

WHEN RECORDED RETURN TO:



201101120071
Skagit County Auditor

1/12/2011 Page 1 of 17 3:39PM

Chicago Title Insurance Company

425 Commercial Street, Mount Vernon, Washington 98273

DOCUMENT TITLE(s)

1. DEED IN LIEU OF FORECLOSURE AGREEMENT
- 2.
- 3.

REFERENCE NUMBER(s) OF DOCUMENTS ASSIGNED OR RELEASED:

200612270268

Additional numbers on page _____ of the document

GRANTOR(s):

1. LANCE YOHANNAN
- 2.
- 3.

Additional names on page _____ of the document

GRANTEE(s):

1. JAMES F. COOL
2. JENNIFER W. COOL
- 3.

Additional names on page _____ of the document

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

86

JAN 12 2011

Amount Paid \$ 450.⁰⁰
Skagit Co. Treasurer
By *mm* Deputy

LEGAL DESCRIPTION: PTN LOTS 1-2, BLK 5, PLAT OF ALGER

Complete legal description is on page _____ of the document

ASSESSOR'S PROPERTY TAX PARCEL ACCOUNT NUMBER(s):

P70391 4042-005-002-0108

(sign only if applicable) I am requesting an emergency nonstandard recording for an additional fee as provided in RCW 36.18.010. I understand that the recording processing requirements may cover up or otherwise obscure some part of the text of the original document.

This cover sheet is for the County Recorder's indexing purposes only.
The Recorder will rely on the information provided on the form and will not read the document to verify the accuracy or completeness of the indexing information provided herein.

DEED IN LIEU OF FORECLOSURE AGREEMENT

THIS AGREEMENT is made the 11 day of ~~December~~, ^{Jan} 2011, by and among James F. Cool and Jennifer W. Cool, a married couple (the Lender), and Lance Yohannan, a single person (the Borrower).

WITNESSETH:

WHEREAS, the Borrower owns certain real and personal property located at 1680 Alger Cain Lake Road, Skagit County, WA., as more fully described on Exhibit A attached hereto (the Premises).

WHEREAS, to evidence and secure a certain loan (the Loan) made by the Lender to the Borrower, the Borrower executed and delivered to the Lender the deed of trust described on Exhibit B (hereinafter called the Loan Documents.)

WHEREAS, the Borrower defaulted in performing its obligations under the Loan Documents by failing to pay installments of principal and interest and the real estate taxes on the Premises; and

WHEREAS, all notice provisions contained in the Loan Documents have been complied with, all grace periods have either expired or been waived by the Borrower and the Lender has declared the principal, interest, and all other indebtedness owing by the Borrower to the Lender pursuant to the Loan Documents (hereinafter called the Indebtedness) to be due and payable; and;

WHEREAS, the Borrower has requested that the Lender resolve the default of the Borrower under the Loan Documents by agreeing to accept a conveyance of the Premises to the Lender in return for the satisfaction of the Indebtedness and other obligations under the Loan Documents on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the covenants and agreements hereafter set forth and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by all parties, it is agreed as follows:

Section 1. Conveyances to the Lender

On the Closing Date (as hereafter defined), the Borrower shall convey or cause to be conveyed to the Lender absolutely and free of any right of redemption or other right or interest of the Borrower, or anyone claiming by or through the Borrower, the following real and personal property: (a) all of the land described at Exhibit A attached, together with all improvements (excluding mobile homes)



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now or hereafter located thereon and all appurtenances thereunto belonging; and (b) all tangible and intangible personal property which is owned by the Borrower, or any person claiming by or through the Borrower located on or in or used in connection with the ownership, financing, operation, and maintenance of the Premises, which is owned by the Borrower, or any person claiming by or through the Borrower acquired for installation or use in connection therewith, wherever located.

