

FILED FOR RECORD AT THE REQUEST OF
AND WHEN RECORDED RETURN TO:

Horizon Bank
1020 South Burlington Blvd.
P. O. Box 642
Burlington, WA 98233



200907240079
Skagit County Auditor

7/24/2009 Page 1 of 9 12:21PM



200907090102
Skagit County Auditor

7/9/2009 Page 1 of 4 4:14PM

NON-MERGER WARRANTY DEED IN LIEU OF FORECLOSURE

****RE-RECORD TO INCLUDE BORROWER'S AFFIDAVIT****

Grantor (s): D. ALEXANDER KING CONSTRUCTION, INC. a
Washington corporation,
DONALD A. KING and MELISSA A. KING,
husband and wife, individually and on behalf of the marital
community
Grantee (s): HORIZON BANK
Additional Grantor(s) on page(s):
Additional Grantee(s) on page(s):
Abbreviated Legal: Lot 8 except the S 2' thereof; Lot 10 together with
the S 2' of Lot 9, PLAT OF EAGLE RIDGE
Additional Legal on page(s): 1
Assessor's Tax Parcel Nos.: 4916-000-008-0000 / P125684
4916-000-010-0000 / P125686

THE GRANTORS, D. ALEXANDER KING CONSTRUCTION, INC., a Washington corporation, and DONALD A. KING and MELISSA A. KING, husband and wife, individually and on behalf of the marital community, ("Grantors"), for and in consideration of Grantee's agreement not to foreclose that certain Deed of Trust described below convey and warrant to HORIZON BANK ("Grantee"), the following described real estate situated in the County of Skagit, State of Washington:

Lot 8, EXCEPT the South 2 feet thereof; Lot 10 together with the South 2 feet of Lot 9, PLAT OF EAGLE RIDGE," as per plat recorded January 11, 2007 under Auditor's File No. 200701110039, records of Skagit County, Washington;

Situated in Skagit County, Washington.

NON-MERGER WARRANTY DEED
IN LIEU OF FORECLOSURE - PAGE 1

2225
SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX
JUL 24 2009

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX
JUL 09 2009

Amount Paid \$ 0
By *nam* Skagit Co. Treasurer
Deputy

Amount Paid \$ 0
By *nam* Skagit Co. Treasurer
Deputy

The Grantee by accepting and recording this Deed does not intend a merger of its interest under that certain Deed of Trust recorded June 15, 2007 under Skagit County Auditor's File No. 200706150045, and re-recorded February 27, 2009 under Skagit County Auditor's No. 200902270011, with the fee title herein conveyed to take place, and it is the intention of the parties that the property above-described shall remain subject to the lien of said Deed of Trust, which lien shall remain a first lien upon the property. All indebtedness secured by said Deed of Trust shall remain in full force and effect. This deed shall not operate to preclude the Grantee from proceeding in any action to enforce its deed of trust.

Grantor declares that this conveyance is freely and fairly made, that this is an absolute conveyance (and not a conveyance for security purposes), and that there are no agreements, oral or written, between Grantor and Grantee with respect to the real property described herein to this Warranty Deed, except for that certain unrecorded Settlement Agreement dated as of June 30th, 2009, by and between Grantor and Grantee.

Dated July 1, 2009.

GRANTORS:

D. ALEXANDER KING CONSTRUCTION, INC,
a Washington corporation

By: [Signature]
DONALD A. KING
Its: President

By: [Signature]
MELISSA A. KING
Its: Vice President

[Signature]
DONALD A. KING, Individually and on
behalf of the marital community

[Signature]
MELISSA A. KING, Individually and on
behalf of the marital community

NON-MERGER WARRANTY DEED
IN LIEU OF FORECLOSURE – PAGE 2

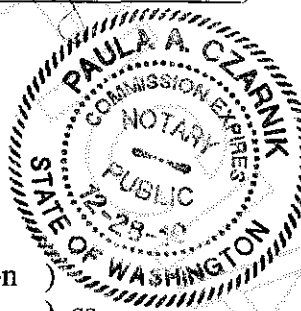


200907240079
Skagit County Auditor

State of Washington)
Island) ss
County of Skagit)

