

REAL ESTATE EXCISE TAX

Filed for Record at Request of
and After Recording Return To:

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27665

JUL - 7 2008

PAID 640.4125 + 126 = 770.00
✓ *W. C. Weisfield, Jr.*
SKAMANIA COUNTY TREASURER

STATUTORY WARRANTY DEED

The undersigned SDS COMPANY, LLC, ("Grantor") for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration in hand paid, conveys and warrants to JASON S. SPADARO and SHELLY R. SPADARO, husband and wife, ("Grantees") the following described real estate, situated in the County of Skamania, State of Washington:

Abbreviated legal description: Portions of the SE ¼ of the NW ¼ and Govt Lot 2 in Section 22, Township 3 North, Range 10 East, Willamette Meridian.

Assessor's Tax Parcel No. 03102200090300

A tract of land created as LOT 3 by Quit Claim Deed recorded in Auditor's File 2008169094, further described as follows:

A TRACT OF LAND BEING IN A PORTION OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 22, TOWNSHIP 3 NORTH, RANGE 10 EAST OF THE WILLAMETTE MERIDIAN AND THAT PORTION OF GOVERNMENT LOT 2 OF SAID SECTION 22, LYING NORTHERLY OF THE SPOKANE, PORTLAND AND SEATTLE RAILWAY COMPANY RIGHT-OF-WAY, EXCEPTING FROM SAID GOVERNMENT LOT 2 THAT PORTION CONVEYED TO THE STATE OF WASHINGTON FOR STATE HIGHWAY NO. 8 (NOW STATE HIGHWAY NO. 14), BY INSTRUMENT DATED FEBRUARY 26, 1934, RECORDED MAY 15, 1934, IN BOOK "X" OF DEEDS AT PAGE 516, UNDER AUDITOR'S FILE NO. 19446, RECORDS OF SKAMANIA COUNTY, WASHINGTON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 22; THENCE NORTH 89°01'17" WEST, 901.11 FEET ALONG THE NORTH LINE OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 22 TO THE POINT OF BEGINNING OF SAID LOT 3; THENCE SOUTH 00°55'04" WEST, 1764.60 FEET; THENCE SOUTH 76°51'38" EAST, 53.05 FEET; THENCE SOUTH 00°55'04" WEST, 324.78 FEET TO THE TOP OF A BLUFF; THENCE FOLLOWING THE TOP OF SAID BLUFF OVER THE NEXT SEVEN (7) COURSES; 1.) THENCE NORTH 77°17'57" WEST, 46.98 FEET; 2.) THENCE NORTH 81°06'20" WEST, 93.29 FEET; 3.) THENCE NORTH 53°16'21" WEST, 53.24 FEET; 4.)

THENCE NORTH 72°28'32" WEST, 80.86 FEET; 5.) THENCE SOUTH 67°59'14" WEST, 74.00 FEET; 6.) THENCE SOUTH 70°52'02" WEST, 95.05 FEET; 7.) THENCE NORTH 64°03'02" WEST, 78.25 FEET TO A POINT ON THE WEST LINE OF GOVERNMENT LOT 2; THENCE NORTH 00°58'40" EAST, 724.10 FEET ALONG THE WEST LINE OF SAID GOVERNMENT LOT 2 TO THE NORTHWEST CORNER THEREOF; THENCE NORTH 01°14'03" EAST, 1328.51 FEET ALONG THE WEST LINE OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 22 TO THE NORTHWEST CORNER THEREOF; THENCE SOUTH 89°01'17" EAST, 427.42 FEET TO THE POINT OF BEGINNING.

Skamania County Assessor

Date 7/2/08 Parcel # 3-10-22-903

AREA OF LOT 3 (CONTAINS 20.85 ACRES MORE OR LESS).

This lot is hereinafter referred to as "Lot 3" and also shown on that survey recorded February 5, 2008, Auditor's File No.2008168904, hereinafter referred to as the "Survey".

TOGETHER WITH an easement for ingress, egress and utilities, over, under and across the following described property (which includes an existing gravel road):

