

AFTER RECORDING, RETURN TO:

SUMMIT BANK

PO BOX 805

BURLINGTON, WA 98233-3328



200905080093
Skagit County Auditor

5/8/2009 Page 1 of 6 11:33AM

CHICAGO TITLE CO.

020002901

Abbrev. Legal	GOV. LOT 2, SEC. 6, T33N, R5EWM
Tax Account #s	4135-008-018-0003; 4135-014-900-0002; 330506-0-002-0008; 4135-005-002-0007; 4135-006-001-0006; 4135-007-014-0009; 4135-015-016-0000; 4135-015-018-0008; 4135-016-014-0000; 4135-018-018-0002; 4135-019-016-0002; 4135-019-018-0000; 4135-007-016-0007
Grantor	C & R CONSTRUCTION AND DEVELOPMENT, INC.
Grantee	SUMMIT BANK
Ref. No.	IC45306

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX
1308
MAY 08 2009
Amount Paid \$
Skagit Co. Treasurer
By *[Signature]* Deputy

DEED IN LIEU OF FORECLOSURE

THE GRANTORS, C & R CONSTRUCTION AND DEVELOPMENT, INC.,

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,

See attached Legal Description as described in Exhibit A

Situate in the County of Skagit, State of Washington.

The address of said property is: NHN Lee Street, Mount Vernon WA 98273.

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 C & R Construction and Development, Inc., to Land Title Insurance Company as Trustee, in favor of Summit Bank, as Beneficiary, and recorded on May 19, 2008, under Auditors File No. 200805190161, records of Skagit County, State of Washington, the beneficial interest being now held by Summit Bank.

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:

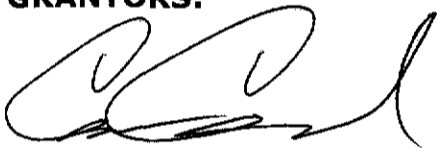
1. The consideration for the execution of this Deed in Lieu consists of the release of the Grantor(s) and Guarantor(s) from any personal liability for repayment of the amount due to the Grantee under the Promissory Note dated May 15, 2008, outstanding as of the date hereof. Nothing shall be construed 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.

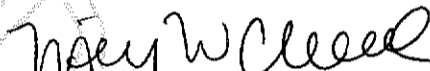
2. This deed is executed voluntarily by Grantor, and not pursuant to duress or threats of any kind. Furthermore, it is executed and delivered in mutual good faith between Grantor and Grantee, and is not given or intended to hinder, delay, or defraud any creditor, or to contravene any of the bankruptcy 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: 02-04, 2009

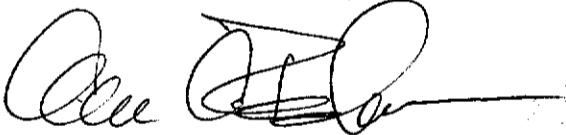
GRANTORS:



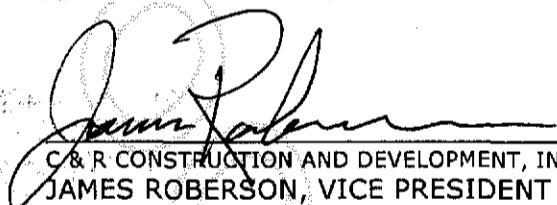
C & R CONSTRUCTION AND DEVELOPMENT, INC.
CAMERON R. CLEELAND, PRESIDENT



C & R CONSTRUCTION AND DEVELOPMENT, INC.
MINDY S. CLEELAND, TREASURER

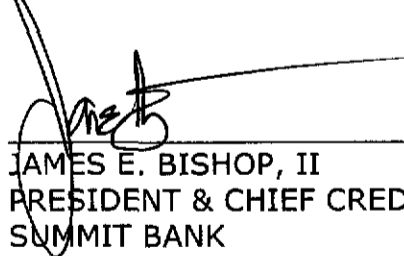


C & R CONSTRUCTION AND DEVELOPMENT, INC.
ELISE ROBERSON, SECRETARY



C & R CONSTRUCTION AND DEVELOPMENT, INC.
JAMES ROBERSON, VICE PRESIDENT

GRANTEE:

