

WHEN RECORDED RETURN TO:

Name: ISLAND TITLE ESCROW

Address: PO BOX 670

City, State, Zip BURLINGTON WA 98233



200007100001

Kathy Hill, Skagit County Auditor

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Island Title Company

BARGAIN AND SALE DEED

FIRST AMERICAN
TITLE
00053017

THE GRANTOR(s) SKAGIT STATE BANK, pursuant to proceedings in a Bankruptcy Court of the Western District of the U.S. District Court of the State of Washington, at Seattle under Cause No. 96-8325 for and in consideration of Exempt per WAC No. 458-61-230 Bankruptcy filed July 19, 1996, Cause No. 96-8325 in hand paid, grant, bargain, sell, convey and confirm to SKAGIT COUNTY TITLE COMPANY, DBA FIRST AMERICAN TITLE COMPANY OF SKAGIT COUNTY, the Grantee(s) the following described real estate, situated in the County of Skagit, State of Washington:

Abbreviated Legal Description as follows:

Section 31, Township 35, Range 2; Portion of Government Lot 6;
Section 32, Township 35, Range 2; Portion Government Lot 1;
Section 32, Township 35, Range 2; Portion Tideland Tract 18, Plate 12; AND
Section 29, Township 35, Range 2; Portion Tideland Tract 7, Plate 14

36170
SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax

JUL 10 2000

See Legal Description Attached hereto and by reference made a part hereof.

Amount Paid \$ 0-
Skagit Co. Treasurer
By Deputy

Tax Parcel Numbers: 350231-0-016-0309 (R33271) 350232-0-001-0206 (R33440) 350232-0-001-0107 (R33439)

Subject to: Restrictions, reservations and easements of record.

The Grantor for it and for its successors in interest does by these presents expressly limit the covenants of the deed to those herein expressed, and exclude all covenants arising or to arise by statutory or other implication, and does hereby covenant that against all persons whomsoever lawfully claiming or to claim by, through or under said Grantor and not otherwise, it will forever warrant and defend the said described real estate.

DATED July 6, 2000

SKAGIT STATE BANK

James E. Bishop, Co-Chief Executive Officer

Cheryl R. Bishop, Co-Chief Executive Officer

STATE OF WASHINGTON)

ss.

COUNTY OF SKAGIT)

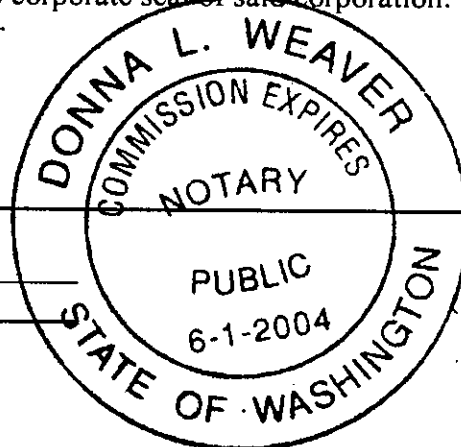
On this 7th day of July, 2000 before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared JAMES E. BISHOP and CHERYL R. BISHOP to me known to be the Co-CHIEF EXECUTIVE OFFICER and Co-CHIEF EXECUTIVE OFFICER respectfully, of SKAGIT STATE BANK the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above written.

Notary Public in and for the State of Washington,

residing at

My Commission Expires:



Schedule "C"

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

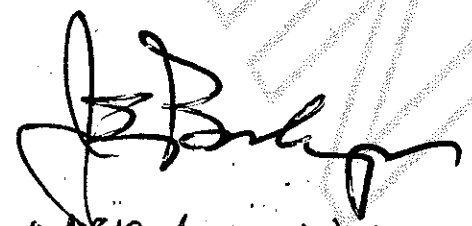
PARCEL "P":

Those portions of Government Lot 6, Section 31, Township 35 North, Range 2 East W.M., and Government Lot 1, Section 32, Township 35 North, Range 2 East W.M., described as follows:

Beginning at a point on the North line of the Burlington Northern Railroad right-of-way, which is 75 feet West of the right-of-way change (from 100 feet to 75 feet); at Station 325 + 85; thence South along the Easterly line of that certain tract of land conveyed to Olympic V Associates, et al, by Deed recorded under Auditor's File No. 8011200029, records of Skagit County, Washington, to the South line of said Railroad right-of-way and the true point of beginning; thence Easterly along the South boundary of the Burlington Northern right-of-way, crossing the Section line common to Sections 31 and 32, continuing Easterly along the Burlington Northern right-of-way in Lot 1, Section 32, to the Government Meander Line; thence South along the Meander Line to the North boundary of Fidalgo Bay Road as it now exists; thence Westerly along the North boundary of Fidalgo Bay Road, crossing Weaverling Road, and continuing to a point that is a distance of 525 feet from the West boundary of Weaverling Road (being also on the East line of the Olympic V Associates tract as set forth herein above); thence North along the East line of said Olympic V Associates tract to the true point of beginning, less County Roads; ALSO EXCEPT any portion thereof lying Easterly of the Weaverling Road; TOGETHER WITH that portion of said Government Lot 6 conveyed to Richard V. Stockwell, Jr., et ux, by Deed recorded February 14, 2000, under Auditor's File No. 200002140139.

