

AFTER RECORDING RETURN TO:

SKAGIT STATE BANK
301 East Fairhaven
Burlington, WA 98233



200412150105
Skagit County Auditor

12/15/2004 Page 1 of 5 2:45PM

Abbrev. Leg.	Ptn W 1/2 SW 1/4 and ptn NW 14 SW 1/4, 13-35-3 E W.M.
Tax Acct No.	350313-3-001-0004; 350313-3-003-0002; 350313-3-006-0009; 350313-3-007-0008
Grantors.	DEVRIES, Harman M. and Joan R.
Grantee.	SKAGIT STATE BANK
Ref. No.	9401180002 & 199908230328

DEED IN LIEU OF FORECLOSURE

THE GRANTORS, HARMAN M. DeVRIES and JOAN R. DeVRIES, husband and wife,
for and in consideration of the release of Grantors for certain liability set forth below,
convey and warrant to GRANTEE, SKAGIT STATE BANK, a Washington Corporation,
the following described real estate situated in the County of Skagit, State of Washington,
together with all after acquired title of the Grantors(s) therein:

For description of real property, see EXHIBIT A, attached hereto and by
this reference incorporated herein.

This deed is given as an absolute conveyance, assignment and interest of all title or
interest of the Grantors(s) in the real property described herein and is not intended as a
mortgage, trust conveyance or security of any kind. It is the intention of Grantors to
convey to Grantors all their right, title and interest in the property to the grantee. This
deed is executed and delivered by the Grantors(s) in connection with two deeds of trust
executed by Grantors HARMAN M. DeVRIES and JOAN R. DeVRIES to LAND TITLE
COMPANY OF SKAGIT COUNTY as Trustee, in favor of SKAGIT STATE BANK as
Beneficiary: the Deed of Trust recorded January 18, 1994, under Auditor's File No.
9401180002, records of Skagit County, Washington, and also the Deed of Trust recorded
August 23, 1999, under Auditor's File No. 199908230328, records of Skagit County,
Washington

It is warranted and covenanted by the Grantors in executing this Deed in Lieu of
Foreclosure and agreed by the Grantee in accepting the Deed as follows:

1. The consideration for the execution of this Deed in Lieu consists of payment from the Grantee to the Grantors of \$ 30,000.00 and the release of the Grantors(s) from any personal liability for repayment of the amount due to the Grantee under two promissory notes: one dated January 6, 1994, in the amount of \$411,286.24, and the second dated August 13, 1999, in the amount of \$273,001.99, together with any modifications or extensions of said notes. Nothing shall be construed to release the Grantors(s) or any other party from any other obligations to the Grantee, including any other obligations that may also be secured by the Deeds of Trust described above, or to preclude or otherwise prejudice the Grantee's right to proceed with a foreclosure action against the property or any other property secured by the Deed of Trust, provided that the Grantee shall not seek any deficiency judgment against the Grantors(s) in such foreclosure. The consideration set forth above is equal to the fair market value of the property and includes the fair and reasonable value of the Grantors(s) interest in the property.

2. This deed is executed voluntarily by Grantors, and not pursuant to duress or threats of any kind. Furthermore, it is executed and delivered in mutual good faith between Grantors and Grantee, and is not given or intended to hinder, delay, or defraud any creditor, or to contravene any of the bankruptcy laws of the United States or applicable laws.

3. Grantors(s) further warrant and represent that: (a) the Grantors have full power and authority to execute and deliver this Deed in Lieu; (b) this conveyance and assignment is freely and fairly made; and (c) Grantors are not rendered insolvent by this conveyance and assignment.

4. The Grantee by accepting and recording this deed does not intend a merger of its interest under those certain deeds of trust referenced above, with the fee title herein conveyed to take place, and it is the intention of the parties that the property described above shall remain subject to the lien of said deeds of trust. Although the Grantee waives its right to pursue a personal judgment against the Grantors(s) for the debt(s) referenced in Paragraph 1, above, the Grantee retains the right to proceed with the foreclosure of the Deeds of Trust against the property in the event a foreclosure is required to clear title to the property of any existing or future encumbrances junior to the Deeds of Trust.

Dated: Dec 10, 2004, 2004.