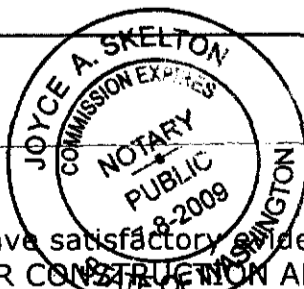


JAMES E. BISHOP, II
PRESIDENT & CHIEF CREDIT OFFICER
SUMMIT BANK

STATE OF WASHINGTON)

COUNTY OF SKAGIT)

: SS



I certify that I know or have satisfactory evidence that CAMERON R. CLEELAND, PRESIDENT OF C & R CONSTRUCTION AND DEVELOPMENT, INC. is 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: February 4, 2009



200905080093
Skagit County Auditor

UNRECORDED

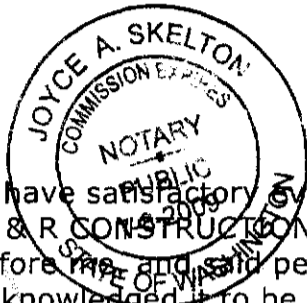
Joyce A. Skelton

Print Name: Joyce A. Skelton

NOTARY PUBLIC in and for the State of Washington, residing at Mt. Vernon

My appointment expires: 7/8/09

STATE OF WASHINGTON)
 : SS
COUNTY OF SKAGIT)



I certify that I know or have satisfactory evidence that MINDY S. CLEELAND, TREASURER OF C & R CONSTRUCTION AND DEVELOPMENT, INC. is 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: 02-04, 2009

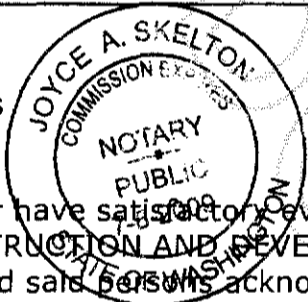
Joyce A. Skelton

Print Name: Joyce A. Skelton

NOTARY PUBLIC in and for the State of Washington, residing at Mt. Vernon

My appointment expires: 7/8/09

STATE OF WASHINGTON)
 : SS
COUNTY OF SKAGIT)



I certify that I know or have satisfactory evidence that ELISE ROBERSON, SECRETARY OF C & R CONSTRUCTION AND DEVELOPMENT, INC. is 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: 02-04, 2009

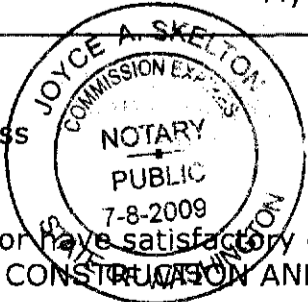
Joyce A. Skelton

Print Name: Joyce A. Skelton

NOTARY PUBLIC in and for the State of Washington, residing at Mt. Vernon

My appointment expires: 7/8/09

STATE OF WASHINGTON)
 : SS
COUNTY OF SKAGIT)



I certify that I know or have satisfactory evidence that JAMES ROBERSON, VICE-PRESIDENT OF C & R CONSTRUCTION AND DEVELOPMENT, INC. is the



200905080093
Skagit County Auditor

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: 02-04, 2009

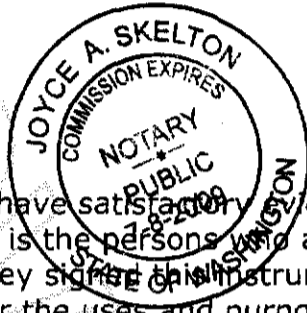
Joyce A. Skelton

Print Name: Joyce A. Skelton

NOTARY PUBLIC in and for the State of Washington, residing at Mt. Vernon.

