

WA LITIGATION GUARANTEE

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

Guarantee No.: G-0000580602498 **Liability:** \$ 100,000.00 **Fee:** \$ 583.00
Order No.: 20-5562-TO/Item #30/S7080-00-01001-0/265377 **Dated:** May 11, 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: 20-5562-TO/Item #30/S7080-00-01001-0/265377

Date of Guarantee: May 11, 2020

Amount of Liability: \$100,000.00

Total: \$633.72

Guarantee No.: 580602498

Premium: \$583.00

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:
Chris Peterson, 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: 20-5562-TO/Item #30/S7080-00-01001-0/265377

Guarantee No.: 580602498

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: 20-5562-TO/Item #30/S7080-00-01001-0/265377

Guarantee No.: 580602498

SPECIAL EXCEPTIONS:

1. Terms and conditions of Articles of Incorporation and Bylaws of Harbor Sands Beach Association, including restrictions, regulations and conditions for dues and assessments, as established and levied pursuant thereto, including, but not limited to those as set forth under Auditor's File No. 380253 and 4345555.

2. 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: Plat of Harbor Sands Division No. 1
Recorded: August 21, 1967
Auditor's No.: 200570

The company calls attention to provisions contained in Washington Uniform Common Interest Ownership Act, Senate Bill 6175 providing that Plats recorded after July 1, 2018, and older Plats that have opted in, that meet the requirements under Senate Bill 6175 will require delivery to the Proposed Purchaser of either a "Public Offering Statement" or "Resale Certificate".

3. EASEMENT AND PROVISIONS THEREIN:

Grantee: Puget Sound Power & Light Company, a corporation
Dated: March 30, 1940
Recorded: April 19, 1940
Auditor's No.: 50892 (Volume 53 of Deeds, page 435)
Purpose: Right to construct, operate, maintain, repair, replace and enlarge one or more electric transmission and/or distribution lines and related facilities.

4. PROTECTIVE COVENANTS, EASEMENTS AND/OR ASSESSMENTS, BUT OMITTING RESTRICTIONS, IF ANY, BASED ON RACE, COLOR, RELIGION OR NATIONAL ORIGIN:

Recorded: March 25, 1968
Auditor's No.: 207469

5. PROTECTIVE COVENANTS, EASEMENTS AND/OR ASSESSMENTS, BUT OMITTING RESTRICTIONS, IF ANY, BASED ON RACE, COLOR, RELIGION OR NATIONAL ORIGIN:

Recorded: March 9, 1981
Auditor's No.: 380254
Executed By:

6. PROTECTIVE COVENANTS, EASEMENTS AND/OR ASSESSMENTS, BUT OMITTING RESTRICTIONS, IF ANY, BASED ON RACE, COLOR, RELIGION OR NATIONAL ORIGIN:

Recorded: March 9, 1981
Auditor's No.: 380255

7. EASEMENT, INCLUDING TERMS AND PROVISIONS THEREOF:

Recorded: March 26, 1968
Auditor's No. 207506
Purpose: Construction, maintenance and repair of utilities

WA Litigation Guarantee

Area Affected: A strip of land 10 feet in width in Lots 1-22 and 24-47, Block 2

8. Right of the State of Washington in and to that portion, if any, of the property herein described which lies below the line ordinary high water of Holmes Harbor.
9. 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.)
10. Any question of the location of lateral boundaries and the seaward boundaries of the second class tidelands/shorelands described herein
11. EASEMENT, INCLUDING TERMS AND PROVISIONS THEREOF:
Grantee: Island County
Recorded: March 6, 1995
Auditor's No. 95003298
Purpose: Construct, maintain and repair roadway shoulder and slopes
Area Affected: As described in said document
12. REGULATORY NOTICE/AGREEMENT THAT MAY INCLUDE COVENANTS, CONDITIONS AND RESTRICTIONS AFFECTING THE SUBJECT PROPERTY:
Recorded: August 25, 2009
Auditor's No.: 4259067
Regarding: Sewage System
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
13. Provisions and matters regarding Boundary Line Adjustment set forth on document recorded under Auditor's File No. 4259066.
14. Any tax, fee, assessments or charges as may be levied by Harbor Beach Sands Association.
15. Delinquent general taxes, plus interest & penalties:

Year: 2020
Amount Billed: \$816.84
Amount Paid: 0.00
Amount Due: Contact County Treasurer's Office
Tax Account No.: S7080-00-01001-0/265377

Delinquent general taxes, plus interest & penalties:

Year: 2019
Amount Billed: \$793.57
Amount Paid: 0.00
Amount Due: Contact County Treasurer's Office
Tax Account No.: S7080-00-01001-0/265377

