

**FILE FOR RECORD AND RETURN TO:**

Marlo DeLange  
Vandenberg Johnson & Gandara LLP  
P.O. Box 1315  
Tacoma, WA 98401



201110100086  
Skagit County Auditor

10/10/2011 Page 1 of 4 3:38PM

**NON-MERGER STATUTORY WARRANTY DEED**

Grantor: Kim D. Wilson and Benjamin T. Wilson  
Grantee: Heritage Bank  
Legal Description (abbreviated): Lot 2, Blk. 1, Country Club Add. No. 6  
Assessor's Tax Parcel ID#: 4339-001-002-0000

**Kim D. Wilson and Benjamin T. Wilson** (herein "Grantor"), in consideration of a release of Grantor by Grantee of the liability for payment of the indebtedness referred to below, conveys, assigns, transfers and warrants to **Heritage Bank** (herein "Grantee"), all of the following property:

1. The real property is legally described as follows:

LOT 2, BLOCK 1, "COUNTRY CLUB ADD. NO. 6," AS PER PLAT  
RECORDED IN VOLUME 11 OF PLATS, PAGES 42 AND 43,  
RECORDS OF SKAGIT COUNTY, WASHINGTON.

SITUATE IN THE COUNTY OF SKAGIT, STATE OF  
WASHINGTON.

2. All buildings, improvements, and tenements now or hereafter erected on the property described above, and all heretofore or hereafter vacated alleys and streets abutting the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock appurtenant to the property, and all fixtures, machinery, equipment, engines, boilers, incinerators, building materials, appliances and goods of every nature whatsoever now or hereafter located in, or on, or used, or intended to be used in connection with the property, including, but not limited to, those for the purposes supplying or distributing heating, cooling, electricity, gas, water, air and light; and all elevators, and related machinery and equipment, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, mirrors, cabinets, panelling, rugs, attached floor coverings, furniture, pictures, antennas, trees and plants; excluding however, personal property owned by tenants of the real property and improvements described herein.

[MDL\_3FK.doc]

SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX  
20113051  
OCT 10 2011

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

3. All of Grantor's right, title and interest in materials, supplies, and other goods, collectively referred to as "materials" now owned or hereafter acquired, wherever located, whether in the possession of the Grantor, warehouseman, bailee, or any other person, purchased for use in the construction or furnishing of improvements on the said real estate, together with any documents covering such materials, all contract rights and general intangibles relating to such materials, and proceeds of such materials, documents, contract rights and general intangibles.

4. All of Grantor's right, title and interest in all site plans, plats, architectural plans, specifications, work drawings, surveys, engineering reports, test borings, market surveys, and other work products relating to the development of the property.

5. Grantor's rights under any construction contract, agreement, or commitment relating to improvements on the property, and all amendments thereto, together with all of the right, title and interest of the Borrower in, to and under any and all performance, payment, completion or other surety bonds now or hereafter issued by any surety in connection with or related to the aforesaid construction contract, insofar as the same may be transferable by the Grantor without breach of the agreement or bond referred to.

6. Grantor's right, title and interest in all tangible personal property located on the property and used or useful in connection with the ownership, development, operation or maintenance of the buildings, improvements, and land, including without limitation, all furniture, furnishings, equipment and supplies.

7. Grantor's right, title and interest in all intangible personal property used or useful in connection with the ownership, development, operation or maintenance of the buildings, improvements, and land, including without limitation, all permits, licenses and franchises with respect to the property, and other governmental permits and permissions relating to the real property and/or other property described herein and the operation thereof, the exclusive right to use of any trade names, all contract rights (including, but not limited to, architectural, engineering, and management agreements), all accounts receivable, leases and rental agreements, escrow accounts, insurance policies, deposits (including but not limited to tenant deposits), instruments, documents of title, general intangibles, and business records pertaining to the buildings, improvements, and land, excluding only cash on hand and in bank account.

