



201201090188
Skagit County Auditor

1/9/2012 Page 1 of 4 3:44PM

Return address -
PO Box 1589
Oak Harbor WA 98277

DEED IN LIEU OF FORECLOSURE

This Deed in Lieu of Foreclosure Agreement (the "Agreement") is made as of the 5th day of ~~September~~ ^{October}, 2011, by and between QUICK CARE CLINIC, PLLC ("Borrower"), a Washington professional limited liability company, ROBYN M. CHOFFEL ("Guarantor"), an unmarried woman, and WHIDBEY ISLAND BANK ("WIB"), a Washington banking corporation.

RECITALS

1. Borrower is the owner of certain real property located in Skagit County, Washington commonly known as 204 W. State Street, Sedro Woolley, Washington (the "Property").
2. WIB made a loan to Borrower, in connection with which Borrower executed the following instruments (together with any other documents Borrower and/or Guarantor signed evidencing, securing or relating to the loan, the "Loan Documents");
 - A. A Promissory Note payable by Borrower to WIB, dated April 22, 2009, in the principal amount of \$200,675.70 (the "Note");
 - B. A first lien Deed of Trust dated April 22, 2009, and recorded against the Property in the real property records of Skagit County, Washington on May 1, 2009 under Auditor's File No. 200905010091, and re-recorded to correct legal description on May 8, 2009 under Auditor's File No. 200905080065 (the "Deed of Trust"), securing the indebtedness evidenced by the Note; and
 - C. A Business Loan Agreement dated April 22, 2009.
3. Guarantor executed a Commercial Guaranty dated April 22, 2009 (the "Guaranty"), pursuant to which Guarantor absolutely and unconditionally guaranteed payment to WIB of amounts due under the Note.
4. The Note is in default, Borrower having failed to pay to WIB amounts owed thereunder when due. WIB is entitled to pursue all of the rights set forth in the Loan Documents.
5. The parties desire to avoid WIB's foreclosure of the Deed of Trust, by providing for Borrower's conveyance to WIB or its designee of the Property by means of a deed in lieu of foreclosure, on the terms and conditions as set forth herein.

AGREEMENT

In consideration of the mutual covenants and agreements contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

P 77324 #24 - 95-99

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

201259
JAN 09 2012

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

1. **Amount of Debt; Effect of Default.** Borrower and Guarantor acknowledge and confirm that, as of September 21, 2011, the Note is in default and amounts due and owing are as follows:

Principal:	\$198,421.95
Interest:	\$ 8,895.23
Late charges:	\$ 1,405.60
TOTAL:	\$208,822.78

2. **Deed in Lieu of Foreclosure.** Concurrently with execution of this Agreement, Borrower shall execute and deliver to WIB a nonmerger deed in lieu of foreclosure conveying to the grantee indicated, absolutely free of any right of redemption or other right or interest of Borrower or anyone claiming through or under Borrower, fee simple title to the Property, including all improvements and fixtures, rents and profits, together with real estate excise tax affidavit, as follows:

2.1 A deed conveying the Property to WIB, the form of which deed is attached hereto as Exhibit A (the "Deed"); and

2.2 A Real Estate Excise Affidavit pertaining to the Deed which shall state that the subject transaction is exempt as a deed in lieu of foreclosure.

3. **Remaining Indebtedness.** Concurrently with the execution of this Agreement, the obligation owing under the Note shall be reduced to \$35,000.00 (the "Remaining Indebtedness"), and the Note shall be modified by a Change in Terms Agreement in the form attached hereto as Exhibit B. The Change in Terms Agreement shall be executed by Borrower, and Remaining Indebtedness due pursuant to the Change in Terms Agreement shall be paid by Borrower to WIB according to its terms. The Deed, the Change in Terms Agreement and all other documents executed by Borrower in connection with this Agreement are collectively referred to as the "Deed in Lieu Documents".

4. **Guarantor to Remain Liable.** Guarantor shall remain liable under the terms of the Guaranty for the Remaining Indebtedness as evidenced by the Change in Terms Agreement and as set forth in this Agreement.

5. **Release of WIB.** Concurrently with execution of this Agreement, Borrower and Guarantor shall execute and deliver to WIB a release in the form attached hereto as Exhibit C.

6. **Further Documentation.** Concurrently with execution of this Agreement, or at any time thereafter, Borrower shall execute and deliver to WIB all such further conveyances, assignments, confirmations, consents, satisfactions, releases, approvals, and any and all such other instruments and documents as may be reasonably required, expedient or proper in the opinion of WIB or its counsel in order to complete any and all conveyances, transfers, and assignments provided for in this Agreement.

7. **Covenant Not Sue for Deficiency.** In consideration of Borrower's and Guarantor's performance of each of the promises set forth herein, WIB agrees only that it shall not commence or initiate any action or proceedings to obtain a deficiency judgment against



TROWBRIDGE ADD TO SEDRO, THE EAST 85 FEET OF LOT 2; EXCEPT THE NORTH 195 FEET THEREOF; ALSO EXCEPT THE SOUTH 5 FEET DEEDED TO THE CITY OF SEDRO WOOLLEY RECORDED UNDER AF#9207150011. ALSO TOGETHER WITH THE SOUTH FIVE FEET FIVE INCHES (5' 5") OF THAT PROPERTY LEGALLY DESCRIBED ON THE ATTACHED EXHIBIT A, SITUATE IN THE COUNTY OF SKAGIT, STATE OF WASHINGTON. "EXHIBIT A": THE SOUTH 75 FEET OF THE NORTH 195 FEET OF THE EAST 85 FEET OF LOT 2, "TROWBRIDGE ADDITION TO THE TOWN OF SEDRO WOOLLEY", ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 3 OF PLATS, PAGE 33, RECORDS OF SKAGIT COUNTY, WASHINGTON; TOGETHER WITH THE FOLLOWING DESCRIBED PARCELS "A" AND "B":