6723
SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

DEC 15 2004

Amount Paid \$ 53400
By [Signature] Skagit Co. Treasurer Deputy



200412150105
Skagit County Auditor

Grantors:

Harman M. DeVries
Harman M. DeVries

Joan R. DeVries
Joan R. DeVries

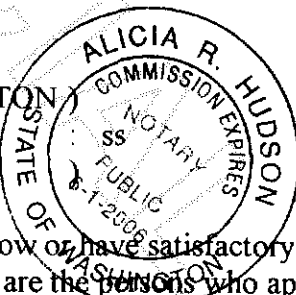
Grantee:
Skagit State Bank

By Gary Medcalf Vice President

Print Name: GARY MEDCALF

STATE OF WASHINGTON

COUNTY OF SKAGIT



I certify that I know or have satisfactory evidence that HARMAN M. DeVRIES and JOAN R. DeVRIES are the persons who appeared before me, and said persons acknowledged that they signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in this instrument.

DATED: December 10, 2004

Alicia R. Hudson

Print Name: Alicia R. Hudson

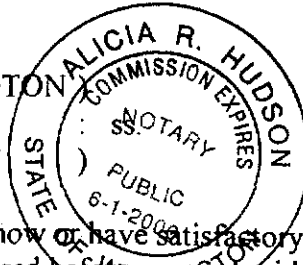
NOTARY PUBLIC in and for the State of
Washington, residing at Skagit Co.

My appointment expires: 06-01-06



STATE OF WASHINGTON

COUNTY OF SKAGIT



I certify that I know or have satisfactory evidence that Gary Medcalf is the person who appeared before me and said person acknowledged that HE/SHE signed this instrument, on oath stated that HE/SHE was authorized to execute the instrument and acknowledged it as the Vice President of SKAGIT STATE BANK to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Witness my hand and official seal hereto affixed this 10 day of December, 2004.

Alicia R. Hudson

Print Name: Alicia R. Hudson
NOTARY PUBLIC in and for the State of
Washington, residing at Skagit Co.

My appointment expires: 06-01-06



EXHIBIT A

That portion of the West ½ of the Southwest ¼ and that portion of the Northeast ¼ of the Southwest ¼ of Section 13, Township 35 North, Range 3 East, W.M., lying Northerly of the Samish River, EXCEPT road AND EXCEPT the following described tracts:

1. The West 330 feet of the South 660 feet of the Northwest ¼ of the Southwest ¼ of said Section 13.
2. The North 16.50 feet of the West 330 feet and the West 116 feet of the South 60 feet of the North 76.5 feet of the Southwest ¼ of the Southwest ¼ of said Section 13.
3. Beginning at the Southwest corner of the Southwest ¼ of the Southwest ¼ of said Section 13;
thence North 2°00' West along the West line of said subdivision, a distance of 673.12 feet;
thence North 88°00' East a distance of 145.05 feet;
thence South 81°14' East a distance of 101.3 feet to the true point of beginning;
thence South 81°14' East a distance of 315.0 feet to the approximate center of the Samish River;
thence along the approximate center of said river South 10°55' West 80.0 feet to the beginning of a curve to the right, having a radius of 138.08 feet, and a central angle of 77°05';
thence along said curve an arc distance of 185.77 feet;
thence continue along the approximate center of the Samish River South 88°00' West a distance of 125.0 feet;
thence continue along the center of said river North 66°00' West a distance of 44.21 feet to a point which bears South 0°12' West from the true point of beginning;
thence North 0°12' East a distance of 226.93 feet to the true point of beginning.
4. Beginning at the Southwest corner of the Southwest ¼ of the Southwest ¼ of said Section 13;
thence North 2°00' West along the West line of said subdivision a distance of 673.12 feet;
thence North 88°00' East a distance of 145.05 feet to the true point of beginning;
thence South 81°14' East a distance of 101.13 feet;
thence South 9°12' West a distance of 226.93 feet, more or less, to the center of the Samish River;
thence along the center of the Samish River North 60°30' West a distance of 114.68 feet;
thence North 0°12' East a distance of 185.87 feet to the true point of beginning.
5. Beginning at a point on the West line of the Southwest ¼ of the Southwest ¼ of said Section 13, which is North 2° West, a distance of 673.12 feet from the Southwest corner thereof;
thence North 88°00' East, a distance of 145.05 feet;
thence South 0°12' West, a distance of 185.87 feet, more or less, to the center of the Samish River;
thence Westerly along the center of the Samish River to its intersection with the West line of said Southwest ¼ of the Southwest ¼;
thence North 2° West along said West line to the point of beginning.

Situate in the County of Skagit, State of Washington.