Section 2. *Consideration*

(a) Subject to the satisfaction by the Borrower of the conditions herein contained, the Lender shall accept the conveyance of the Premises to the Lender in full, final, and complete settlement, accord, and satisfaction of the Indebtedness and the other obligations of the Borrower owing under the Loan Documents.

(b) In addition, provided that the Borrower performs his respective obligations under this Agreement, the Lender agrees to pay the sum of Twenty-Five Thousand Dollars (\$25,000) to the Borrower at Closing.

(c) The Borrower represents that the Indebtedness is no less than Sixty-Five Thousand Dollars (\$65,000) in principal and accrued but unpaid interest owing by the Borrower to the Lender.

(d) The Borrower represents that it has made an independent determination of the fair market value of the Premises and as a result thereof, it has concluded that the consideration to be received by the Borrower pursuant to the terms of this Agreement represents the payment by the Lender of full, fair, and adequate consideration for the Premises.

Section 3. *Closing Date*

(a) The Closing shall occur on or before 5:00 p.m. on 1/14/11 (the Closing Date) at the offices of Chicago Title. *or before* *WMC* *LAY* *JFC*

(b) If, for any reason except the Lender's breach of this Agreement, the conditions precedent to closing required to be performed by the Borrower have not been performed and the transactions consummated on or before the Closing Date, the Lender, at the Lender's sole option, may by written notice to the Borrower: (i) extend the Closing Date to a date provided in such written notice; or (ii) terminate all of the obligations of the Lender under this Agreement and proceed to exercise or renew the exercise of all of the rights and remedies held by the Lender under the Loan Documents and applicable law.



Section 4. *Closing Documents.*

On the Closing Date, the Borrower will deliver or cause to be delivered to the Lender the following items which will be duly executed and acknowledged:

- (a) a Statutory Warranty Deed conveying to the Lender good and marketable fee simple title to the Premises.
- (b) such other conveyance documents as might be reasonably requested by the Lender to transfer absolute ownership of the premises and appurtenances thereupon to the Lender.

Section 5. *Exchange of Releases*

(a) Effective on the Closing Date and only if the transactions contemplated by this Agreement are consummated, the Borrower shall release, acquit, and forever discharge the Lender from any and all claims, demands, debts, actions, causes of action, suits, contracts, agreements, obligations, accounts, defenses, offsets against the Indebtedness, and liabilities of any kind or character whatsoever, known or unknown, suspected or unsuspected, in contract or in tort, at law or in equity, including without implied limitation such claims and defenses as fraud, mistake, duress, and usury, which the Borrower ever had, now have, or might hereafter have against the Lender for or by reason of any matter, cause, or thing whatsoever occurring prior to the Closing Date, which relates to in whole or in part, directly or indirectly: (i) the Loan; (ii) the Loan Documents; (iii) the Premises; (iv) the Indebtedness; or (v) the conveyance of the Premises by the Borrower to the Lender.

(b) The Borrower shall not commence, join in, prosecute, or participate in any suit or other proceeding in a position which is adverse to the Lender arising directly or indirectly from any of the foregoing matters.

(c) Effective on the Closing Date and only if the transactions contemplated by this Agreement are consummated, the Lender shall release, acquit, and forever discharge the Borrower from any and all claims, demands, debts, actions, causes of action, suits, contracts, agreements, obligations, accounts, defenses, and liabilities of any kind or character whatsoever, known or unknown, suspected or unsuspected, in contract or in tort, at law or in equity, which the Lender ever had, now has, or might hereafter have against the Borrower for or by reason of any matter, cause, or thing whatsoever occurring prior to the Closing Date which relates to, in whole or in part, directly or indirectly: (i) the Loan; (ii) the Loan Documents; or (iii) any agreement of the Borrower relating to the Premises or the Indebtedness. Notwithstanding anything contained herein to the contrary, the obligations of the Borrower to perform the terms of this



Agreement and the documents delivered pursuant to this Agreement shall survive the Closing Date.

