claimant.

The Company 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 the claim had this Guarantee not been issued. If requested by the Company, the Assured shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of

subrogation. The Assured shall permit the Company to sue, compromise or settle in the name of the Assured and to use the name of the Assured in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the Assured the Company shall be subrogated to all rights and remedies of the Assured after the Assured shall have recovered its principal, interest, and costs of collection.

**12. Arbitration.**

Unless prohibited by applicable law, either the Company or the Assured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Assured arising out of or relating to this Guarantee, any service of the Company in connection with its issuance or the breach of a Guarantee provision or other obligation.

All arbitrable matters when the Amount of Liability is \$1,000,000 or less shall be arbitrated at the option of either the Company or the Assured. All arbitrable matters when the amount of liability is in excess of \$1,000,000 shall be arbitrated only when agreed to by both the Company and the Assured. The Rules in effect at Date of Guarantee shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permits a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

**13. Liability Limited to This Guarantee; Guarantee Entire Contract.**

- (a) This Guarantee together with all endorsements, if any, attached hereto by the Company is the entire Guarantee and contract between the Assured and the Company. In interpreting any provision of this Guarantee, this Guarantee shall be construed as a whole.
- (b) Any claim of loss or damage, whether or not based on negligence, or any action asserting such claim, shall be restricted to this Guarantee.
- (c) No amendment of or endorsement to this Guarantee can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

**14. Notices, Where Sent.**

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this Guarantee and shall be addressed to the Company at **First American Title Insurance Company, Attn: Claims National Intake Center, 1 First American Way, Santa Ana, California 92707, Phone 888-632-1642.**