I certify that I know or have satisfactory evidence that Donald A. King 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 the President of D. ALEXANDER KING CONSTRUCTION, INC., a Washington corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: July 1, 2009



Paula A. Czarnik
NOTARY PUBLIC
Printed Name: Paula A. Czarnik
My appointment expires: 12/28/10

State of Washington)
Island) ss
County of Skagit)

I certify that I know or have satisfactory evidence that Melissa A. King is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the Vice President of D. ALEXANDER KING CONSTRUCTION, INC., a Washington corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: July 1, 2009



Paula A. Czarnik
NOTARY PUBLIC
Printed Name: Paula A. Czarnik
My appointment expires: 12/28/10

NON-MERGER WARRANTY DEED
IN LIEU OF FORECLOSURE – PAGE 3

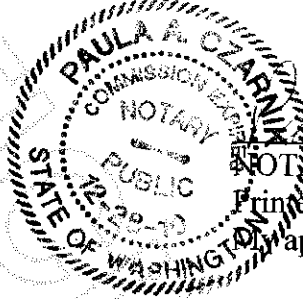


200907240079
Skagit County Auditor

State of Washington)
Island) ss
County of Skagit)

I certify that I know or have satisfactory evidence that Donald A. King 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 the instrument.

Dated: July 1, 2009.

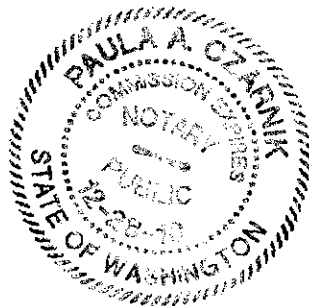


Paula A. Czarnik
NOTARY PUBLIC
Printed Name: Paula A. Czarnik
My appointment expires: 12/28/10

State of Washington)
Island) ss
County of Skagit)

I certify that I know or have satisfactory evidence that Melissa A. King is the person who appeared before me and said person acknowledged that she signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: July 1, 2009.



Paula A. Czarnik
NOTARY PUBLIC
Printed Name: Paula A. Czarnik
My appointment expires: 12/28/10

NON-MERGER WARRANTY DEED
IN LIEU OF FORECLOSURE - PAGE 4



200907240079
Skagit County Auditor

BORROWER'S AFFIDAVIT

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

DONALD A. KING and MELISSA A. KING, President and Vice President, respectively, of D. ALEXANDER KING CONSTRUCTION, INC., a Washington corporation, and DONALD A. KING and MELISSA A. KING ("Borrower"), being duly sworn, depose and say on behalf of the Borrower:

1. That as President and Vice President of D. Alexander King Construction, Inc., we are the persons who made, executed and delivered that certain warranty deed to Horizon Bank (the "Lender"), dated June 30th, 2009, conveying the following described real property (the "Premises"):

Lot 8, EXCEPT the South 2 feet thereof; Lot 10 together with the South 2 feet of Lot 9, PLAT OF EAGLE RIDGE," as per plat recorded January 11, 2007 under Auditor's File No. 200701110039, records of Skagit County, Washington;

Situate in the County of Skagit, State of Washington.

2. That Donald A. King and Melissa A. King, husband and wife, in their individual capacities and on behalf of their marital community, are the persons who made, executed, and delivered that certain Nonmerger Warranty Deed in Lieu of Foreclosure, as set forth above, conveying the Premises.

3. That the aforesaid warranty deed is intended to be and is an absolute conveyance of the title to the Premises to the grantee named therein, and was not and is not now intended as a mortgage, trust conveyance, or security of any kind; that it was and is the intention of the affiants and Borrower as grantor in said grant deed to convey, and by said warranty deed D. Alexander King Construction, Inc., a Washington corporation, did convey to the grantee therein, all of its right, title and interest absolutely in and to the Premises; that possession of the Premises has been surrendered to the grantee;

4. That in the execution and delivery of said warranty deed, neither affiants nor Borrower were acting under any misapprehension as to the effect thereof, and acted freely and voluntarily and were not acting under coercion or duress;

5. That the execution and delivery of said warranty deed by Borrower was duly authorized by affiants, Donald A. King and Melissa A. King, as the President and Vice President, respectively, of Borrower;