Section 6. Termination of Lender's Releases

The release provided to the Borrower and its Affiliates in Section 5(c) of this Agreement will be voided *ab initio* and will be of no force or effect and the Borrower will be obligated to repay to the Lender the Indebtedness and any sums paid by the Lender to the Borrower pursuant to Section 2(b) of this Agreement in the event any one or more of the following occurs:

- (a) The Borrower, or any person claiming by or through the Borrower commence, join in, assist, cooperate in, or participate as an adverse party or as an adverse witness (subject to compulsory legal process which requires testimony) in any suit or other proceeding against Lender relating to the Loan, the Loan Documents, the Indebtedness, or the Premises; or
- (b) The deed or any other document evidencing a conveyance of the Premises to the Lender is ever rendered void or is rescinded by operation of law, or by order of any state or federal court of competent jurisdiction, by reason of an order arising out of any claim or proceeding initiated or commenced in favor of, against, on behalf of, or in concert with, directly or indirectly, the Borrower, or any person claiming by or through the Borrower; or
- (c) The Borrower, or any person claiming by or through the Borrower deny the Lender, or the Lender's representatives, the right to inspect the Premises, or to inspect, audit, and transcribe the books, records, contracts, and insurance policies maintained by the Borrower, or any person claiming by or through the Borrower in connection with the construction, operation, or maintenance of the Premises; or
- (d) The release of the Lender in Section 5(a) of this Agreement is ever rendered void, is rescinded, or is adjudicated unenforceable by operation of law or by order of any state or federal court of competent jurisdiction, by reason of an order arising out of any claim or proceeding initiated or commenced in favor of, against, on behalf of, or in concert with, directly or indirectly, the Borrower, or any person claiming or by through the Borrower.

Section 7. Representations and Warranties

The Borrower hereby represents and warrants to the Lender that to the best knowledge of the Borrower after due inquiry and investigation:

- (a) Buyer shall pay, before or at Closing, all claims against the Premises and all other payables owing in connection with the Premises, including, without



implied limitation, all trade payables, real and personal property taxes, employee wages (including accrued vacation and fringe benefits, if any), utility charges, insurance premiums, lease payments, and license, franchise, and royalty payments (hereafter collectively called the payables) as of the dates therein stated. It is specifically understood that the Lender has not agreed and will not agree to assume or incur any liability or responsibility with respect to the payables or any other obligation of the Borrower or the Guarantor.

(b) the Borrower is represented by legal counsel of his choice, is fully aware of the terms contained in this Agreement, and has voluntarily and without coercion or duress of any kind entered into this Agreement and the documents executed in connection with this Agreement;

(c) the transfer of the Premises to the Lender will not render the Borrower insolvent;

(d) the Borrower has made adequate provision for the payment of all creditors of the Borrower other than the Lender; and

(e) the Borrower has not entered into this transaction to provide preferential treatment to the Lender or any other creditor of the Borrower in anticipation of seeking relief under the Bankruptcy Code.

The continued validity in all respects of all representations and warranties made in this Agreement and all other documents delivered by the Borrower in connection with this Agreement will be a condition precedent to the Lender's obligations created by this Agreement. If any of such representations and warranties are not correct at the time such representation and warranty was made or as of the Closing Date, or if the Borrower fails to perform any action required of any such party by the terms of this Agreement, on written notice from the Lender to the Borrower on or prior to the Closing Date, the obligations of the Lender created by this Agreement will become null and void. All representations and warranties contained in this Agreement and in all documents delivered by the Borrower in connection with this Agreement will be deemed remade as of the Closing Date and will survive the Closing Date.

Section 8. *No Third Party Beneficiaries*

The Borrower acknowledges and agrees that the acceptance by the Lender of ownership of the Premises pursuant to the terms of this Agreement will not create any obligation on the part of the Lender to third parties which might have claims of any kind whatsoever against the Borrower or the Premises and that the Lender does not assume or agree to discharge any liabilities pertaining to the Premises which originated prior to the Closing Date. No person not a



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party to this Agreement will be a third-party beneficiary or acquire any rights hereunder.

