

After recording return to:

Sallye N. Quinn
Barron Smith Daugert, PLLC
P.O. Box 5008
Bellingham, WA 98227



201103290058
Skagit County Auditor

3/29/2011 Page 1 of 11 3:35PM

DOCUMENT TITLE: NON-MERGER STATUTORY WARRANTY DEED IN LIEU OF FORECLOSURE GUARDIAN NORTHWEST TITLE CO.

REFERENCE NUMBER OF RELATED DOCUMENT: 200706130062 101636-1

GRANTORS: JEFFREY A. GRIMBLY and RACHEL J. GRIMBLY, husband and wife

GRANTEE: PEOPLES BANK

ABBREVIATED LEGAL DESCRIPTION: LOT 3, "THE GLADE AT THOMAS CREEK LONG CARD PL-05-0093" FULL LEGAL DESCRIPTION LOCATED ON PAGE 3

ASSESSOR'S TAX/ PARCEL NUMBER: 4901-000-003-0000/P124894

NON-MERGER STATUTORY WARRANTY DEED IN LIEU OF FORECLOSURE

FOR GOOD AND VALUABLE CONSIDERATION, Jeffrey A. Grimbly and Rachel J. Grimbly, husband and wife ("Grantors") do hereby warrant and convey unto Peoples Bank ("Grantee"), the real property described in Exhibit A attached hereto and by this reference incorporated herein, situated in Skagit County, Washington (the "Property") subject only to the encumbrances set forth on Exhibit B attached hereto and by this reference incorporated herein.

The Grantee, by accepting and recording this Deed, does not intend a merger of its interest under that certain Deed of Trust recorded June 13, 2007 under Auditor's No. 200706130062, official records of Skagit County, State of Washington, with the fee title herein conveyed to take place, and it is the intention of the parties that the Property shall remain subject to the lien of said Deed of Trust, which lien shall remain a first lien upon the Property. Grantee reserves Grantee's rights to foreclose the Deed of Trust at any time as to any party with any claim, interest or lien on the Property.

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

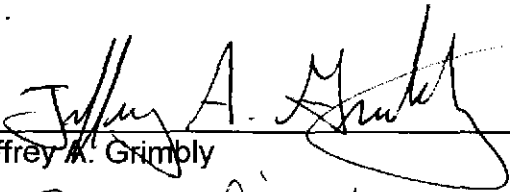
888

MAR 29 2011

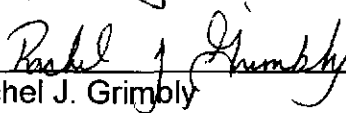
Amount Paid \$
Skagit Co. Treasurer
By *[Signature]* Deputy

This Deed may be executed in counterparts by the Grantors and when each Grantor has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and when taken together with the other signed counterparts, shall constitute one Deed that shall be binding upon and effective as to all parties.

Dated this 28 day of March, 2011.



Jeffrey A. Grimbly



Rachel J. Grimbly



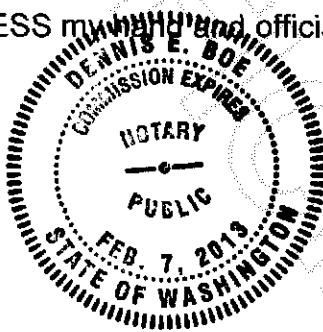
201103290058

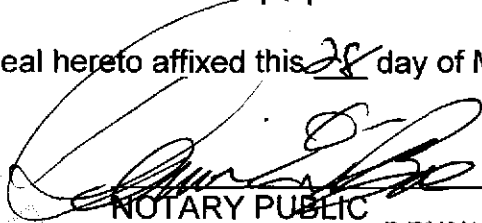
Skagit County Auditor

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I hereby certify that I know or have satisfactory evidence that **Jeffrey A. Grimbly** is the person who appeared before me and acknowledged that he signed this instrument and that it is his free and voluntary act for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed this 28 day of March, 2011.



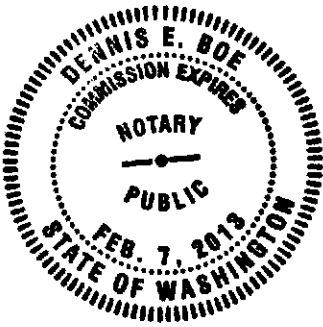


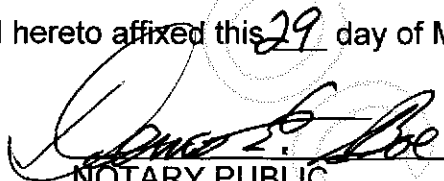
NOTARY PUBLIC
Printed Name: DENNIS E. BOE
My Appointment Expires: Feb 07, 2013

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I hereby certify that I know or have satisfactory evidence that **Rachel J. Grimbly** is the person who appeared before me and acknowledged that she signed this instrument and that it is her free and voluntary act for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed this 29 day of March, 2011.