Delinquent general taxes, plus interest & penalties:

Year: 2018
Amount Billed: \$860.68

WA Litigation Guarantee

Amount Paid: 0.00
Amount Due: Contact County Treasurer's Office
Tax Account No.: S7080-00-01001-0/265377

Delinquent general taxes, plus interest & penalties:

Year: 2017
Amount Billed: \$1,677.84
Amount Paid: 0.00
Amount Due: Contact County Treasurer's Office
Tax Account No.: S7080-00-01001-0/265377

Delinquent general taxes, plus interest & penalties:

Year: 2016
Amount Billed: \$702.04
Amount Paid: 351.05
Amount Due: Contact County Treasurer's Office
Tax Account No.: S7080-00-01001-0/265377

16. DEED OF TRUST INCLUDING THE TERMS AND CONDITIONS THEREOF:

Grantor: Chris Peterson, a single person
Trustee: Land Title Company of Island County
Beneficiary: Steven and Laura Strehlau, a Washington Corporation
Amount: \$ 36,000.00, plus interest, if any
Dated: October 6, 2005
Recorded: February 10, 2006
Auditor's No.: 4162070
Said instrument is a re-recording of instrument recorded under Auditor's File No. 4150055.

17. Insurance of title to and location of any mobile home, house trailer, or other moveable dwelling, which may be located on the subject premises is specifically excepted from the coverage afforded by this policy.

End of Special Exception

WA Litigation Guarantee

Order Number: 20-5562-TO/Item #30/S7080-00-01001-0/265377

Guarantee No.: 580602498

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:
Lots 1 and 2 Block 1 and Tr A Harbor Sands Div. 1
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:
1990 East Beachwood Drive Freeland 98249 WA

The records of title to subject premises disclose no MANUFACTURED HOME TITLE ELIMINATION APPLICATION (Form TD § 420-729) for any mobile home which may be situated upon the premises. In the absence of such a recorded application, a mobile or manufactured home is personal property, not real property and therefore, insurance of title to and location of any mobile home, manufactured home or other movable dwelling which may be located on the subject premises will be expressly excluded from the coverage afforded by the policy/policies to issue.

For your information, in accordance with RCW 65.20, there are fees for processing of MANUFACTURED HOME TITLE ELIMINATION APPLICATION payable to the Department of Licensing. County fees and recording fees for filing the completed application are separate matters.

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. Chris Peterson
PO Box 876,
Clinton WA 98236

2. Chris Peterson
1990 BEACHWOOD DR
FREELAND, WA 98249

3. Steven and Laura Strehlau
3712 S. Emmet Place,
Langley WA 98260

4. Harbor Beach Sands Association,
PO Box 763
Freeland WA 98249

5. Unknown Occupant
1990 BEACHWOOD DR
FREELAND, WA 98249

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: 20-5562-TO/Item #30/S7080-00-01001-0/265377

Guarantee No.: 580602498

PROPERTY DESCRIPTION:

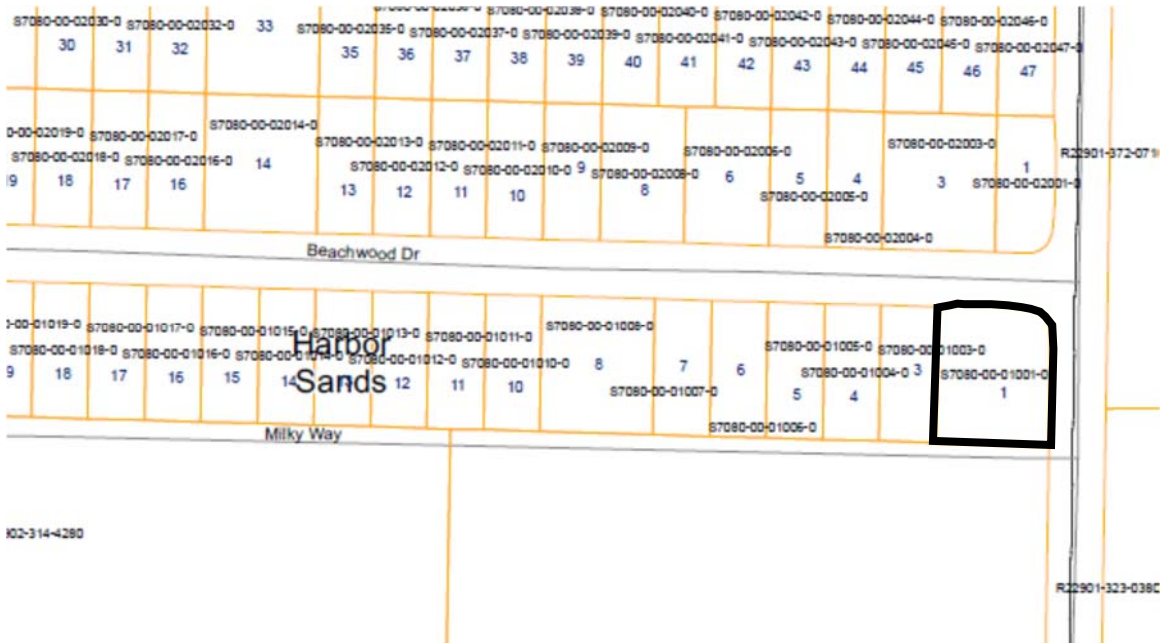
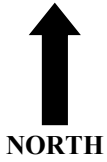
Lots 1, 2 and Tract A, Block 1, Plat of Harbor Sands, Division No. 1, as per Plat recorded in Volume 9 of Plats, page 51, records of Island County, Washington.