Section 9. *Absolute Conveyance*

The Borrower acknowledges and agrees that: (a) the conveyance of the Premises to the Lender pursuant to the terms of this **Agreement** is an absolute conveyance of all of the Borrower's right, title, and interest in and to the Premises in fact as well as in the form and the deed and other conveyance documents are not intended to be a mortgage, trust conveyance, deed of trust, or security interest of any kind; (b) the consideration for such conveyance is exactly as recited in this Agreement; and (c) after the Closing Date the Borrower will have no further interest (including rights of redemption) or claims in, to, or against the Premises or to the proceeds or profits that might be derived therefrom.

Section 10. *No Merger*

The parties acknowledge and agree that notwithstanding the release contemplated by this Agreement, all of the Loan Documents will remain in full force and effect after the transactions contemplated by this Agreement have been consummated. The parties further acknowledge and agree that the interest of the Lender in the Premises created by all of the conveyances provided for herein will not merge with the interest of the Lender in the Premises under the Loan Documents. It is the express intention of each of the parties (and all of the conveyances provided for herein will so recite) that such interests of the Lender in the Premises will not merge, but be and remain at all times separate and distinct, notwithstanding any union of said interest in the Lender at any time by purchase, termination, or otherwise and that the liens held by the Lender against the Premises created by certain of the Loan Documents will remain at all times valid and continuous liens against the Premises.

Section 11. *Mobile Homes*

Borrower agrees to remove the two mobile homes currently located on the Premises prior to closing.

Section 12. *Indemnification*

The Borrower agrees to hold the Lender harmless from and against any and all liabilities, claims, demands, losses, damages, costs and expenses (including, without limitation, reasonable attorneys' fees and litigation expenses), actions, or causes of action, arising out of or relating to any breach of any covenant or agreement or the incorrectness or inaccuracy of any representation or any



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document delivered to the Lender by the Borrower pursuant to the terms of this Agreement.

Section 13. *Time*

It is further agreed that time is of the essence of this Agreement and each provision of this Agreement.

Section 14. *Notices*

Any notice, payment, demand, or communication required or permitted to be given by any provision of this Agreement will be deemed to have been given when delivered personally to the party designated to receive such notice or, on the third (3rd) business day after the same is sent by certified mail, postage and charges prepaid, directed to the following addresses or to such other or additional addresses as any party might designate by written notice to the other parties:

To the Lender:
James and Jennifer Cool
4440 Park Road
Sedro-Woolley, WA. 98284

To the Borrower:
Yohannan Lance
1712 South H Street
Spokane, WA. 99224

Section 15. *Brokerage*

The parties represent and warrant each to the other that the transactions hereby contemplated are made without liability for any finder's, realtor's, broker's, agent's, or other similar commission. The parties mutually agree to indemnify and hold each other harmless from claims or commissions asserted by any party as a result of dealings claimed to give rise to such commissions.

Section 16. *Entire Agreement*

This Agreement (including the exhibits attached as a part hereof) constitutes the entire and final agreement among the parties and there are no agreements, understandings, warranties, or representations among the parties except as set forth herein.



Section 17. *Binding Effect*

This Agreement will inure to the benefit of and bind the respective heirs, personal representatives, successors, and permitted assigns of the parties hereto.

Section 18. *Relationship*

The relationship between the Borrower and the Lender is that of debtors and creditor. Nothing contained in this Agreement will be deemed to create a partnership or joint venture between the Lender and the Borrower or between the Lender and any other party, or to cause the Lender to be liable or responsible in any way for the actions, liabilities, debts, or obligations of the Borrower or any other party.