NOTARY PUBLIC
Printed Name: DENNIS E. BOE
My Appointment Expires: Feb 07, 2013



201103290058
Skagit County Auditor

**EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY**

Lot 3, "The Glade at Thomas Creek Long Card PL-05-0093", approved on August 15, 2006 and recorded on August 21, 2006 under Auditor's File No. 200608210099, together with an easement for ingress, egress and utilities as recorded under Auditor's File No. 200311120047 and as delineated on the face of "The Glade at Thomas Creek Long Card PL-05-0093".



201103290058
Skagit County Auditor

EXHIBIT B

Exceptions:

A. RESERVATION CONTAINED IN INSTRUMENT

Executed by: Pope & Talbot, Inc., a corporation
Recorded: June 17, 1952
Auditor's No.: 476723
As Follows:

The Grantor hereby reserves unto itself and unto its successors and assigns, the full, complete and absolute rights to all oils, gases, coal, fossils, metals and minerals of every name and nature, also sand and gravel in commercial quantities, which may be in or upon said land or any part thereof, with the right of entry upon said land to prospect and explore for and also to take, mine and remove the same, provided, said Grantee, his successors, heirs and assigns, shall be reasonably compensated for all damage done to the surface of said land and the improvements thereon in carrying on of any of such operations.

B. AN EASEMENT AFFECTING THE PORTION OF SAID PREMISES AND FOR THE PURPOSES STATED HEREIN AND INCIDENTAL PURPOSES, RESERVED BY INSTRUMENT:

For: Road purposes
In Favor of: Pope & Talbot, Inc., a corporation
Recorded: June 17, 1952
Auditor's No.: 476723
Affects: The North 30 feet and the South 30 feet of plat

We note that after Pope & Talbot sold subject property with the reservation of an easement only, that they then attempted to convey the North 30 feet of subject property to Skagit County for road purposes by document recorded under Auditor's File No. 530869. The Company is unable to determine the affect or the validity of said conveyance.

C. DECLARATION OF EASEMENTS, COVENANTS AND ROAD MAINTENANCE AGREEMENT, INCLUDING THE TERMS AND CONDITIONS THEREOF:

Recorded: November 12, 2003
Auditor's No.: 200311120047
Affects: North 30 feet of plat

D. RESERVATION CONTAINED IN INSTRUMENT

Executed by: Pope & Talbot, Inc., a corporation
Recorded: February 17, 1953
Auditor's No.: 486434
As Follows:

The Grantor hereby reserves unto itself and unto its successors and assigns, the full, complete and absolute rights to all oils, gases, coal, fossils, metals and minerals of every name and nature, also sand and gravel in commercial quantities, which may be in or upon said land or any part thereof, with the right of entry upon said land to prospect and explore for and also to take, mine and remove the same, provided, said Grantee, his successors, heirs and assigns, shall be reasonably compensated for all damage to the surface of said land and the improvements thereon in carrying on of any of such operations.

(Affects portion in easement recorded under Auditor's File No. 200311120047)



201103290058
Skagit County Auditor

Order No.: 91696

Policy No.: CW-8371604

E. AN EASEMENT AFFECTING THE PORTION OF SAID PREMISES AND FOR THE PURPOSES STATED HEREIN AND INCIDENTAL PURPOSES, RESERVED BY INSTRUMENT:

For: Road purposes
In Favor of: James W. Clark
Recorded: February 17, 1953
Auditor's No.: 486434
Affects: Easement for road purposes over, along and across the South thirty (30) feet of plat

F. AN EASEMENT AFFECTING THE PORTION OF SAID PREMISES AND FOR THE PURPOSES STATED HEREIN AND INCIDENTAL PURPOSES, RESERVED BY INSTRUMENT:

For: Road purposes
In Favor of: Doyle G. Dills and Virginia C. Dills, his wife
Recorded: March 16, 1979
Auditor's No.: 7903160013
Affects: Easement for road purposes over, along and across the South thirty (30) feet of plat

G. EASEMENT AND PROVISIONS THEREIN:

Grantee: Puget Sound Power & Light Company
Dated: April 9, 1979
Recorded: April 17, 1979
Auditor's No.: 7904170026
Purpose: Right to construct, operate, maintain, repair, replace and enlarge one or more electric transmission and/or distribution lines over and/or under the right of way;
Location: Portion of the West 1/2 of the Southeast 1/4 of the Northwest 1/4 of Section 2, Township 35 North, Range 4 East, W.M.

(Affects portion in easement recorded under Auditor's File No. 20031120047)

H. REGULATORY NOTICE/AGREEMENT THAT MAY INCLUDE COVENANTS, CONDITIONS AND RESTRICTIONS AFFECTING THE SUBJECT PROPERTY:

Executed By: Johnny C. Dills
Recorded: December 4, 2001
Auditor's No.: 200112040095
Regarding: Notice of Moratorium on Non-Forestry Use of Land

Reference is hereby made to the record for the full particulars of said notice/agreement. However, said notice/agreement may have changed or may in the future change without recorded notice.



