

stewart title®

WA LITIGATION GUARANTEE

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

Guarantee No.: G-0000652582398

Liability: \$ 15,000.00

Fee: \$ 410.00

Order No.: 01-178577-S

Dated: June 8, 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



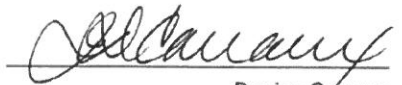
Authorized Countersignature

Mount Vernon Abstract & Title Co. dba Land Title &
Escrow Co. of Skagit County
Company Name

111 East George Hopper Road
Burlington, WA 98233
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.

LAND TITLE AND ESCROW

P.O. Box 445 / 111 East George Hopper Rd.
Burlington, WA 98233
(360) 707-2158 / 1 (844) 878-1519

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.**

SCHEDULE A

ORDER NO.: 01-178577-S
LG NO.: G-0000652582398

Liability: \$15,000.00
Premium: \$410.00
Tax: \$34.85

DATED: 6/08/2020 at 8:00 a.m.

ASSURED: SKAGIT COUNTY TREASURER

The estate or interest in the land hereinafter described or referred to covered by this Guarantee is:

FEE SIMPLE ESTATE

Title to said estate or interest at the date hereof is vested in:

GENESIS LTD. #A57571, DAVID GARCIA, TRUSTEE

The land referred to in this Guarantee is situated in the State of Washington, County of Skagit and is described as follows:

(See Schedule "A-1," attached.)

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 "A-1"

Order No.: 01-178577-S
LG No.: G-0000652582398

DESCRIPTION:

The East $\frac{1}{2}$ of the East $\frac{1}{2}$ of the East $\frac{1}{2}$ of the Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 29, Township 34 North, Range 4 East, W.M., EXCEPT the North 30 feet thereof for Blackburn Road.

Situate in the County of Skagit, State of Washington.

SCHEDULE B

GENERAL EXCEPTIONS FROM COVERAGE

1. Rights or claims of parties in possession not shown by the public records.
2. Encroachments, overlaps, boundary line disputes and any other matters which would be disclosed by an accurate survey and inspection of the premises.
3. Easements or claims of easements not shown by the public records.
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. Liens under the Workmen's Compensation Act not shown by the public records.
6. Any service, installation, connection, maintenance or construction charges for sewer, water, electricity or garbage removal.
7. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water.
8. GENERAL TAXES, SPECIAL ASSESSMENTS AND SPECIAL LEVIES.

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SCHEDULE C

SPECIAL EXCEPTIONS:

1. General taxes, together with interest, penalty and statutory foreclosure costs, if any, first half delinquent May 1, 2020, if unpaid, second half delinquent November 1, 2020, if unpaid:

<u>Account No.</u>	<u>Year</u>	<u>Amount Billed</u>	<u>Amount Paid</u>	<u>Balance Owning</u>
340429-3-003-0004	2017	\$3,433.82	\$0.00	\$3,433.82
	2018	\$3,894.58	\$0.00	\$3,894.58
	2019	\$3,238.67	\$0.00	\$3,238.67
	2020	\$4,390.82	\$0.00	\$4,390.82

Property I.D. No.: P28638

2. Municipal assessments and impact fees, if any, levied by the City of Mount Vernon.
3. Terms and conditions of the Trust (entity) under which title is vested.
4. MORTGAGE AND THE TERMS AND CONDITIONS THEREOF:

Mortgagor: C. Jess Groesbeck MD Profit Sharing
Mortgagee: Alpine Skies Trust
Original Amount: \$147,500.00
Dated: December 30, 1995
Recorded: August 6, 2001
Recording No: 200108060059

ASSIGNMENT OF SAID MORTGAGE:

Assignee: See instrument
Recorded: January 26, 2005
Auditor's No.: 200501260045

5. NOTICE OF FEDERAL TAX LIEN:

Against: Genesis Ltd., David Garcia, Trustee, as nominee, alter ego, and/or transferee of C. Jess Groesbeck aka Clarence Jess Groesbeck, Deceased, Estate of Clarence Jess Groesbeck
In Amount Of: See instrument and interest & penalties as applicable.
Filed: February 11, 2011
Auditor's No.: 201102110095

Reinstatement and/or refile of lien, terms and conditions therein, as recorded under Skagit County Auditor's File No. 201406020019, 201503100004 and 201506080012 (see instruments for full particulars).

Partial Release of Lien, terms and conditions therein, as recorded under Skagit County Auditor's File No. 201509010040 (see instrument for full particulars).