Section 19. *Severability*

If any clause or provision of this **Agreement** is determined to be illegal, invalid, or unenforceable under any present or future law by the final judgment of a court of competent jurisdiction, the remainder of this Agreement will not be affected thereby. It is the intention of the parties that if any such provision is held to be illegal, invalid, or unenforceable, there will be added in lieu thereof a provision as similar in terms to such provision as is possible and be legal, valid, and enforceable.

Section 20. *Headings*

Paragraph or other headings contained in this Agreement are for reference purposes only and are not intended to affect in any way the meaning of interpretation of this Agreement.

Section 21. *Counterpart Execution*

This Agreement may be executed in counterparts, each of which will be deemed an original document, but all of which will constitute a single document. This document will not be binding on or constitute evidence of a contract between the parties until such time as a counterpart of this document has been executed by each party and a copy thereof delivered to each other party to this Agreement.

Section 22. *Governing Law*

This Agreement will be interpreted and construed under the laws of the State of Washington. All claims, disputes, and other matters in question arising out of or relating to this Agreement, or the breach thereof, will be decided by



proceedings instituted and litigated in a court of competent jurisdiction sitting in Skagit County, Washington.

Section 23. Cooperation

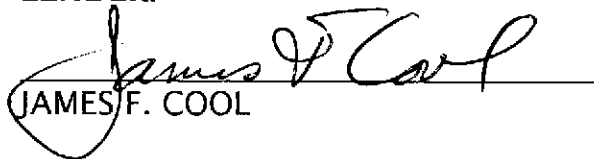
Prior to and at all times following the Closing Date, the Borrower and the Lender agree to execute and deliver, or to cause to be executed and delivered, such documents and to do, or cause to be done, such other acts and things as might reasonably be requested by the Title Insurer or any party to this Agreement to assure that the benefits of this Agreement are realized by the parties. The Borrower specifically agrees to assist the Lender in the disposition of any claims asserted against or on behalf of the Premises or the Lender in connection with the Premises which arose prior to the Closing Date.

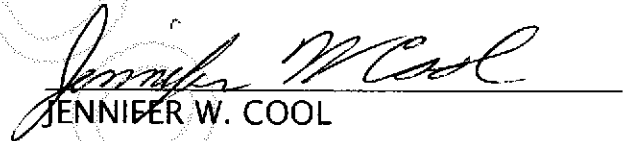
Section 24. Amendment

Neither this Agreement nor any of the provisions hereof can be changed, waived, discharged, or terminated, except by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge, or termination is sought.

EXECUTED on the dates hereafter specified, effective as of the date first above written

LENDER:


JAMES F. COOL


JENNIFER W. COOL

BORROWER:

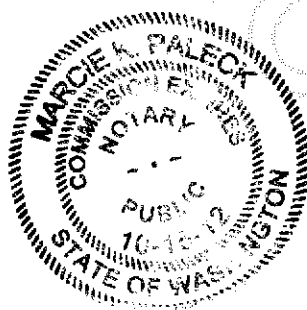

LANCE YOHANNAN

STATE OF
WASHINGTON
COUNTY OF SKAGIT

} ss.

I certify that I know or have satisfactory evidence that **JAMES F. COOL** and **JENNIFER W. COOL** 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 the instrument. *MKP*

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 11th day of ~~December~~ ^{JANUARY}, 2011.



Marcie K Paleck

Printed Name MARCIE K. PALECK

NOTARY PUBLIC in and for the State of Washington

My Commission

Expires October 15 2012

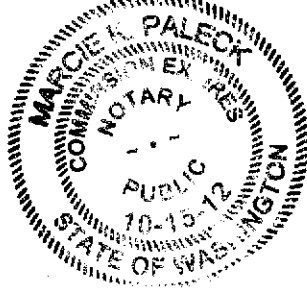
Residing in Mount Vernon, WA

STATE OF
WASHINGTON
COUNTY OF SKAGIT

} ss.