This Deed is an absolute conveyance of title to all of the property being transferred in effect as well as in form, and is not intended as a mortgage, trust, conveyance or security of any kind. Possession of the property described herein will be delivered to Grantee upon recording of this Deed. This instrument is being executed in conjunction with the Deed in Lieu of Foreclosure Agreement between Grantor and Grantee dated August 31, 2011 and the consideration for this transfer is the release of Grantor of liability under the Note and Deed of Trust, as defined in the Deed in Lieu of Foreclosure Agreement, to the extent set forth in the Deed in Lieu of Foreclosure Agreement. This instrument does not satisfy the indebtedness secured by the Deed of Trust dated May 1, 2009, and recorded May 12, 2009, under Skagit County Auditor's File No. 200905120120 (herein the "Deed of Trust"). It is the intention of the Grantor in executing and delivering this instrument, and of the Grantee in accepting the same, that this instrument not operate to effect such a merger of interest in Grantee as to extinguish or impair the lien of the Deed of Trust or the priority thereof over other liens, charges or encumbrances, known or unknown affecting the property above. As against any other such liens, charges or encumbrances affecting the property, Grantee shall be entitled to retain and does



retain the priority of its Deed of Trust and shall have full right and power to retain and enforce the same, and if necessary to foreclose said Deed of Trust to enforce said priority.

At the time of executing this instrument, Grantor is of the opinion that the balance owing on the Note and Deed of Trust, which debts are in default, represent the reasonably equivalent value of the property being transferred to Grantee and that this instrument is not given as a preference against any other creditor of Grantor. Grantor represents that at the time this instrument was given the Grantor was solvent; that Grantor in agreeing to execute this instrument and in executing the same was not acting under any duress, undue influence, misapprehension or misrepresentation of the Grantee or the agent, attorney or any other representative of the Grantee; and at the time Grantor agreed to execute this instrument and at the time of executing the same, Grantor has been represented by legal counsel of its choosing.

Grantor hereby represents and warrants to Grantee that it has not generated, stored or disposed of any hazardous substances on the property described above. Grantor further represents that it knows of no hazardous substances that are on or in the property being conveyed and knows of no hazardous substances that have been generated, stored or disposed of on the property described above. "Hazardous substance" shall be interpreted broadly to include, but not limited to, substances designated as hazardous under the Resource, Conservation and Recovery Act, 42 U.S.C. § 6901 et. seq., the Federal Water Pollution Control Act, 33 U.S.C. § 1257, the Clean Air Act, 42 U.S.C. § 2001, or the Comprehensive Environmental Response, Compensation Liability Act of 1980, 42 U.S.C. § 9601, and it shall be interpreted to include, but not be limited to any substance which after release into the environment and upon exposure, ingestion, inhalation or assimilation, either directly from the environment or indirectly by ingestion through food chains, will or may reasonably be anticipated to cause death, disease, behavior abnormalities, cancer and/or genetic abnormalities. Grantor will hold Grantee harmless from and indemnify Grantee against any claims, demands, penalties, fees, liens, damages, losses, expenses or liabilities resulting from any breach of the foregoing representation.

DATED this 31 day of August, 2011.

Grantor:

Kim D. Wilson  
KIM D. WILSON

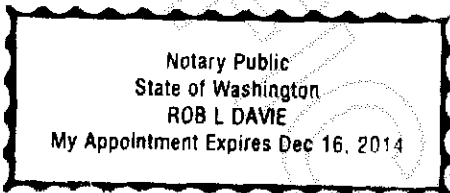
Benjamin T. Wilson  
BENJAMIN T. WILSON



STATE OF WASHINGTON )  
County of Skagit ) ss.

I certify that I know or have satisfactory evidence that KIM D. WILSON 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 this 31 day of August, 2011.



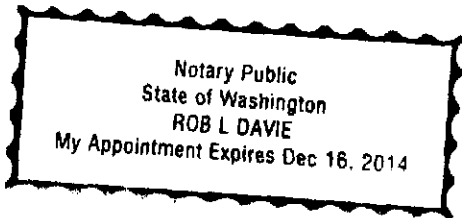
Rob Davie

(Type/Print Name above)  
Notary Public in and for the State of Wa,  
residing at Burlington  
My Appointment Expires: Dec 16, 2014

STATE OF WASHINGTON )  
County of Skagit ) ss.

I certify that I know or have satisfactory evidence that BENJAMIN T. WILSON 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 this 31 day of August, 2011.



Rob Davie

(Type/Print Name above)  
Notary Public in and for the State of Wa,  
residing at Burlington  
My Appointment Expires: Dec 16 2014

