

FILED AT REQUEST OF:



200904070042

Skagit County Auditor

Name _____

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Address _____

City, State, Zip _____

POOR ORIGINAL

Grantor. TRONSDAL, Howard S.

Grantee. ERROL HANSON FUNDING, INC.

Abbrev. Leg. Ptn of NE ¼ and Govt Lots 1 and 5, Sec. 31, T33N, R4E, WM,

Tax Account Nos. 330431-1-004-0004/P17557, 330431-1-002-0105/P17555, ~~330431-0-008-0002/P17535~~,

Doc. Ref. No. 9708120096, 199907280124

P17529, P107977

DEED IN LIEU OF FORECLOSURE

THE GRANTOR, HOWARD S. TRONSDAL, as his separate estate, for and in consideration of the release of Grantor for certain liability set forth below and to forebear in foreclosure of certain deeds of trust described below, conveys and warrants to

THE GRANTEE, ERROL HANSON FUNDING, INC., 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 grantor 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 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. This deed is executed and delivered by the Grantor in connection with the liens and encumbrances described on EXHIBIT B.

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 promissory notes executed by Grantor, dated 31, 1997, in favor of Evelyn Carl, and dated July 28, 1999, in favor of Skagit State Bank, outstanding as of the date hereof, both

of which notes were assigned to Summit Bank and subsequently to the Grantee herein, and secured by deeds of trust described as First and Second on Exhibit B, attached hereto, and also to forbear in foreclosure of the deeds of trust described as Third and Fourth on Exhibit B, attached hereto, executed by Grantor in favor of Grantee, pursuant to separate agreement between the Grantee, Grantor and Maker of the secured notes. 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 deeds of trust described on Exhibit B, attached hereto, 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 deeds 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 those deeds of trust described on Exhibit B, 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 liens of said deeds 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 deeds of trust described as First and Second on Exhibit B, 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, and also to proceed with foreclosure of the deeds of trust described as Third and Fourth on Exhibit B, if required for the same reason or in the event of default in the separate agreements securing said third and fourth deeds of trust.

DATED March 27, 2009.

936
SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

APR 07 2009

Amount Paid \$-6
Skagit Co. Treasurer
By *Salmon* Deputy

TronsdalHansonDeed

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GRANTEE
ERROL HANSON FUNDING, INC.,

By: [Signature]
Errol Hanson, President

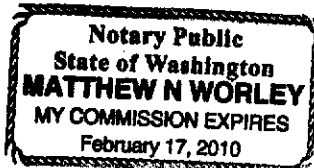
GRANTOR
HOWARD S. TRONSDAL

[Signature]
Howard S. Tronsdal

STATE OF WASHINGTON)
) ss
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that HOWARD S. TRONSDAL ~~is~~ are the person(s) who appeared before me, and said person(s) acknowledged that ~~he~~ she/they signed this instrument and acknowledged it to be ~~his~~ her/their free and voluntary act for the uses and purposes mentioned in this instrument.

Witness my hand and official seal hereto affixed this 27 day of March, 2009.



[Signature]
Typed/Printed Notary Name Matthew N Worley
Notary Public in and for the State of Washington, residing at Skagit
My appointment expires 2/17/10

STATE OF WASHINGTON)
) ss
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that ERROL HANSON 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 PRESIDENT of ERROL HANSON, FUNDING, INC. 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 30th day of MARCH, 2009.



[Signature]
Typed/Printed Notary Name JAMES E BISHOP II
Notary Public in and for the State of Washington, residing at Burlington
My appointment expires 060809

Tronsdal Hanson Deed



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EXHIBIT A

I

PARCEL "A":

The Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 31, Township 33 North, Range 4 East, W.M., EXCEPT dike right of way, AND EXCEPT Starbird Road.

Situate in the County of Skagit, State of Washington.