I certify that I know or have satisfactory evidence that **LANCE YOHANNAN** 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 the instrument. *MKP*

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 11th day of ~~December~~ ^{JANUARY}, 2011.



Marcie K Paleck

Printed Name MARCIE K. PALECK

NOTARY PUBLIC in and for the State of Washington

My Commission

Expires October 15 2012

Residing in Mount Vernon, WA



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EXHIBIT "A"

Description:

Escrow Order: IMV1558

Title Order: IC37701

PARCEL A:

Those portions of Lots 1 and 2, Block 5, PLAT OF ALGER, SKAGIT COUNTY, WASHINGTON, according to the plat thereof recorded in Volume 4 of Plats, page 9, records of Skagit County, Washington, described as follows:

Beginning at the Southeast corner of said Lot 2;
Thence Northwesterly along the East line of said Lot to the Northeast corner thereof;
Thence West along the North line of said Lot 301.5 feet;
Thence at right angles Southerly to the North line of Park Road, as shown on the above plat;
Thence East along the North line of Park Road to the place of beginning;

EXCEPTING therefrom the following:

Commencing at the Southwest corner of Lot D, Short Plat No. 41-82, located in the Northeast Quarter of the Southeast Quarter of Section 7, Township 36 North, Range 4 East of the Willamette Meridian, said point being the Southeast corner of Lot 2, Block 5, Plat of Alger;
Thence North 01°05'00" West, along the West line of Lot D, a distance of 107.13 feet to the true point of beginning;
Thence continuing North 01°05'00" West, a distance of 70.00 feet to a cap and rebar, marking the Northeast corner of said Lot, also being an angle point in said Lot D;
Thence South 88°55'00" West, a distance of 17.00 feet to a point on the North line of Lot 2;
Thence South 14°44'01.5" East, a distance of 72.03 feet to the true point of beginning.

Situated in Skagit County, Washington

PARCEL B:

Commencing at the Southwest corner of Lot D, Short Plat No. 41-82, located in the Northeast Quarter of the Southeast Quarter of Section 7, Township 36 North, Range 4 East of the Willamette Meridian, said point being the Southeast corner of Lot 2, Block 5, Plat of Alger;
Thence North 01°05'00" West, along the West line of Lot D, a distance of 177.13 feet to the Northeast corner of said Lot 2, and an angle point in the West line of said Lot D;
Thence South 88°55'00" West, a distance of 37.50 feet to a point on the North line of said Lot 2, being the true point of beginning;
Thence South 88°55'00" West along said North line, a distance of 70.00 feet to a 2" iron pipe being an angle point in the West line of Lot D, also being the Southeast corner of Lot 3, Block 5;
Thence North 01°05'00" West, a distance of 17.00 feet to a point on the West line of said Lot D;
Thence South 77°25'58.5" East, a distance of 72.03 feet to the true point of beginning.

Situated in Skagit County, Washington



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12/27/11

When Recorded Return to:
JAMES F. COOL
4440 Park
Sedro Woolley, WA 98284

EXHIBIT "B"



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Chicago Title Company - Island Division
Order No: IMV1558 MKP

CHICAGO TITLE CO.
IC 37701 ✓

DEED OF TRUST

(For use in the State of Washington only)

THIS DEED OF TRUST, made November 6, 2006 between

LANCE YOHANNAN, a single person
as **GRANTOR(S)**,

whose address is 1712 South H Street Spokane WA 99224
and

Chicago Title Company - Island Division, a Washington Corporation
as **TRUSTEE**, whose address is 425 Commercial Street
P.O. Box 638, Mount Vernon WA 98273
and

JAMES F. COOL and JENNIFER W. COOL, husband and wife
as **BENEFICIARY**,
whose address is 4440 Park
Sedro Woolley, WA 98284

WITNESSETH, Grantor(s) hereby bargain(s), sell(s) and convey(s) to Trustee in Trust, with
power of sale, the following described real property in Skagit County, Washington:

Abbreviated legal description: Those portions of Lots 1 and 2, Block 5, PLAT OF ALGER,
SKAGIT COUNTY, WASHINGTON, according to the plat thereof recorded in Volume 4 of
Plats, page 9, records of Skagit County, Washington, described as follows: See legal
description attached hereto and by reference made a part hereof.