SCHEDULE C

EXCEPTIONS CONTINUED:

6. NOTICE OF FEDERAL TAX LIEN:

Against: Genesis Ltd. #A57571 as the alter ego nominee or transferee of C. Jess Decd. & Silvia K. Groesbeck
In Amount Of: \$378,870.77 and interest & penalties as applicable.
Filed: February 9, 2015
Auditor's No.: 201502090010

Amended by Skagit County Auditor's File No. 201512010007.

7. NOTICE OF FEDERAL TAX LIEN:

Against: Genesis Ltd., David Garcia, Trustee, as nominee of C. Jess Groesbeck aka Clarence Jess Groesbeck, Deceased, Estate of Clarence Jess Groesbeck
In Amount Of: See instrument and interest & penalties as applicable.
Filed: September 30, 2015
Auditor's No.: 201509300049

Refiled under Skagit County Auditor's File No. 201509300066.

8. Unrecorded leaseholds, if any; rights of vendors and holders of security interests on personal property installed upon said Land, and rights of tenants to remove trade fixtures at the expiration of the term.
9. A review of the Washington State Corporate Rolls does not disclose filing of formation documents for the shown Vestee. Any question of proper filing and/or recognition of the Vestee as a valid entity capable of holding Title is hereby excepted from coverage.
10. Easements, restrictions, and other matters shown on Schedule "B-1" attached are also excepted from coverage. The easements, restrictions and other matters shown as lettered exceptions on Schedule "B-1" are excepted from policy coverage to the same extent that the numbered Schedule "B" Special Exceptions shown herein are excepted from policy coverage.

NOTE #1: EFFECTIVE JANUARY 1, 1997, AND PURSUANT TO AMENDMENT OF WASHINGTON STATE STATUTES RELATING TO STANDARDIZATION OF RECORDED DOCUMENTS, THE FOLLOWING FORMAT AND CONTENT REQUIREMENTS MUST BE MET. FAILURE TO COMPLY MAY RESULT IN REJECTION OF THE DOCUMENTS BY THE RECORDER.

Margins to be 3" on top of first page and 1" on sides and bottom, 1" on top, sides and bottom of each succeeding page. Font size of 8 points or larger, paper size of no more than 8 1/2" by 14". No attachments on pages such as stapled or taped notary seals, pressure seals must be smudged.

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SCHEDULE C

EXCEPTIONS CONTINUED:

NOTE #1 continued:

INFORMATION WHICH MUST APPEAR ON THE FIRST PAGE

Title or titles of documents. If assignment or reconveyance, reference to auditor's file number of subject deed of trust must be included. Names of grantor(s) and grantee(s) with reference to additional names on following pages, if any.
Abbreviated legal description (lot, block, volume/page of plat or section/township/range and quarter section or government lot for unplatted).
Assessor's tax parcel number(s). Return address which may appear in the upper left hand 3" top margin.

Pursuant to item c.) above, the abbreviated legal description for the subject property is as follows:

Ptn NE 1/4 SW 1/4, 29-34-4 E W.M.

NOTE #2: The property description included herein is based upon the application for Title Insurance. Before any instrument(s) pertaining to this property is/are prepared, the description should be verified and approved by all parties.

NOTE #3: Terms and conditions contained in the Trust Agreement of the Trust herein named. A copy of said trust agreement, and all amendments thereto, must be submitted to the company to determine 1) if the trust is capable of obtaining and holding title to real property and 2) the identity and powers of the Trustee(s).

Trust: Genesis Ltd. #A57571

NOTE #4: According to records in the office of the Skagit County Treasurer, the address of the subject land is:

1308 E. Blackburn
Mount Vernon, WA 98274.

NOTE #5: Unless otherwise specified, this Company has assigned this file to the following Underwriter for the policy to issue: Stewart Title Guaranty Company.

NOTE #6: The premium paid includes one continuation endorsement from the date of the guarantee. Additional continuation endorsements may be issued at \$50.00 plus \$4.25 tax each.

EXCEPTIONS:

A. TERMS AND CONDITIONS OF MOUND FILL SEWAGE DISPOSAL SYSTEM AGREEMENT AND THE TERMS AND CONDITIONS THEREOF:

Recorded: December 7, 1993
Auditor's File No.: 9312070134

Said instrument is a re-recording of Auditor's File No. 9105130026.

B. MATTERS DISCLOSED BY RECORD OF SURVEY:

Prepared By: Lisser & Associates, PLLC
Recorded: May 23, 2000
Auditor's File No.: 200005230025

C. MATTERS DISCLOSED BY RECORD OF SURVEY:

Recorded: August 2, 2006
Auditor's File No.: 200608020059

D. Neither this policy nor any endorsement covers any loss or damage arising from any allegation that the use of the property lacks compliance with covenants, conditions or restrictions or federal or state law or ordinance regarding the cultivation, production or sale of hemp or hemp products.