My appointment expires: 7/8/09

STATE OF WASHINGTON)
 : ss
COUNTY OF SKAGIT)



I certify that I know or have satisfactory evidence that JAMES E BISHOP II, PRESIDENT OF SUMMIT BANK is 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: 02-04, 2009

Joyce A. Skelton

Print Name: Joyce A. Skelton

NOTARY PUBLIC in and for the State of Washington, residing at Mt. Vernon.

My appointment expires: 7/8/09



EXHIBIT A

PARCEL A:

Government Lot 2 in Section 6, Township 33 North, Range 5 East of the Willamette Meridian;

EXCEPT any portion lying within public roads.

Situated in Skagit County, Washington

PARCEL B:

All of Block 6; Lot 1, except the Westerly 40 feet thereof, and all of Lots 15 and 16, Block 7; Lots 1, 2, 17 and 18, Block 15; Lots 1 through 14, inclusive, Block 16; Lots 1 through 18, inclusive, Block 18; Lots 1 and 2, and the Northeasterly 60 feet of lots 3 through 5, inclusive; South half of the Northeasterly 60 feet of Lot 6, and all of Lots 17 and 18, Block 19; Plat of the Town of Montborne, Skagit County, Washington according to the Plat thereof recorded in Volume 2 of Plats, page 20, records of Skagit County, Washington. Also Government Lot 2, in Section 6, Township 33 North, Range 5 East, W.M.

EXCEPT ROAD.

Situated in Skagit County, Washington

PARCEL C.

All of Block 5; Westerly 40 feet of Lot 1, and all of Lots 2 through 7, inclusive, and Lots 13 and 14, Block 7; Lots 3 and 4 and Lots 12 through 16, inclusive, Block 15; Lots 3 through 5, inclusive;

EXCEPT the Northeasterly 60 feet thereof, Lot 6;

EXCEPT the South half of the Northeasterly 60 feet thereof, and all of Lots 7 through 9, inclusive, Lot 14;

EXCEPT the Northwesterly 20 feet thereof, and all of Lots 15 and 16, Block 19; Plat of the Town of Montborne, Skagit County, Washington, according to the Plat thereof recorded in Volume 2 of Plats, Page 80, records of Skagit County, Washington.

Situated in Skagit County, Washington

PARCEL D:

A non-exclusive easement for ingress and egress over and across that certain 12 foot wide road as the same existed on May 24, 1972. Running over and across Lots 5, 6, 7, 8 and 10 in



200905080093
Skagit County Auditor

EXHIBIT A

Order No:
Continued...

Block 15 of said Plat of Plat of the Town of Montborne , Skagit County, Washington, as reserved by document recorded June 5, 1972, under Auditor's File No. 769166, records of Skagit County, Washington.

Situated in Skagit County, Washington

PARCEL E:

Block 8, PLAT OF THE TOWN OF MONTBORNE, according to the plat thereof, recorded in Volume 2 of Plats, page 80, records of Skagit County, Washington.

Situated in Skagit County, Washington

PARCEL F:

All of that portion of Block 14, PLAT OF MONTBORNE, according to the plat thereof recorded in Volume 2 of Plats, Page 80, records of Skagit County, lying South and East of the following line:

BEGINNING at a point on the Southwesterly line of Lot 1, Block 20, said PLAT OF THE TOWN OF MONTBORNE, said point being 339.80 feet Southeast from the Westerly corner of Lot 9, said Block 20;

Thence along a line curving to the left intersecting the Northeasterly line of said Block 20, 316.8 feet Southeasterly from the Northerly corner of Lot 9, said Block 20 and intersecting the Southwesterly line of Block 14, 283 feet Southeasterly from the Westerly corner of Lot 10 of Block 14 and intersecting the Southwesterly line of Lot 6 of Block 14, 152.3 feet Southeasterly from the Westerly corner of Lot 9 of Block 14;

Thence Northerly along a straight line to a point on the Northwesterly line of Block 14, 93 feet Northeasterly from the Westerly corner of Lot 9 of Block 14.

Situated in Skagit County, Washington



200905080093
Skagit County Auditor

5/8/2009 Page

6 of

6 11:33AM