PARCEL "Q":

That portion of Government Lot 6 of Section 31, Township 35 North, Range 2 East W.M., lying Southeasterly of the Southeasterly line of the Weaverling Road and lying Northeasterly of the Northeasterly line of Fidalgo Bay Road.


Cheryl M. Bishop



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Kathy Hill, Skagit County Auditor

Schedule "C" - continued

Commitment No. 00053017

PARCEL "R":

That portion of Government Lot 1, Section 32, Township 35 North, Range 2 East W.M., described as follows:

Beginning at the Section corner common to Sections 29, 30, 31 and 32, Township 35 North, Range 2 East W.M., situated in Skagit County, State of Washington; thence Easterly along the Government Meander Line a distance of 172.68 feet, which is the true point of beginning; thence Easterly along said Government Meander Line, 415 feet, more or less, to the Northwest corner of a tract owned by Richard Stockwell; thence Southerly along the West boundary of said Tract, (which is 125 feet West and parallel to the "Old Fence Line", as established in Skagit County Superior Court Cause No. 23670), to the North line of the Burlington Northern right-of-way; thence Westerly along said right-of-way to the intersection of the Section line common to Sections 31 and 32, and the North boundary of the Burlington Northern right-of-way; thence North to the true point of beginning; EXCEPT the County Road.

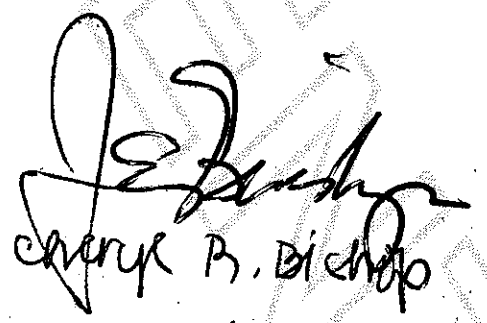
TOGETHER WITH those portions of Tideland Tract 7, Plat 14, Section 29, Township 35 North, Range 2 East W.M., and Tideland Tract 18, Plat 12, Section 32, Township 35 North, Range 2 East W.M., described as follows:

Beginning at the common corner of Sections 29, 30, 31 and 32, Township 35 North, Range 2 East W.M.; thence Easterly along the High Tide Line a distance of 172.68 feet to the true point of beginning; thence Northerly, crossing Tract 18 and continuing in Tract 7, parallel to the "Old Fence Line", if produced to the Inner Harbor Line and being also along the Easterly line of that certain tract conveyed to Olympic V Associates, et al, by Deed recorded under Auditor's File No. 8011200029; thence Easterly along the boundary of the Inner Harbor Line in Tract 7, to a point which is 125 feet West and parallel to the "Old Fence Line" (as established in Skagit County Superior Court Cause No. 23670), if extended; thence Southerly across Tracts 7 and 18, to the Government Meander Line (Government Lot 1); thence West, 415 feet, more or less, to the true point of beginning.

PARCEL "S":

That portion of Government Lot 1, Section 32, Township 35 North, Range 2 East W.M., described as follows:

The East 125.00 feet of that portion of Government Lot 1, Section 32, Township 35 North, Range 2 East W.M., lying South of the Government Meander Line, and North of the North right-of-way line of the Great Northern Railway and West of that old fence property line established by that certain judgment entered September 6, 1956, in Skagit County Superior Court Cause No. 23670.


Cheryl B. Bishop



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Schedule "C" - continued

Commitment No. 00053017

TOGETHER WITH vacated portion of Weaverling Road #107, which portion of said road was vacated on June 14, 1948, under Commissioner's File No. 7828, EXCEPT that portion lying within the existing Weaverling Road.

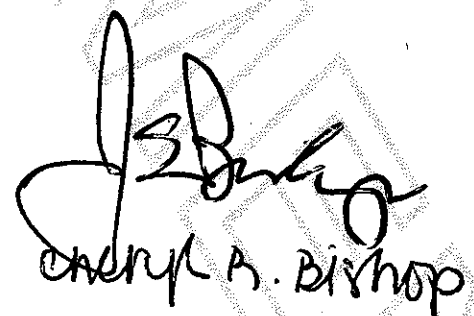
PARCEL "T":

That portion of Tideland Tract 7, Plat 14, of Section 29, Township 35 North, Range 2 East W.M., more particularly described as follows:

Commencing at the Southwest corner of said Section 29; thence due East 603.321 feet to the true point of beginning; thence continuing due East 271.679 feet to the Inner Harbor Line of Fidalgo Bay; thence North 47 degrees 19' 00" West along said Inner Harbor Line, 291.946 feet; thence South 16 degrees 05' 00" West parallel with said old fence property line (as established in Skagit County Superior Court Cause No. 23670), 205.986 feet to the true point of beginning; EXCEPT any portion thereof lying within the boundaries of that portion of said Tract 7, Plat 14, conveyed by Deed recorded under Auditor's File No. 8007220032, from Richard Stockwell, et ux, to Richard Stockwell as Trustee.

PARCEL "U":

The East 125 feet of that portion of Tract 18, Plat 12, Tide and Shore Lands of Section 32, Township 35 North, Range 2 East W.M., Anacortes Harbor, according to the recorded plat thereof, lying Northeasterly of the North line of the right-of-way of the Seattle and Northern (now Burlington Northern) Railway, and Westerly of the "Old Fence Line" as established by decree dated August 27, 1962, in Skagit County Superior Court Cause No. 23670, produced Northerly through Tract 18.


Cheryl A. Bishop

