

AFTER RECORDING MAIL TO:

David R. Syre Investments
4350 Cordata Parkway
Bellingham, WA 98226
Attn: Sheryl J. Case

10'
KATHY HILL
SKAGIT COUNTY AUDITOR

99 MAY -5 P12:01

RECORDED _____ FILED _____
REQUEST OF _____

9905050036

LAND TITLE COMPANY OF SKAGIT COUNTY STATUTORY WARRANTY DEED

Grantor(s): Trillium Corporation, a Washington corporation
Grantee(s): Foxglove LLC, a Washington limited liability company
Abbreviated Legal: Ptn Sec 3, Twn 33N, R4E, Skagit County, WA
Additional Legals(s) on Page: 2
Assessor's Tax Parcel Number(s): 330403-1-002-0109

P-89260

THE GRANTOR, TRILLIUM CORPORATION, a Washington corporation, for and in consideration of contribution of capital in hand paid, conveys and warrants to FOXGLOVE LLC, a Washington limited liability company, the following described real estate, situated in the County of Skagit, State of Washington:

The North 1/2 of the Southwest 1/4 of Section 3, Township 33 North, Range 4 East, W.M.

TOGETHER WITH a non-exclusive easement for ingress, egress and utilities 60 feet in width, as contained in "Easement Exchange Agreement" recorded June 30, 1989, under Auditor's File No. 8906300010, records of Skagit County, Washington.

Situate in the County of Skagit, State of Washington.

SUBJECT TO all matters of record as disclosed on Exhibit A, attached hereto and by this reference made a part hereof.

Dated 4/26/99 SKAGIT COUNTY WASHINGTON 29181
Real Estate Excise Tax

MAY 5 - 1999

Amount Paid \$
By Skagit Co. Treasurer
By [Signature] Deputy

TRILLIUM CORPORATION,
a Washington corporation

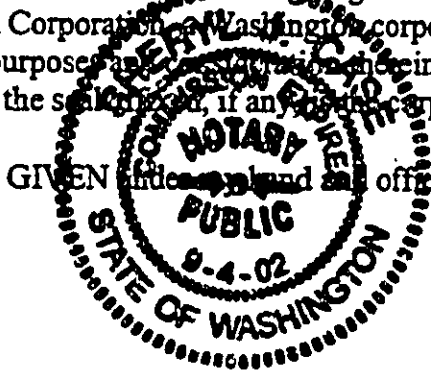
By: [Signature]
Timothy C. Potts
Senior Vice President

STATE OF WASHINGTON)

County of Whatcom) SS:

Before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, this day personally appeared Timothy C. Potts known to me as the person whose name is subscribed on the foregoing instrument, and known to me to be the Senior Vice President of Trillium Corporation, a Washington corporation, and acknowledged to me that he executed said instrument for the purposes and consideration therein expressed and as the free and voluntary act of said corporation and that the seal of said corporation is a true and correct copy of the corporate seal of said corporation.

GIVEN under my hand and official seal this 26th day of April, 1999.



Sheryl J. Case
Notary Public in and for the State of WA
Residing at Bellingham
My appointment expires 9/4/02

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**EXHIBIT A
EXCEPTIONS**

1. General taxes, together with interest, penalty and statutory foreclosure costs, if any, first half delinquent May 1, 1999, if unpaid, second half delinquent November 1, 1999, if unpaid:

Account No: 330403-1-002-0109
Year: 1999
Amount Billed: \$197.37
Amount Paid: \$ -0-
Balance Owing: \$197.37

2. Agreement and the terms and conditions thereof:

Between: Georgia-Pacific Corporation, a Georgia corporation
And: Scott Paper Company, a Pennsylvania corporation
Dated: June 27, 1989
Recorded: June 30, 1989
Auditor's No: 8906300010
Regarding: Easement exchange and maintenance provisions

3. Easement and the terms and conditions thereof:

Grantee: Devil's Mountain Partnership, a Washington partnership
Purpose: For ingress, egress and utilities
Area Affected: 60 foot strip across Northeast 1/4 of the Southwest 1/4
Dated: January 3, 1991
Recorded: January 14, 1991
Auditor's No: 9101140071

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EXHIBIT A

Statement Regarding Exemption from Real Estate Excise Tax

The subject conveyance is made as a capital contribution to Foxglove LLC. It qualifies for nonrecognition of taxable gain for Federal Income Tax purposes pursuant to Section 721 of the Internal Revenue Code and accordingly is exempt from the Real Estate Excise Tax pursuant to RCW 82.45.010(3)(o) as further supported by WAC 458-61-376(e) – Nonrecognition of Gain or Loss.

JS

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