AN INGRESS, EGRESS AND UTILITY EASEMENT BEING A STRIP OF LAND 40.00 FEET WIDE LOCATED IN THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER AND GOVERNMENT LOT 2 OF SECTION 22, TOWNSHIP 3 NORTH, RANGE 10 EAST OF THE WILLAMETTE MERIDIAN; SAID STRIP OF LAND LYING 20.00 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT A POINT ON THE NORTH LINE OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 22 WHICH BEARS NORTH 89°01'17" WEST, 14.81 FEET FROM THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 22; THENCE SOUTH 02°53'05" WEST, 128.69 FEET; THENCE SOUTH 00°08'39" WEST, 75.56 FEET; THENCE SOUTH 01°02'39" WEST, 57.53 FEET; THENCE SOUTH 00°37'34" WEST, 190.52 FEET; THENCE SOUTH 00°11'07" EAST, 115.45 FEET; THENCE SOUTH 05°51'40" WEST, 33.04 FEET; THENCE SOUTH 11°19'56" WEST, 51.36 FEET; THENCE SOUTH 03°15'08" WEST, 91.24 FEET; THENCE SOUTH 10°27'14" WEST, 93.07 FEET; THENCE SOUTH 22°21'26" WEST, 164.07 FEET; THENCE SOUTH 43°31'11" WEST, 33.43 FEET; THENCE SOUTH 59°20'40" WEST, 226.58 FEET; THENCE SOUTH 61°44'55" WEST, 77.06 FEET; THENCE SOUTH 78°48'45" WEST, 90.20 FEET; THENCE SOUTH 64°15'52" WEST, 120.59 FEET; THENCE SOUTH 54°16'08" WEST, 114.95 FEET; THENCE SOUTH 40°10'44" WEST, 115.65 FEET; THENCE SOUTH 36°10'02" WEST, 104.11 FEET; THENCE SOUTH 32°01'38" WEST, 102.61 FEET; THENCE SOUTH 14°59'47" WEST, 45.95 FEET; THENCE SOUTH 05°22'17" WEST, 29.59 FEET; THENCE SOUTH 18°03'06" WEST, 63.66 FEET; THENCE SOUTH 54°39'50" WEST, 19.12 FEET TO A POINT ON THE WEST LINE OF LOT 2 AS SHOWN ON THE SURVEY, WHICH POINT BEARS SOUTH 00°55'04" WEST, 1718.58 FEET FROM THE NORTHWEST CORNER OF LOT 2 AND THE TERMINUS OF THIS DESCRIPTION THE SIDELINES OF SAID STRIP TO BE LENGTHENED OR SHORTENED AS NECESSARY TO INTERSECT THE NORTH LINE OF SAID LOT 1 AND THE WEST LINE OF SAID LOT 2.

The above described roadway easement is subject to those Covenants for Road Maintenance recorded at Auditor's File No. 2008169095, Skamania County Deed Records.

SUBJECT TO Grantor's reservation of an easement for ingress and egress over and across the above described easement. The Grantor, its successor and assigns, will repair the roadway to its previous condition if it causes damage to the roadway during the course of any forest management operations.

FURTHER TOGETHER WITH and SUBJECT TO the right with other landowners of Lots 1 and 2 to use and enjoy the following described "Common Area":

A COMMON AREA ON THAT PORTION OF LOTS 2 AND 3 AS SHOWN ON PAGE 2 OF THE SURVEY, LOCATED IN A PORTION OF GOVERNMENT LOT 2 OF SECTION 22, TOWNSHIP 3 NORTH, RANGE 3 EAST OF THE WILLAMETTE MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF GOVERNMENT LOT 2; THENCE SOUTH 00°58'40" WEST, 719.94 FEET ALONG THE WEST LINE OF SAID GOVERNMENT LOT 2; THENCE SOUTH 89°01'20" EAST, 307.71 FEET TO A POINT ON THE SOUTH LINE OF LOT 3 ALSO BEING AT THE TOP OF A BLUFF AS SHOWN ON THE SURVEY AND THE POINT OF BEGINNING; THENCE NORTH 27°26'22" EAST, 56.56 FEET; THENCE NORTH 42°41'02" EAST, 56.30 FEET; THENCE NORTH 57°58'03" EAST, 56.85 FEET; THENCE NORTH 73°12'44" EAST, 56.01 FEET; THENCE SOUTH 87°07'42" EAST, 43.54 FEET; THENCE SOUTH 71°26'59" EAST, 36.63 FEET; THENCE SOUTH 54°05'41" EAST, 52.03 FEET; THENCE SOUTH 60°24'51" EAST, 136.84 FEET; THENCE SOUTH 88°04'19" EAST, 38.14 FEET; THENCE NORTH 79°44'51" EAST, 38.86 FEET; THENCE NORTH 60°22'46" EAST, 15.53 FEET; THENCE SOUTH 60°25'27" EAST, 71.84 FEET; THENCE SOUTH 00°27'45" WEST, 85.85 FEET MORE OR LESS TO THE TOP OF SAID BLUFF; THENCE IN A WESTERLY DIRECTION ALONG THE TOP OF SAID BLUFF LINE BACK TO THE POINT OF BEGINNING.

Use and maintenance of said Common Area shall be governed by the Declaration of Protective Covenants recorded at Auditor's File No. 2008169096.

RESERVING UNTO THE GRANTOR, its successors and assigns, a perpetual right to all timber located within the following described property, hereinafter referred to as the "Timber Harvest Agreement Area," and insofar as it is contained within the above described Lot 3, subject to the rights, privileges and terms hereinbelow.