PARCEL "A": COMMENCING AT THE NORTHEAST CORNER OF LOT 2 OF THE "TROWBRIDGE ADDITION TO THE TOWN OF SEDRO WOOLLEY", AS RECORDED IN VOLUME 3 OF PLATS, PAGE 33, RECORDS OF SKAGIT COUNTY, WASHINGTON; THENCE SOUTH ALONG THE EAST LINE OF SAID LOT 2 A DISTANCE OF 120.00 FEET TO THE POINT OF BEGINNING; THENCE NORTH ALONG SAID EAST LINE A DISTANCE OF 20.00 FEET; THENCE SOUTH 89 DEGREES 23' 28" WEST A DISTANCE OF 25.85 FEET TO THE BEGINNING OF A TANGENT CURVE TO THE LEFT; THENCE ALONG SAID CURVE AN ARC DISTANCE OF 34.24 FEET THROUGH A CENTRAL ANGLE OF 78 DEGREES 27' 47"; THENCE NORTH 89 DEGREES 23' 28" EAST A DISTANCE OF 50.13 FEET TO THE POINT OF BEGINNING. PARCEL "B": COMMENCING AT THE NORTHEAST CORNER OF LOT 2 OF THE "TROWBRIDGE ADDITION TO THE TOWN OF SEDRO WOOLLEY". AS RECORDED IN VOLUME 3 OF PLATS, PAGE 33, RECORDS OF SKAGIT COUNTY, WASHINGTON; THENCE SOUTH ALONG THE EAST LINE OF SAID LOT 2 A DISTANCE OF 120.00 FEET; THENCE SOUTH 89 DEGREES 23' 28" WEST PARALLEL TO AND 120.00 FEET DISTANT SOUTHERLY FROM THE NORTH LINE OF SAID TROWBRIDGE ADDITION, A DISTANCE OF 76.14 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING SOUTH 89 DEGREES 23' 28" WEST A DISTANCE OF 8.86 FEET TO THE WEST LINE OF THE EAST 85.00 FEET OF SAID LOT 2 OF SAID TROWBRIDGE ADDITION; THENCE NORTH 0 DEGREES 00' EAST ALONG SAID WEST LINE OF EAST 85.00 FEET OF LOT 2 OF TROWBRIDGE ADDITION, A DISTANCE OF 14.39 FEET TO A POINT ON NON-TANGENT CURVE HAVING A RADIUS POINT BEARING SOUTH 38 DEGREES 32' 38" WEST AT A DISTANCE OF 25.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE AN ARC DISTANCE OF 17.15 FEET THROUGH A CENTRAL ANGLE OF 39 DEGREES 18' 37" TO THE TRUE POINT OF BEGINNING. AND EXCEPT FROM ALL THE ABOVE THE FOLLOWING DESCRIBED PARCEL "C": COMMENCING AT THE NORTHEAST CORNER OF LOT 2 OF THE "TROWBRIDGE ADDITION TO THE TOWN OF SEDRO WOOLLEY", AS RECORDED IN VOLUME 3 OF PLATS, PAGE 33, RECORDS OF SKAGIT COUNTY, WASHINGTON; THENCE SOUTH ALONG THE EAST LINE OF SAID LOT 2 A DISTANCE OF 120.00 FEET; THENCE SOUTH 89 DEGREES 23' 28" WEST PARALLEL TO AND 120.00 FEET DISTANT SOUTHERLY FROM THE NORTH LINE OF SAID TROWBRIDGE ADDITION, A DISTANCE OF 76.14 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 89 DEGREES 23' 28" EAST A DISTANCE OF 26.01 FEET TO A POINT ON NON-TANGENT CURVE HAVING A RADIUS POINT BEARING SOUTH 79 DEGREES 04' 19" EAST AT A DISTANCE OF 25.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE AN ARC DISTANCE OF 5.03 FEET THROUGH A CENTRAL ANGLE OF 11 DEGREES 32' 13"; THENCE SOUTH 0 DEGREES 36' 32" EAST A DISTANCE OF 5.00 FEET; THENCE SOUTH 89 DEGREES 23' 23" WEST A DISTANCE OF 25.00 FEET; THENCE NORTH 0 DEGREES 36' 32" WEST A DISTANCE OF 5.00 FEET TO A POINT TO THE BEGINNING OF A TANGENT CURVE HAVING A RADIUS POINT BEARING SOUTH 89 DEGREES 23' 28" WEST AT A DISTANCE OF 25.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE AN ARC DISTANCE OF 5.03 FEET THROUGH A CENTRAL ANGLE OF 11 DEGREES 32' 13" TO THE TRUE POINT OF BEGINNING.

Appendix A.



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GRANTOR:

~~QUICK CARE CLINIC, PLLC~~

By

Name

Its

STATE OF WASHINGTON)

County of Skagit) ss.

I certify that I know or have satisfactory evidence that Rebbyn Chafe 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 Owner of QUICK CARE CLINIC, PLLC to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this 6 day of ~~September, 2011~~

January, 2012

[Signature]
NOTARY PUBLIC, in and for the State of Washington, Residing at 1700 Urban Ave Mt. Vernon, WA 98274
My Commission Expires: 10/21/12

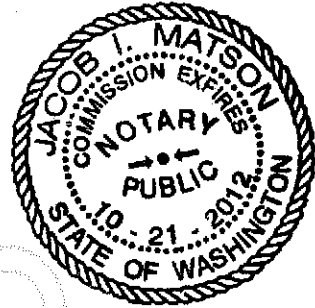


EXHIBIT A-2



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