Tax Parcel Number(s): 4042-005-002-0108 P70391

which real property is not used principally for agricultural or farming purposes, together with all
the tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in
any wise appertaining, and the rents, issues and profits thereof.

This deed is for the purpose of securing performance of each agreement of Grantor(s) herein
contained, and payment of the sum of Sixty Thousand and no/100 (\$60,000.00) Dollars
with interest, in accordance with terms of a promissory note of even date herewith, payable to
Beneficiary or order, and made by Grantor(s), and all renewals, modifications and extensions
thereof, and also such further sums as may be advanced or loaned by Beneficiary to
Grantor(s), or any of his/her/their successors or assigns, together with interest thereon at such
rate as shall be agreed upon.

To protect the security of this Deed of Trust, Grantor(s) covenant(s) and agree(s):



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1. To keep the property in good condition and repair; to permit no waste thereof; to complete any building, structure, or improvement being built or about to be built thereon; to restore promptly any building, structure or improvement thereon which may be damaged or destroyed; and to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property.
2. To pay before delinquent all lawful taxes and assessments upon the property; to keep the property free and clear of all other charges, liens or encumbrances impairing the security of this Deed of Trust.
3. To keep all buildings now or hereafter erected on the property described herein continuously insured against loss by fire or other hazards in an amount not less than the total debt secured by this Deed of Trust. All policies shall be held by the Beneficiary, and be in such companies as the Beneficiary may approve and have loss payable first to the Beneficiary, as its interest may appear, and then to the Grantor(s). The amount collected under any insurance policy may be applied upon and indebtedness hereby secured in such order as the Beneficiary shall determine. Such application by the Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure, all rights of the Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale.
4. To defend any action of proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of title search and attorney's fees in a reasonable amount, in any such action or proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.
5. To pay all costs, fees and expenses in connection with this Deed of Trust, including the expenses of the Trustee incurred in enforcing the obligation secured hereby and Trustee's and attorney's fees actually incurred, as provided by statute.
6. Should Grantor(s) fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the property hereinabove described, Beneficiary may pay the same, and the amount so paid, with interest at the rate set forth in the note secured hereby, shall be added to and become a part of the debt secured in this Deed of Trust.

IT IS MUTUALLY AGREED THAT:

1. In the event any portion of the property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portion as may be necessary to fully satisfy the obligations secured hereby, shall be paid to Beneficiary to be applied to said obligation.
2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.
3. The Trustee shall reconvey all or any part of the property covered by this Deed of Trust to the person entitled thereto, on written request of the Grantor(s) and the Beneficiary, or upon satisfaction of the obligations secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.
4. Upon default by Grantor(s) in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In such event and upon written request of Beneficiary, Trustee shall sell the trust property, in accordance with the Deed of Trust Act of the State of Washington, at public auction to the highest bidder. Any person except Trustee may bid at Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (1) to the expense of the sale, including a reasonable Trustee's fee and attorney's fee; (2) to the obligation secured by the Deed of Trust; (3) the surplus, if any, shall be distributed to the persons entitled thereto.
5. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the property which Grantor(s) had or had the power to convey at the time of his execution of this Deed of Trust, and such as he may have acquired thereafter. Trustee's deed shall recite the facts showing that the sale was



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conducted in compliance with all the requirements of law and of this Deed of Trust, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchaser and encumbrances for value.

6. The power of sale conferred by this Deed of Trust and by the Deed of Trust Act of the State of Washington is not an exclusive remedy; Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.
7. In the event of death, incapacity, disability or resignation of Trustee, Beneficiary may appoint in writing a successor trustee, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the original trustee. The trustee is not obligated to notify the party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor(s), Trustee or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.
8. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on their heirs, devisees, legatees, administrators, executors and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby, whether or not named as Beneficiary herein.