ALL OF THAT LAND LOCATED IN THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 22, TOWNSHIP 3 NORTH, RANGE 10 EAST OF THE WILLAMETTE MERIDIAN.

ALSO

THAT PORTION OF GOVERNMENT LOT 2 OF SECTION 22, TOWNSHIP 3 NORTH, RANGE 10 EAST OF THE WILLAMETTE MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF GOVERNMENT LOT 2; THENCE SOUTH $01^{\circ}07'18''$ WEST, 225.68 FEET ALONG THE EAST LINE OF SAID GOVERNMENT LOT 2; THENCE NORTH $89^{\circ}01'20''$ WEST, 1330.59 FEET TO A POINT ON THE WEST LINE OF SAID GOVERNMENT LOT 2; THENCE NORTH $00^{\circ}58'40''$ EAST, 224.10 FEET ALONG THE WEST LINE OF SAID GOVERNMENT LOT 2 TO THE NORTHWEST CORNER THEREOF; THENCE SOUTH $89^{\circ}05'24''$ EAST, 1331.16 FEET ALONG THE NORTH LINE OF SAID GOVERNMENT LOT 2 TO THE POINT OF BEGINNING.

This Timber Harvest Agreement Area is diagrammed on the Survey.

FURTHER RESERVING UNTO THE GRANTOR, its successors and assigns, rights to plant, cultivate, manage and harvest the timber resources located within the Timber Harvest Agreement Area, which rights shall include, but shall not be limited to, the right to build and maintain such roads or trails as Grantor, in its sole discretion, deems appropriate for timber management, thinning, fire reduction and control, harvesting, and replanting, and for such other purposes desired by the Grantor or as required under any State of Washington and/or County of Skamania timber management requirements now or hereinafter in effect.

Grantor shall prepare and file, at its cost, a Forest Management Plan as required by Skamania County or any other such jurisdiction as required for maintaining the Timber Harvest Agreement Area as designated forest land for deferred tax purposes or otherwise determined necessary or desirable by Grantor. Grantee, their heirs, successors and assigns, hereby agree to execute as landowner and cooperate with Grantor in the application, filing or re-filing of any such plans.

As long as the Timber Harvest Agreement Area remains in forest land tax deferred status, Grantees shall be responsible for all property taxes due to Skamania County. If Grantor fails to receive forest land tax deferred status, Grantor shall be responsible for its proportionate share of all property taxes due to Skamania County on the assessed land value for as long as Grantor retains its rights granted herein in the Timber Harvest Agreement Area. Grantor shall pay severance/timber tax on all products harvested from the Timber Harvest Agreement Area. In the event that either Grantor or Grantees fails to pay the real property taxes when due and owing to Skamania County, the other party may pay said taxes. The paying party may then mail a bill reflecting taxes paid on the other's behalf to their address of record with the Skamania County Auditor. If the party fails to reimburse the payor within thirty (30) days, then payor may commence an action against the other party to collect monies paid to Skamania County for property taxes. The prevailing party in this action shall be awarded their reasonable attorney's and costs related to said action.

Grantor, at its sole cost, shall comply with the Washington State Forest Practices Act and any all other regulations governing the safe harvest and removal of timber products, construction of roads, reforestation or any other rights reserved by Grantor in the Timber Harvest Agreement Area. Grantor shall prepare and file, at its cost, any Forest Practices Act applications or other permits necessary for Grantor's reserved rights in the Timber Harvest Agreement Area. Grantee, their heirs, successors and assigns, hereby agree to execute as landowner and cooperate with Grantor in the application, filing or re-filing of any such plans.

Grantor shall provide to Grantees at their address of record with the Skamania County Assessor written notice of its intent to engage in forest management or harvesting activities that require the issuance of permits. Said notice shall be given at least 30 days prior to submitting permits for approval. Any timber thinning or harvesting operations shall commence no earlier than sunrise and cease no later than sunset.

Grantor releases, indemnifies and holds harmless the Grantees for any and all liability resulting from the actions of Grantor, its agents or assigns, in association with Grantor's exercise of any of its rights in the Timber Harvest Agreement Area, including without limitation any violations of Forest Practices Act regulations, environmental contamination or other damage or loss resulting to the land or the property of Grantee;

Grantees shall have the right to use of the property described in the Timber Harvest Agreement Area for recreational purposes so long as such use does not reduce, damage, disturb or conflict with the rights reserved by the Grantor, as determined in the sole discretion of the Grantor. Grantees shall indemnify the Grantor, its successors and/or assigns, for any and all damages to Grantor's timber within the Timber Harvest Agreement Area caused by the gross negligence of the Grantees, their agents, invitees, successors, or assigns.

