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When recorded mail to:

REGIONAL TRUSTEE SERVICES CORPORATION 616 1st Avenue, Suite 500 Seattle, WA 98104

REK Forfeiture No: 01-CM-54865

Loan No. TRONSDAL

CM548650570000000

DECLARATION OF FORFEITURE

Pursuant to R.C.W. Chapter 61.30, et seq. and 62A.9A-604(a)(2) et seq.

1. SELLER

The name, address and telephone number of the seller is ERROL HANSON FUNDING, INC., P.O. BOX 508, SEDRO WOOLLEY, WASHINGTON 98284; 360-708-5767.

2. DESCRIPTION OF THE CONTRACT

Real Estate Contract dated 1/30/1997, executed by AGNES TRONSDAL, AS HER SEPARATE PROPERTY, as Seller, and HOWARD CURTIS TRONSDAL AND DEANNE M TRONSDAL, HUSBAND AND WIFE, as Purchaser, which Contract, or memorandum thereof, was recorded on 2/10/1997, under Recording No. 9702100053, records of SKAGIT County, State of WASHINGTON. The Seller's interest in said contract has been assigned to ERROL HANSON FUNDING. INC.

3. LEGAL DESCRIPTION OF THE PROPERTY

A PORTION OF GOVERNMENT LOT 1 AND N 1/2 OF NE 1/4,31-33-4 EWM AS MORE FULLY DESCRIBED IN EXHIBIT "A" ATTACHED HERETO.

Tax Parcel No. 330431-1-002-0006,

4. FORFEITURE

The Contract described above is forfeited, the purchaser's rights under the Contract are cancelled, and all right, title and interest in the property of the purchaser and all persons claiming an interest in all or any portion of the property through the purchaser or which is otherwise subordinate to the seller's interest in the property are terminated except the following persons and claims:

Skagit State Bank, as to all claims and interests referenced in Skagit County Auditor's File No. 200209120007 and as to all claims and interests referenced in that certain unrecorded Settlement Agreement dated December 31, 2007 by and between Skagit State Bank and Errol Hanson Funding, Inc.

SURRENDER OF POSSESSION

All persons whose rights in the property have been terminated and who are in or come into possession of any portion of the property (including improvements and unharvested crops and timber) are required to surrender such possession to the Seller not later than October 10, 2008.

6. COMPLIANCE WITH STATUTORY PROCEDURE

The contract forfeiture was conducted in compliance with all requirements of R.C.W. Chapter 61.30 in all material respects and the applicable provisions of the contract described above.

7. ACTION TO SET ASIDE

The purchaser and any person claiming any interest in the purchaser's rights under the Contract or in the property who were given the Notice of Intent to Forfeit and the Declaration of Forfeiture have the right to commence a court action to set the forfeiture aside by filing and serving the summons and complaint within sixty days after the date the declaration of forfeiture is recorded if the seller did not have the fight to forfeit the contract or failed to comply with the provisions of R.C.W. Chapter 61.30 in any material respect.

8. ADDITIONAL INFORMATION DATED: Oct C 2008 SELLER: ERROL HANSON FUNDING INC BY (Name - Title)

before me, the undersigned, a Notary Public in and for the State of duly commissioned and sworn. , to me known to be the Masialen undina , 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 he/she is 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 Mashington, residing at: My commission expires: 2

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EXHIBIT FOR LEGAL DESCRIPTION

Trustee's Sale No. 01-CM-54865

PARCEL "A":

Government Lot 1, Section 31, Township 33 North, Range 4 East, W.M. lying East of the Pacific Highway and North of the North line of County road along the South line of Government Lot 1, EXCEPT that portion of Government Lot 1 conveyed to Dike District No. 16, recorded October 14, 1929, under Auditor's File No. 227612.

TOGETHER WITH the North ½ of the Northeast ¼ of said Section 31, Township 33 North, Range 4 East, W.M, EXCEPTING THEREFROM the following described tract:

Beginning at a point 851.5 feet West of Section line between said Sections 31 and 32, and on North line of GEO. Nelson Road; thence North 165 feet; thence East 32 rods; thence South 10 rods; thence West 32 rods to the point of beginning.