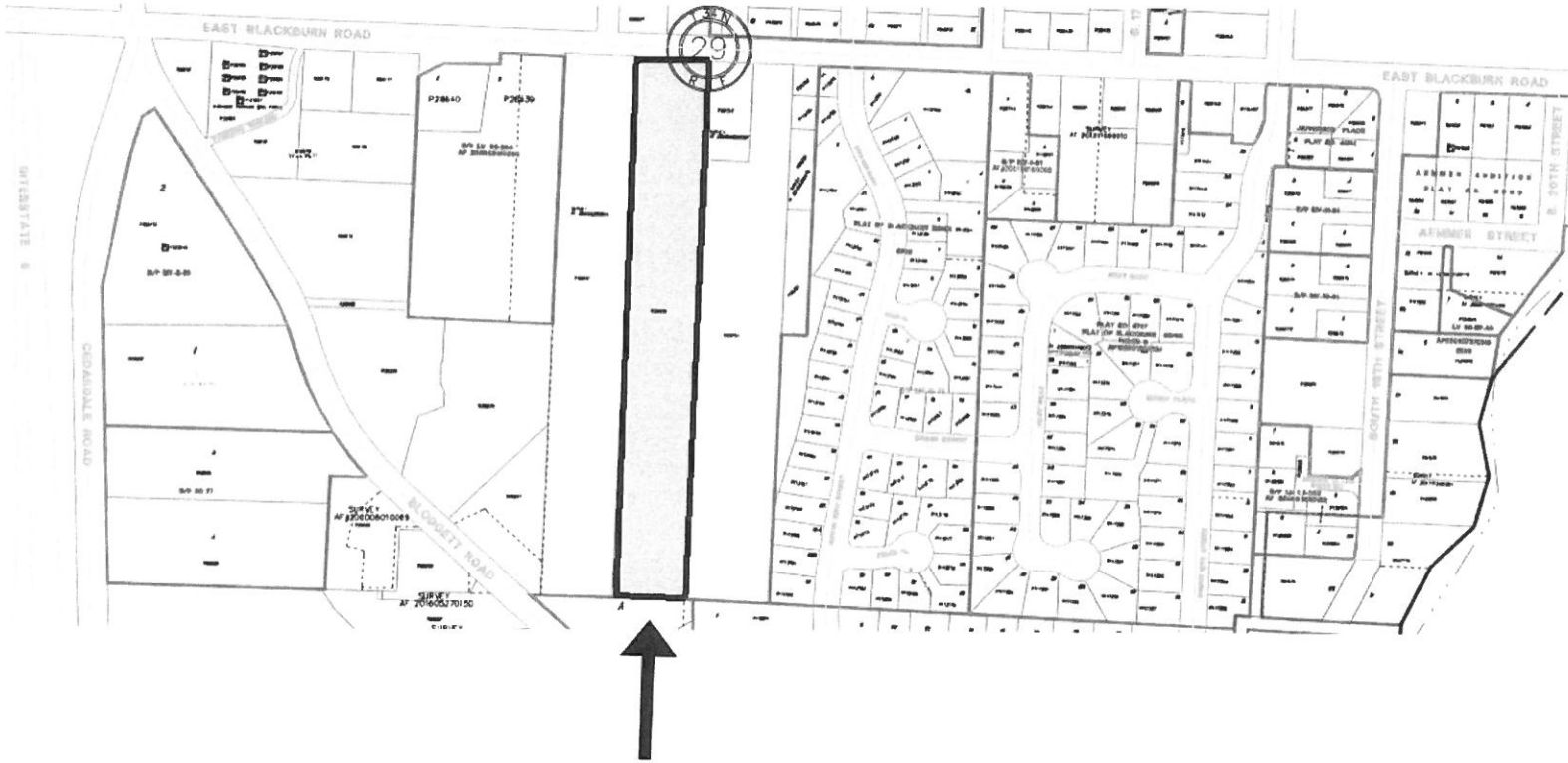
Land Title & Escrow Company

Of Skagit County & Island County

"We deliver results...not just promises"

01-178577

Order No. _____



This sketch is a courtesy of LAND TITLE AND ESCROW COMPANY to assist in locating the premises. It is not based on a survey, and the Company assumes no liability for variations, if any, in dimensions and locations.

This map does NOT purport to show all highways, roads, or easements affecting the property.