FURTHER RESERVING UNTO THE GRANTOR, the exclusive right of consent, approval and conditioning, which may be withheld in the sole discretion of Grantor, of any future sub-division of any portion of that property described in the Timber Harvest Agreement Area if that property is rezoned in the future to allow for its sub-division into lot sizes of less than twenty acres, and Grantee desires to divide any portion of the rezoned Timber Harvest Agreement Area.

FURTHER TOGETHER WITH and SUBJECT TO those conditions of the Skamania County Administrative Decision NSA-05-13 recorded at Auditor's File No. 2008169074 and 2008169075, Skamania County Deed Records and the Settlement Agreement dated June 19, 2007 recorded at Auditor's File No. 2008169091, Skamania County Deed Records.

Grantees own the land conveyed by this Deed in fee title, subject only to those rights reserved by Grantor defined herein. Grantor shall not allow any pledge, lien or encumbrance to be placed on the land owned by Grantees as a result of Grantor's reserved rights. Grantees shall not allow any pledge, lien or encumbrance to be placed on the timber rights reserved by Grantor in the Timber Harvest Agreement Area as a result of Grantee's ownership of the land. In the Timber Harvest Agreement Area, this Deed shall be interpreted in a manner which best executes the rights reserved by the Grantor. Outside of the Timber Harvest Agreement Area, Grantees shall be entitled to quiet enjoyment, right, title and interest to said property. As to matters that do not otherwise affect the rights reserved by the Grantor, the Grantor, its successors and/or assigns, shall cooperate with Grantees, in any reasonable manner requested, to evidence Grantees' clear and unencumbered title to the property.

Any disputes that arise between the parties regarding their rights and duties as set forth hereinabove shall first be subject to binding arbitration, with the arbitrator selected from the American Arbitration Association. The arbitrator shall be agreed upon by both parties; if the parties cannot agree on an arbitrator, they shall each select an arbitrator, and those arbitrators shall select the arbitrator who will preside over binding arbitration. Binding arbitration shall

apply to disputes except those involving reimbursement to Grantor for payment of real property taxes, and except as otherwise may be governed by the covenants and agreements referenced hereinabove. Should any party appeal the binding decision of the arbitrator to Skamania County Superior Court, the prevailing party therein shall be awarded reasonable attorney's fees and costs, including the costs of expert witnesses and reasonable attorney's fees and costs on appeal. In any disputes brought under this provision, the arbitrator may award consequential damages to the prevailing party.

The parties hereto acknowledge that the rights, reservations and conditions herein extend to and are incumbent upon all heirs, successors and assigns of the parties. The reservations herein may be relinquished by agreement, which agreement must be executed in legal form and recorded with the Skamania County Auditor.

DATED: July 3, 2008.


Jason S. Spadaro, President, SDS
Company, LLC, Grantor

By our signatures hereto we acknowledge and agree to comply with the reservations, terms and conditions contained within this deed.

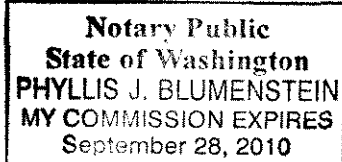

JASON S. SPADARO, Grantee



SHELLY R. SPADARO, Grantee

STATE OF WASHINGTON)
) §
COUNTY OF Klickitat)

On this 3 day of July, 2008, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared JASON S. SPADARO, to me known to be the President of SDS COMPANY, LLC, 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 the he is authorized to execute the said instrument.

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

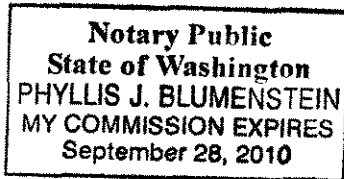


Signature: 
Printed Name: Phyllis J. Blumenstein
Notary Public in and for the State of Washington,
residing at White Salmon, therein.
My commission expires: 9-28-10

STATE OF WASHINGTON)
COUNTY OF Klickitat) §

I certify that I know or have satisfactory evidence that JASON S. SPADARO is the person who appeared before me and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: July 3, 2008.

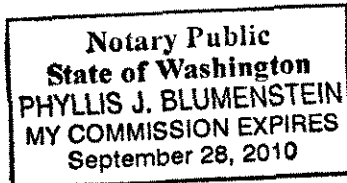


Signature: Phyllis J. Blumenstein
Printed Name: Phyllis J. Blumenstein
Notary Public in and for the State of Washington,
residing at White Salmon, therein.
My commission expires: 9-28-10

STATE OF WASHINGTON)
COUNTY OF Klickitat) §

I certify that I know or have satisfactory evidence that SHELLY R. SPADARO is the person who appeared before me and said person acknowledged that she signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: July 3, 2008.



Signature: Phyllis J. Blumenstein
Printed Name: Phyllis J. Blumenstein
Notary Public in and for the State of Washington,
residing at White Salmon, therein.
My commission expires: 9-28-10