

AFTER RECORDING, RETURN TO:

SUMMIT BANK

PO BOX 805

BURLINGTON, WA 98233



201002090081

Skagit County Auditor

2/9/2010 Page

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4 12:09PM

LAND TITLE OF SKAGIT COUNTY

135539-0

316
SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

FEB 09 2010

Abbrev. Legal
Tax Account #
Grantor
Grantee
Ref. No.

Anacortes Block LOT 7, BLOCK 59
3772-059-007-0009 (P55272)
STEVEN O. SAUER and ANGELA R. SAUER, Husband and Wife
SUMMIT BANK
131776-PAE

Amount Paid \$0
By Skagit Co. Treasurer
Deputy

DEED IN LIEU OF FORECLOSURE

THE GRANTORS, STEVEN O. SAUER AND ANGELA R SAUER, HUSBAND AND WIFE

for and in consideration of the release of Grantors for certain liability set forth below,

convey and warrant to GRANTEE, SUMMIT BANK,

the following described real estate situated in the County of Skagit, State of Washington, together with all after acquired title of the grantors therein,

LOT 7, BLOCK 59, "MAP OF THE CITY OF ANACORTES, SKAGIT COUNTY, WASHINGTON", AS PER PLAT RECORDED IN VOLUME 2 OF PLATS, PAGE 4, RECORDS OF SKAGIT COUNTY, WASHINGTON

Situate in the City of Anacortes, County of Skagit, State of Washington.

The address of said property is: 1113 9th Street, Anacortes, WA. Real Property tax identification number is 3772-059-007-0009 (parcel 55272).

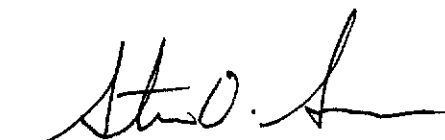
This deed is given as an absolute conveyance, assignment and interest of all title or interest of the grantors in the real property described herein and is not intended as a mortgage, trust conveyance or security of any kind. It is the intention of grantors to convey to grantee all their right, title and interest in the property to the grantee. This deed is executed and delivered by the Grantors in connection with the deed of trust executed by Grantors STEVEN O. SAUER AND ANGELA R SAUER, to Land Title Insurance Company as Trustee, in favor of Summit Bank, as Beneficiary, and recorded on DECEMBER 31, 2008, under Auditors File No. 200812310122, records of Skagit County, State of Washington, the beneficial interest being now held by Summit Bank and an Assignment of Rents recorded on DECEMBER 31, 2008, under Auditors File No. 200812310123.

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:

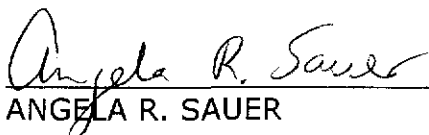
1. The consideration for the execution of this Deed in Lieu consists of the release of the Grantor(s) from any personal liability for repayment of the amount due to the Grantee under the promissory note dated December 31, 2008, outstanding as of the date hereof. Nothing shall be construed to release the Grantor(s) 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(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 Grantor(s) 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 that certain 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(s) 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: December 31, 2008

GRANTORS:

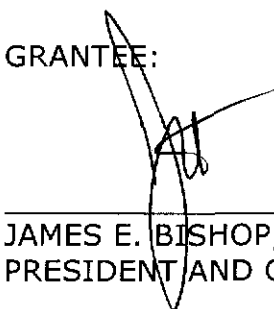


STEVEN O. SAUER



ANGELA R. SAUER

GRANTEE:



JAMES E. BISHOP, II
PRESIDENT AND CHIEF CREDIT OFFICER



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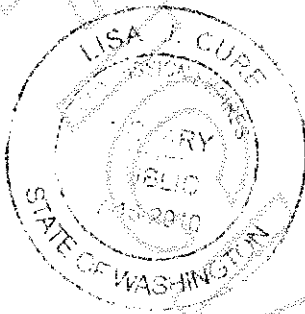
Skagit County Auditor

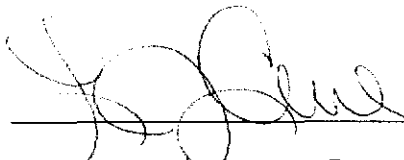
SUMMIT BANK

STATE OF WASHINGTON)
: ss
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that STEVEN O. SAUER AND ANGELA R. SAUER 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 document.

Dated: December 31, 2008




Print Name: Lisa J. Curre

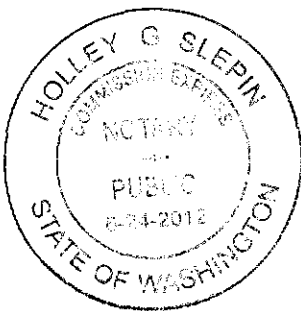
NOTARY PUBLIC in and for the State
of Washington, residing at
Bend


My appointment expires: 7-16-2010

STATE OF WASHINGTON)
: ss
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that JAMES E. BISHOP II 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 document.

Dated: December 31, 2008




Print Name: Holley G. Slepik

NOTARY PUBLIC in and for the State
of Washington, residing at
Sedro Woolley

My appointment expires: 6-24-2012



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Skagit County Auditor

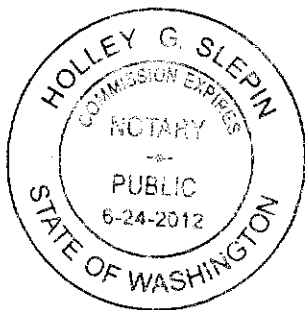
CORPORATE ACKNOWLEDGMENT

STATE OF Washington

COUNTY OF Skagit

On this 31st day of December, 2008, before me, the undersigned Notary Public, personally appeared James E. Bishop II, Chief Credit Officer of Summit Bank, and personally known to me or proved to me on the basis of satisfactory evidence to be authorized agent of the corporation that executed the Deed In Lieu of Foreclosure and acknowledged the Deed in Lieu of Foreclosure to be the free and voluntary act and deed of the corporation, by authority of its Bylaws or by resolution of its board of directors, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute this Deed in Lieu of Foreclosure and in fact executed the Deed in Lieu of Foreclosure on behalf of the corporation.

By Holley G. Slep Residing at Sedro Woolley
Notary Public in and for the State of WA My commission expires 6-24-2012



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Skagit County Auditor