



201205100058

Skagit County Auditor

5/10/2012 Page

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4 10:48AM

AFTER RECORDING RETURN TO:

Errol Hanson Funding, Inc.
PO Box 508
Sedro-Woolley, WA 98284

Abbrev. Leg. Lots 24-32, Blk 24, and Lots 1-16, Blk 36, HAMILTON TOWNSITE COMPANY'S
SECOND ADDN TO THE TOWN OF HAMILTON, Vol 2, p. 60
Tax Acct Nos. 4113-024-032-0008/P73734; 4113-36-016-0002/P73757
Grantors. Pitts, Harold and Pitts, Cheryl
Grantee. Errol Hanson Funding, Inc.
Ref. No. 200603160081; 200712110074 and 200712110075

DEED IN LIEU OF FORECLOSURE

THE GRANTORS Harold Pitts and Cheryl Pitts, husband and wife,

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

convey and warrant to 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 Grantors therein.

Parcel A

Lots 24 through 32, Block 24, HAMILTON TOWNSITE COMPANY'S
SECOND ADDITION TO THE TOWN OF HAMILTON, SKAGIT COUNTY,
WASHINGTON, according to the plat thereof recorded in Volume 2 of Plats,
page 60, records of Skagit County, Washington.

Parcel B

Lots 1 through 16, Block 36, HAMILTON TOWNSITE COMPANY'S
SECOND ADDITION TO THE TOWN OF HAMILTON, SKAGIT COUNTY,
WASHINGTON, according to the plat thereof recorded in Volume 2 of Plats,
page 60, records of Skagit County, Washington.

All Situate in Skagit County, Washington.

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 to be a mortgage.

Deed

1

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

20121325

MAY 10 2012

Amount Paid \$8
Skagit Co. Treasurer
By *mdm* Deputy

mortgage, trust conveyance or security of any kind. It is the intention of Grantors to convey to grantees 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 following two deeds of trust :

Deed of trust executed by Grantors Harold Pitts and Cheryl Pitts, husband and wife, to Land Title Company, as Trustee, in favor of Errol Hanson Funding, Inc., as Beneficiary, recorded March 16, 2006, under Auditor's File No. 200603160081, records of Skagit County, Washington, and modified by Modification recorded December 13, 2007, under Auditor's file No. 200712130052.

Deed of trust executed by Grantors Harold Pitts and Cheryl Pitts, husband and wife, to Land Title Company, as Trustee, in favor of Summit Bank, a Washington corporation, as Beneficiary, recorded December 11, 2007, under Auditor's File No. 200712110074, records of Skagit County, Washington, assigned to Errol Hanson Funding, Inc., by Assignment of Deed of Trust recorded December 11, 2007, under Auditor's File No. 200712110075, and modified by Modification recorded December 13, 2007, under Auditor's file No. 200712130051.

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 Grantors from any personal liability for repayment of the amount due to the Grantee under the promissory notes dated March 16, 2006, and December 10, 2007, as modified December 12, 2007, outstanding as of the date hereof. Nothing shall be construed to release the Grantors 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 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 Grantors 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 Grantors(s) interest in the property.
 2. This deed is executed voluntarily by Grantors, and not pursuant to duress or threats of any kind. Furthermore, it is executed and delivered in mutual good faith between Grantors 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. Grantors further warrant and represent that: (a) the Grantors has full power and authority to execute and deliver this Deed in Lieu; (b) this conveyance and assignment is
- Deed



freely and fairly made; and (c) Grantors are 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 deeds 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 deeds of trust. Although the Grantee waives its right to pursue a personal judgment against the Grantors for the debt referenced in Paragraph 1, above, the Grantee retains the right to proceed with the foreclosure of the Deeds 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 above referenced Deeds of Trust.


Dated 4-10, 2012

Grantors


Harold Pitts


Cheryl Pitts

Grantee
Errol Hanson Funding, Inc,

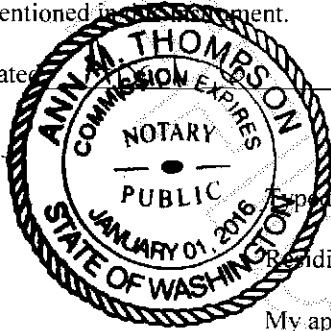

By Errol Hanson, President



STATE OF WASHINGTON)
) ss
COUNTY OF SKAGIT)
WHITMAN

I certify that I know or have satisfactory evidence that Harold Pitts 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.

Dated , 2012



Typed/printed notary name Ann M. Thompson

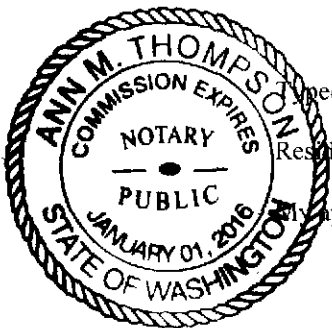
Residing at PALOUSE, WA

My appointment expires Jan. 1, 2016

STATE OF WASHINGTON)
) ss
COUNTY OF SKAGIT)
WHITMAN

I certify that I know or have satisfactory evidence that Cheryl Pitts 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.

Dated April 6, 2012



Typed/printed notary name Ann M. THOMPSON

Residing at PALOUSE, WA

My appointment expires Jan. 1, 2016