200907240079
Skagit County Auditor

6. That affiants believe and now believe that the consideration for said warranty deed represents the fair value of the Premises;

7. That there are no unrecorded interests in the Premises of any kind;

8. That there are no outstanding bankruptcies against or involving Borrower or any of its officers;

9. D. Alexander King Construction, Inc. is a Washington corporation duly organized, validly existing and in good standing under the laws of Washington, and Donald A. King and Melissa A. King, as President and Vice President, respectively, of D. Alexander King Construction, Inc., has the requisite corporate power and authority to execute and deliver this deed and affidavit and to consummate the transactions contemplated hereby. The execution and delivery, by Donald A. King and Melissa A. King, as President and Vice President, respectively, of D. Alexander King Construction, Inc., of this deed and affidavit and the consummation of the transactions contemplated thereby have been duly authorized by all necessary corporate action on the part of D. Alexander King Construction, Inc.;

10. This affidavit is made for the protection and benefit of the grantee in said warranty deed, its successors and assigns, and all other parties hereafter dealing with or who may acquire an interest in the Premises, and particularly for the benefit of Chicago Title Company, which has insured the title to the Premises in reliance thereon, and any other title company which may hereafter insure the title to the Premises; and

11. That the affiants will testify, declare, depose or certify before any competent tribunal, officer, or person, in any case now pending or which may hereafter be instituted, to the truth of the particular facts hereinabove set forth.

We declare under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

Dated and signed this 1 day of July, 2009, in Skagit County, Washington.

BORROWER:

D. ALEXANDER KING CONSTRUCTION, INC.,
a Washington corporation

By: _____

DONALD A. KING

Its: President



200907240079

Skagit County Auditor

By:

MELISSA A. KING
Its: Vice President

DONALD A. KING, Individually and on
behalf of the marital community

MELISSA A. KING, Individually and on
behalf of the marital community

State of Washington)
Island) ss
County of Skagit)

I certify that I know or have satisfactory evidence that Donald A. King 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 the President of D. ALEXANDER KING CONSTRUCTION, INC., a Washington corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: July 1, 2009.



NOTARY PUBLIC

Printed Name: Paula A. Czarnik

My appointment expires: 12/28/10



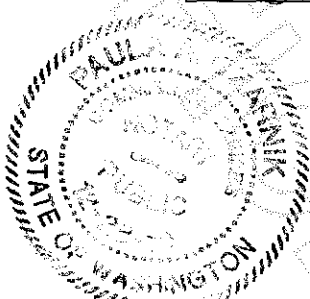
200907240079

Skagit County Auditor

State of Washington)
County of Island) ss
Skagit)

I certify that I know or have satisfactory evidence that Melissa A. King is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the Vice President of D. ALEXANDER KING CONSTRUCTION, INC., a Washington corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: July 1, 2009.



Paula A. Czarnik
NOTARY PUBLIC
Printed Name: Paula A. Czarnik
My appointment expires: 12/28/10

State of Washington)
County of Island) ss
Skagit)

I certify that I know or have satisfactory evidence that Donald A. King 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 the instrument.

Dated: July 1, 2009.



Paula A. Czarnik
NOTARY PUBLIC
Printed Name: Paula A. Czarnik
My appointment expires: 12/28/10



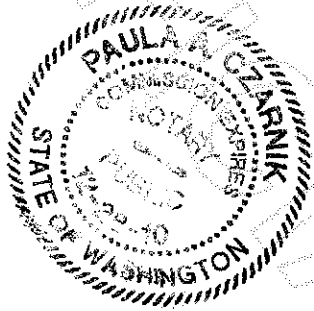
200907240079

Skagit County Auditor

State of Washington)
Island) ss
County of Skagit-)

I certify that I know or have satisfactory evidence that Melissa A. King is the person who appeared before me and said person acknowledged that she signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: July 1, 2009.



Paula A. Czarnik
NOTARY PUBLIC

Printed Name: Paula A. Czarnik
My appointment expires: 12/28/16



200907240079
Skagit County Auditor

7/24/2009 Page

9 of

9 12:21PM