Situate in the County of Island, State of Washington



Oak Harbor
360-675-2286

Order #20-5562



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.**

REGISTERED RECORDING MAIL TO:



4162069

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4150093
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ISLAND COUNTY AUDITOR

WD

Filed for Record at Request of
Land Title Company of Island County
Escrow Number: LTS-8397
Title Number: LT-87903

**Rerecord to correct order
of recording

Statutory Warranty Deed

CSP 33-

Grantor(s): Carol L. Weide
Grantee(s): Chris Peterson
Abbreviated Legal: Lots 1, 2 and Tract A, Block 1, Harbor Sands, Division No. 1
Assessor's Tax Parcel Number(s): S7080-00-01001-0 Key #265377

THE GRANTOR Carol L. Weide, as her separate property for and in consideration of FORTY ONE THOUSAND AND NO/100 in hand paid, conveys and warrants to Chris Peterson, a single person the following described real estate, situated in the County of Island, State of Washington.

Lots 1, 2 and Tract A, Block 1, Plat of Harbor Sands, Division No. 1, as per plat recorded in Volume 9 of Plats, page 51, records of Island County, Washington.

Situate in the County of Island, State of Washington.

Subject to all covenants, conditions, restrictions, reservations, agreements and easements of record including, but not limited to, those shown on Schedule "B-1" of Land Title Company's Preliminary Commitment No. LT-87903.

Dated October 3, 2005

Carol L. Weide by Debra M. Lyster R.O.A.
Carol L. Weide by Debra M. Lyster, her Attorney in Fact

ISLAND COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

OCT 6 2005

AMOUNT PAID \$ 729.80
ISLAND COUNTY TREASURER

EXCISE TAX

State of Washington

County of Island

FEB 10 2006

LINDA E. RIFFE
ISLAND COUNTY TREASURER

On this 4th day of October, 2005, before me personally appeared Debra M. Lyster to me known to be the individual who executed the foregoing instrument as Attorney in Fact for Carol L. Weide And acknowledged that she signed the same as her 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 said principal is now living and is not insane.

GIVEN under my hand and official seal the day and year last above written.

Amy L. Shockley
AMY L. SHOCKLEY
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES
MARCH 9, 2009
Amy L. Shockley
Notary Public in the state of Washington
residing at Freeland
My Commission Expires 03/09/09



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ISLAND COUNTY AUDITOR

WD

AGRIGULTURAL AND FORESTY PROTECTION DISCLOSURE

Island County has established a policy for unincorporated areas to protect and encourage agriculture and forestry operations. If your real property is located near an agriculture or forestry operation, you may be subject to inconvenience or discomfort arising from such operations, including, but not limited to, noise, odors, fumes, dust, flies, and other associated pests, the operation of machinery of any kind during any 24-hour periods, the storage and disposal of manure, and the application of fertilizers, soil amendmets, and pesticides. If conducted in compliance with local, state and federal laws, these inconveniences or discomforts are hereby deemed not to constitute a nuisance as provided in Chapter 7.48 RCW for purposes of the Island County Code and shall not be subject to legal action as a public nuisance.

(STATE OF WASHINGTON) SS
 (COUNTY OF ISLAND)

I, DO HEREBY CERTIFY THAT THE FOREGOING INSTRUMENT IS A TRUE AND CORRECT COPY OF THE DOCUMENT NOW ON FILE OR RECORDED IN MY OFFICE.

IN WITNESS WHEREOF, I HEREUNTO SET MY HAND THIS 9th DAY OF Feb 2006
 BUZANNE SINCLAIR, COUNTY AUDITOR

S. Dain DEPUTY

