

AFTER RECORDING RETURN TO:

Name William R. Allen
Address PO Box 437
City, State, Zip Sedro-Woolley, WA 98284



200510040075
Skagit County Auditor

10/4/2005 Page 1 of 4 1:49PM

Grantor. Strelow, Reo H.
Grantee. Investment Resources, L.P.
Abbrev. Leg. SEDRO, the East 1/2 of Lot 3, and all of Lot 4, Block 11
Tax Account No. 4149-011-004-0007/P75388
Ref. No. 200108150108 & 200312240142

5540
SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

OCT 04 2005

**WARRANTY DEED
IN LIEU OF FORECLOSURE**

Amount Paid \$ 238.18
Skagit Co. Treasurer
By Deputy

THE GRANTOR, REO H. STRELOW, a single man, for and in consideration of the release of Grantor for certain liability set forth below, conveys and warrants to

THE GRANTEE, INVESTMENT RESOURCES, LIMITED PARTNERSHIP, a Nevada limited partnership,

the following described real estate situated in the County of Skagit, State of Washington:

Lot 4 and the East 1/2 of Lot 3, Block 11, "PLAT OF TOWN OF SEDRO", as per plat recorded in Volume 1 of Plats, page 17, records of Skagit County, Washington.

Situate in the City of Sedro Woolley, County of Skagit, State of Washington.

This deed is given as an absolute conveyance, assignment and interest of all title or interest of the grantor 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 grantor to convey to grantee all his right, title and interest in the property to the grantee. This deed is executed and delivered by the Grantor in connection with the Second Deed of Trust executed by Grantor REO. H. STRELOW, to LAND TITLE COMPANY as Trustee, in favor of INVESTMENT RESOURCES, LIMITED PARTNERSHIP, a Nevada limited partnership, as Beneficiary, dated December 18, 2003, and recorded December 24, 2003, under Auditor's File No. 200312240142, records of Skagit County, Washington.

It is warranted and covenanted by the Grantor 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 the release of the Grantor from any personal liability for repayment of the amount due to the Grantee under the agreement between the Grantor and Grantee dated December 18, 2003, which agreement included the obligation to pay \$35,000.00 to Investment Resources. Nothing shall be construed to release the Grantor or any other party from any other obligations to the Grantee, including any other obligations that may also be secured by the Deed 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 Grantor 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 Grantor interest in the property.
2. This deed is executed voluntarily by Grantor, and not pursuant to duress or threats of any kind. Furthermore, it is executed and delivered in mutual good faith between Grantor 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. Grantor(s) further warrant and represent that: (a) the Grantor has full power and authority to execute and deliver this Deed in Lieu; (b) this conveyance and assignment is freely and fairly made; and (c) Grantor is 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 the deed 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 deed of trust. Although the Grantee waives its right to pursue a personal judgment against the Grantor for the debt(s) referenced in Paragraph 1, above, the Grantee retains the right to proceed with the foreclosure of the Deed 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 Deed of Trust.

Dated: 8 - 18, 2005.

GRANTOR:



REO H. STRELOW

Strelow/InvestResources/Deedin Lieu

2



200510040075
Skagit County Auditor

10/4/2005 Page 2 of 4 1:49PM

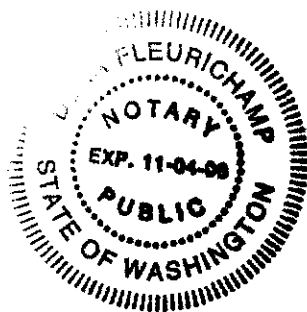
GRANTEE:
INVESTMENT RESOURCES, LIMITED PARTNERSHIP
a Nevada limited partnership:

By: [Signature]
Thomas Hamer, Director and President
ZN Corporation, General Partner of Investment Resources Limited Partnership

STATE OF WASHINGTON)
: ss
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that REO H. STRELOW 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 this instrument.

Dated: August 18, 2005.



[Signature]
Print Name: Dena Fleurichamp
NOTARY PUBLIC in and for the State of
Washington, residing at Deedee Valley.
My appointment expires: 11/4/2008



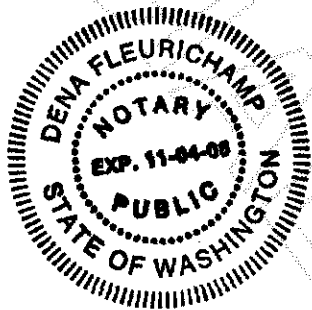
STATE OF WASHINGTON)

: ss

COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that THOMAS HAMER is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as a Member of INVESTMENT RESOURCES, LIMITED PARTNERSHIP, a Nevada corporation, 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 28th day of September 2005.



Dena Fleurichamp
Print Name: Dena Fleurichamp
NOTARY PUBLIC in and for the State of
Washington, residing at Sedro Woolley.

My appointment expires: 11/4/2008