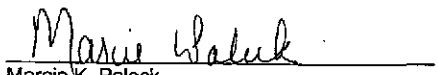


LANCE YOHANNAN Date

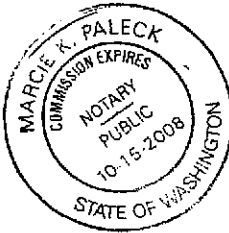
STATE OF WASHINGTON
COUNTY OF Skagit

I certify that I know or have satisfactory evidence that LANCE YOHANNAN (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: December 18 2006



Marcie K. Paleck
Notary Public in and for the State of Washington
Residing at Mount Vernon
My appointment expires: October 15, 2008



201101120071
Skagit County Auditor

REQUEST FOR FULL RECONVEYANCE

Do not record. To be used only when note has been paid.

TO: TRUSTEE

The undersigned is the legal owner and holder of the note and all other indebtedness secured by the within Deed of Trust. Said note, together with all other indebtedness secured by said Deed of Trust, has been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you thereunder.

Dated _____ 20 ____

BY: _____

RETURN Full Reconveyance to the following parties:



201101120071
Skagit County Auditor

EXHIBIT "A"

Description:

Escrow Order: IMV1558

Title Order: IC37701

PARCEL A:

Those portions of Lots 1 and 2, Block 5, PLAT OF ALGER, SKAGIT COUNTY, WASHINGTON, according to the plat thereof recorded in Volume 4 of Plats, page 9, records of Skagit County, Washington, described as follows:

Beginning at the Southeast corner of said Lot 2;
Thence Northwesterly along the East line of said Lot to the Northeast corner thereof;
Thence West along the North line of said Lot 301.5 feet;
Thence at right angles Southerly to the North line of Park Road, as shown on the above plat;
Thence East along the North line of Park Road to the place of beginning;

EXCEPTING therefrom the following:

Commencing at the Southwest corner of Lot D, Short Plat No. 41-82, located in the Northeast Quarter of the Southeast Quarter of Section 7, Township 36 North, Range 4 East of the Willamette Meridian, said point being the Southeast corner of Lot 2, Block 5, Plat of Alger;
Thence North 01°05'00" West, along the West line of Lot D, a distance of 107.13 feet to the true point of beginning;
Thence continuing North 01°05'00" West, a distance of 70.00 feet to a cap and rebar, marking the Northeast corner of said Lot, also being an angle point in said Lot D;
Thence South 88°55'00" West, a distance of 17.00 feet to a point on the North line of Lot 2;
Thence South 14°44'01.5" East, a distance of 72.03 feet to the true point of beginning.

Situated in Skagit County, Washington

PARCEL B:

Commencing at the Southwest corner of Lot D, Short Plat No. 41-82, located in the Northeast Quarter of the Southeast Quarter of Section 7, Township 36 North, Range 4 East of the Willamette Meridian, said point being the Southeast corner of Lot 2, Block 5, Plat of Alger;
Thence North 01°05'00" West, along the West line of Lot D, a distance of 177.13 feet to the Northeast corner of said Lot 2, and an angle point in the West line of said Lot D;
Thence South 88°55'00" West, a distance of 37.50 feet to a point on the North line of said Lot 2, being the true point of beginning;
Thence South 88°55'00" West along said North line, a distance of 70.00 feet to a 2" iron pipe being an angle point in the West line of Lot D, also being the Southeast corner of Lot 3, Block 5;
Thence North 01°05'00" West, a distance of 17.00 feet to a point on the West line of said Lot D;
Thence South 77°25'58.5" East, a distance of 72.03 feet to the true point of beginning.

Situated in Skagit County, Washington



201101120071
Skagit County Auditor