ALSO EXCEPTING from all of the above that portion of Government Lot 1, Section 31, Township 33 North, Range 4 East, W.M., and that portion of the North ½ of the Northeast ¼ of Section 31, Township 33 North, Range 4 East, W.M., described as follows:

Beginning at the Northeast corner of said Section 31, Township 33 North, Range 4 East W.M., thence North 88° 15'45" West along the North line of said subdivision a distance of 1,069.81 feet; thence South 8°52'21" West a distance of 658.61 feet; thence South 47°52'36" West a distance of 115.10 feet to the true point of beginning; thence continue South 47°52'36" West to the North right-of-way line of County raod known as the Milltown Road; thence in a Westerly direction along said right-of-way line to the intersection with the Easterly right-of-way of Pacific Highway; thence Northerly along said East right-of-way line to a point which bears North 88°15'45" West from the true point of beginning; thence South 88°15'45" East parallel with the North line of the Northeast ½ of said Section 31 to the true point of beginning.

ALSO EXCEPT that portion conveyed to Dike District No. 16 by deed recorded October 11, 1929, under Auditor's File No. 227599.

ALSO EXCEPT that portion of the North ½ of the Northeast ¼ lying within Skagit county Short Card No. 99-0034, approved December 10, 2001 and recorded December 10, 2001, under Auditor's File No. 200112100228, records of Skagit County, Washington.

ALSO EXCEPT that portion of said North ½ of the Northeast ¼ lying within the County road right-of-way along the South line thereof known variously as the Milltown Road and as the Starbird Road.

ALSO EXCEPT the right-of-way of Drainage District No. 17 along the East line of the Pacific Highway.

ALSO EXCEPT that portion of the Northeast ¼ of the Northeast ¼ described as follows:

Beginning at the Southwest corner of that certain parcel conveyed to Walter C. Boyd Jr. on March 7, 1997 under Auditor's File No. 9703120082, records of Skagit County, Washington; thence North along the West boundary of said Boyd parcel, for a distance of 165.00 feet to the Northwest corner of said parcel; thence West on the Westerly extension of the North line of said Boyd parcel for a distance of 50.00 feet; thence South parallel with said West line for a distance of 165.00 feet to the West extension of the South line of said Boyd parcel; thence East along said South line for a distance of 50.00 feet to the point of beginning.

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PARCEL "B":

Government Lot 1 in Section 31, Township 33 North, Range 4 East, W.M., lying West of the Great Northern Railway Company right-of-way. EXCEPT the following described tracts:

- 1. Beginning at the Northwest corner of said Lot 1, Section 31, Township 33 North, Range 4 East, W.M.; thence running East to right-of-way of Seattle and Montana Railroad; thence South along said right-ofway to a point 26 feet South of what is known as Mann's Store; thence West to the East bank of Tom Moore's Slough, thence in a Northerly direction along bank of said slough to point of beginning, all as conveyed to C.H. Mann by Deed recorded May 22, 1893, in Volume 28 of Deeds, page 68, records of Skagit County, Washington
- 2. All that portion of Lot 1 in Section 31, Township 33 North, Range 4 East, W.M., in Skagit County, Washington, particularly described as follows, to-wit:

Beginning at a point 40 feet North of the South line of said lot and on the bank of Tom Moore's Slough; thence running North along the East bank of said Tom Moore's slough a distance of 50 feet: thence East to the County road a distance of about 75 feet; thence South along the said County road 50 feet to a point due East of the point of beginning; thence due West about 75 feet to the point of beginning.

- Beginning a a point on the West side of the right-of-way of the Seattle and Montana Railroad Company, said point being at the Southeast corner of a certain tract of land known as the Mann Tract as described in Volume 28 of Deeds, page 68, records of Skagit County, Washington, and being in the Northwest 1/4 of Section 31, Township 33 North, Range 4 East, W.M.; thence South along said right-ofway a distance of 430 feet; thence West to the bank of Tom Moore's Slough; thence Northerly following said slough bank to a point directly West of the point of beginning; thence East to the point of beginning.
- 4. That portion conveyed to Skagit County for road purposes by Deed recorded May 10, 1967, under Auditor's File No. 698849.
- 5. That portion thereof lying within the county road right-of-way along the South line thereof known variously as the Milltown Road and the Starbird Road.
- 6. Those portions thereof conveyed to and/or condemned by Diking District No. 16.

PARCEL "C":

Lot 4 of Skagit County Short Card No. 99-0034, approved December 10, 2001 and recorded December 10, 2001 under Auditor's File No. 200112100228, records of Skagit County, Washington, being a portion of the North ½ of the Northeast ¼ of Section 31, Township 33 North, Range 4 East, W.M.

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