PARCEL "B":

That portion of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 32, Township 33 North, Range 4 East, W.M., described as follows:

Beginning at the Northwest corner of said Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 32;
thence South $2^{\circ}06'18''$ West 30.00 feet along the West line of said subdivision to the South right of way margin of the Milltown Road (also known as the Starbird-Rosenborough Road) and being the true point of beginning;
thence South $88^{\circ}52'21''$ East 118.00 feet along said South right of way margin of the Milltown Road, parallel with the North line of said subdivision, to the Northwest corner of that certain tract conveyed to Norwegian Lutheran Evangelical Church of Conway and Fir by Quit Claim Deed recorded under Skagit County Auditor's File No. 210478;
thence South $2^{\circ}06'18''$ West 416.00 feet along the West line of said Norwegian Lutheran Evangelical Church of Conway and Fir Tract to the Southwest corner thereof;
thence South $13^{\circ}11'41''$ East 912.55 feet to the South line of said Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$;
thence North $88^{\circ}46'28''$ West 358.82 feet along the South line of said subdivision to the Southwest corner thereof (also being the West $\frac{1}{4}$ corner of Section 32, Township 33 North, Range 4 East, W.M.);
thence North $2^{\circ}06'18''$ East 1,299.70 feet along the West line of said subdivision to the true point of beginning.

EXCEPT those portions described as follows:

1.) Beginning at the Northwest corner of the Southwest $\frac{1}{4}$ of said Northwest $\frac{1}{4}$ of Section 32;
thence South $2^{\circ}02'58''$ West, along the West line thereof, a distance of 30 feet to the South right of way line of Milltown Road (also known as the Starbird-Rosenborough Road);
thence South $88^{\circ}52'34''$ East, along said South line, a distance of 118.01 feet to the true point of beginning, said point being the Northwest corner of that certain parcel as described under Auditor's File No. 210478;
thence South $2^{\circ}02'58''$ West, a distance of 416.00 feet to the Southwest corner of said parcel;
thence North $88^{\circ}52'34''$ West, parallel with the North line of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of said Section 32, a distance of 30.24 feet, more or less, to intersect an existing fenceline extended South;
thence North along said fenceline and fenceline extension, a distance of 416.4 feet, more or less, to the South right of way line of Milltown Road;
thence South $88^{\circ}52'34''$ East, along said line, a distance of 18.33 feet, more or less, to the true point of beginning.

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1. Continued

DESCRIPTION CONTINUED:

PARCEL "B" continued:

2.) Beginning at the Northwest corner of said Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 32;
thence South $2^{\circ}06'18''$ West 30.00 feet along the West line of said subdivision to the South right of way
margin of the Milltown Road (also known as the Starbird-Rosenborough Road);
thence South $88^{\circ}52'21''$ East a distance of 118.00 feet along the South right of way margin of the Milltown
Road to the Northwest corner of that certain tract conveyed to Norwegian Lutheran Evangelical Church of
Conway and Fir by Quit Claim Deed recorded under Skagit County Auditor's File No. 210478;
thence South $2^{\circ}06'18''$ West 416.00 feet along the West line of said Norwegian Lutheran Evangelical Church
of Conway and Fir Tract to the Southwest corner thereof and the true point of beginning;
thence South $13^{\circ}11'41''$ East 912.55 feet to the South line of said Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$;
thence North $88^{\circ}46'28''$ West, along the South line of said subdivision, to a point which is South $2^{\circ}06'18''$
West of the true point of beginning,
thence North $2^{\circ}06'18''$ East to the true point of beginning.

Situate in the County of Skagit, State of Washington.



II

PARCEL "A"

That portion of Government Lot 1, Section 31, Township 33 North, Range 4 East, W.M., and that portion of the North $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 31, Township 33 North, Range 4 East, W.M., Skagit County, Washington, described as follows: Beginning at the Northeast corner of said Section 31, Township 33 North, Range 4 East, W.M.; thence North $88^{\circ}15'45''$ West along the North line of said subdivision, a distance of 1,069.81 feet; thence South $8^{\circ}52'21''$ West a distance of 656.51 feet; thence South $47^{\circ}52'36''$ West a distance of 115.10 feet to the true point of beginning; thence continue South $47^{\circ}52'36''$ West to the North right-of-way line of County road 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 $88^{\circ}15'45''$ West from the true point of beginning; thence South $88^{\circ}15'45''$ East parallel with the North line of the Northeast $\frac{1}{4}$ of said Section 31 to the true point of beginning.

EXCEPT that portion of said Government Lot 1, Section 31, Township 33 North, Range 4 East, W.M., described as follows: Beginning at the intersection of the East line of Pacific Highway with the North line of the County road along the South line of said Government Lot 1; thence North along said East line of Pacific Highway 200 feet; thence East parallel with said County road along the South line of said Government Lot 1, 200 feet; thence Southwesterly to a point 200 feet East of the true point of beginning; thence West to the true point of beginning.

ALSO EXCEPT that portion of Government Lot 1 conveyed to Dike District No. 16, recorded October 14, 1929, under Skagit County Auditor's File No. 227612.

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II. Continued

PARCEL "B"

Government Lot 5, Section 31, Township 33 North, Range 4 East, W.M., Skagit County, Washington

EXCEPT a tract conveyed to Milltown Trading Company, a co-partnership, by Deed recorded November 17, 1902, in Volume 48 of Deeds, page 197, records of Skagit County, Washington, more particularly described as follows: Beginning at a point on the South line of a certain logging ditch South of the present County road at a point where the same intersects the East boundary line of the Seattle and Montana Railway near the North line of Government Lot 5, Section 31, Township 33 North, Range 4 East, W.M., in Skagit County, Washington; thence run East along the South line of said ditch 210 feet; thence in a Southwesterly direction parallel with the East boundary line of the aforesaid railway right of way 228 feet; thence West 210 feet; thence Northeasterly to the point of beginning.

ALSO EXCEPTING Great Northern Railway right of way (formerly Seattle and Montana Railway), as conveyed by Deed recorded August 27, 1890, in Volume 13 of Deeds, page 125.

ALSO EXCEPTING County roads as conveyed by Deeds recorded October 9, 1906, and March 16, 1936, under Skagit County Auditor's File Nos. 59097 and 249431.

ALSO EXCEPT that portion conveyed to Dike District No. 18 by Deed recorded October 11, 1929, under Auditor's File N. 227599 and condemned in SC 4276.



EXHIBIT B

FIRST Deed of trust executed by Grantor, Howard S. Tronsdal, to Land Title Company, as Trustee, in favor of Evelyn Carl, as Beneficiary, and recorded August 12, 1997, under Auditor's File No. 9708120096, records of Skagit County, Washington, assigned to Summit Bank by Assignment recorded under Auditor's File No. 200608250028, and assigned to Errol Hanson Funding, Inc., by Assignment recorded under Auditor's File No. 200904010033.

SECOND Deed of trust executed by Grantor, Howard S. Tronsdal, to Land Title Company as Trustee, in favor of Skagit State Bank as Beneficiary, and recorded July 28, 1999, under Auditor's File No. 199907280124, records of Skagit County, Washington, assigned to Summit Bank by Assignment recorded under Auditor's File No. 200607280002, and assigned to Errol Hanson Funding, Inc., by Assignment also recorded under Auditor's File No. 200904010033.

THIRD Deed of trust executed by Grantor, Howard S. Tronsdal, to Land Title Company as Trustee, in favor of Errol Hanson Funding, Inc., as Beneficiary, and recorded April 20, 2001, under Auditor's File No. 200104200043, records of Skagit County, Washington.

FOURTH Deed of trust executed by Grantor, Howard S. Tronsdal, to Land Title Company as Trustee, in favor of Errol Hanson Funding, Inc., as Beneficiary, and recorded April 20, 2008, under Auditor's File No. 200804300114, records of Skagit County, Washington.