201103290058
Skagit County Auditor

Order No.: 91696

Policy No.: CW-8371604

I. EASEMENT AND PROVISIONS THEREIN:

Grantee: Puget Sound Energy, Inc.
Dated: April 18, 2005
Recorded: April 25, 2005
Auditor's No.: 200504250159
Purpose: Right to construct, operate, maintain, repair, replace and enlarge one or more electric transmission and/or distribution lines over and/or under the right of way;
Affects: Ptn. of subject property

J. MATTERS DISCLOSED AND/OR DELINEATED ON THE FACE OF THE FOLLOWING PLAT/SUBDIVISION:

Plat/Subdivision Name: The Glade at Thomas Creek Long Card
Recorded: August 21, 2006
Auditor's No.: 200608210099

Said matters include but are not limited to the following:

1. The right to make all necessary slopes for cuts and fills upon the lots and blocks shown hereon in the original reasonable grading of all such streets and avenue shown hereon together with the right to continue to drain said roads and ways over and across any lot or lots where water might take a natural course. No drainage waters on any lot or lots shall be diverted or blocked from their natural course so as to discharge upon any public road right-of-way or to hamper road drainage. Any enclosing of drainage waters in culverts or drains or rerouting shall be done by and at the expense of such owner.

2. Utility Easement - An easement is hereby reserved for and granted to Puget Sound Energy, Verizon Northwest, Cascade Natural Gas Corporation, and AT&T Broad Band and their respective successors and assigns under and upon the exterior 10 feet of all lots and tracts abutting all public and private roads as well as all private roads, and rights-of-way as shown hereon in which to install, lay, construct, renew, operate, maintain and remove utility systems, lines, fixtures and appurtenances attached thereto, for the purpose of providing utility services to the subdivision. Together with the right to enter upon the lots and tracts at all times for the purposes stated, with the understanding that any grantee shall be responsible for all unnecessary damage it caused to any real property owner in the subdivision by the exercise of rights and privileges herein granted.



201103290058
Skagit County Auditor

3. **Notice to Future Property Owners:** This property is served by a Public Water System which is subject to the provisions of Chapter 246-291 WAC. This system may also be subject to other state and local regulations. The system owner is responsible for maintaining this system in compliance. The name of the system is "Thomas Creek Water System".

The State Department of Health and local health departments share administration of the drinking water regulations. Therefore when the term "Department" is used, it refers to whichever agency regulates this particular system. You can contact the local health department to find out which agency is applicable.

This water system is designed to provide for 6 services. Additional planning and design approvals must be obtained for the department prior to expanding beyond this number of services. Please note that the design flow standards account for domestic use and watering of a typical lawn and garden space only. The design assumes that all residences will be equipped with ultra low flow plumbing fixtures and that all users will keep conservation in mind whenever they use this system. Additionally, if system wide water use exceeds 5000 gallons per day or if the total property being irrigated by the system exceeds ½ acre, a water right permit must be obtained from the Department of Ecology.

Public water systems are subject to ongoing requirements. These include periodic water quality monitoring, system maintenance and various record keeping. Prior to purchasing this property, it is recommended that you contact the department to determine whether this system is in compliance with applicable regulations. Fees may be charged by the department for providing various services.

The department maintains current information on this system to expedite retrieval of information for your use or for lending institutions which require information on the system as part of their loan approval process. Each time information changes, such as a change in the number of homes connected to the system; a change in owner/operator name, address or phone number, etc., the owner of the your system must submit an updated water facilities report form to the department.

Group "B" Public Water Systems are not required to have back-up facilities to cover power outages or other system failures. Contact the system owner for information regarding the reliability of this system.

This system has been granted a waiver from specific provisions of the regulations. The system has been approved for 625 gallons per day per site based on engineering justification of the demand criteria for analogous systems.

At the time this system is fully developed, the financial plan indicate an average cost of \$300.00 a year per home to properly operate and maintain the system in compliance with state and local drinking water regulations.

Current information on costs is available from the system owner.

The department recommends and may require ownership and/or operation by a state approved satellite management agency.

4. **Declaration of Covenant (Well AGQ299, the existing well on Lot 2 and the proposed well on Lot 1):** The grantors(s) agree(s) and covenant(s) that said grantor(s) his (her) (their) heirs, successors and assigns will not construct, maintain, or suffer to be constructed or maintained upon the said land of the grantor(s) and within 100 feet of the wells hereon shown, so long as the same are operated to furnish for public consumption, any potential source of contamination, such as septic tanks and drainfields, sewerlines, underground storage tanks, roads, railroad tracks, vehicles, structures, barns, feed stations, grazing animals, enclosures for maintaining fowl or animal manure, liquid or dry chemical storage, herbicides, insecticides, hazardous waste, or garbage of any kind or description.

5. Plat name, plat number and date of approval shall be included in all deeds and contracts.

6. Sewage – Onsite septic tank and drainfield.

7. No building permits shall be issued for any residential structures which are not, at the time of application, determined to be within an official designated boundary of a Skagit County Fire District.

8. Change in location of access may necessitate a change of address, contact the Skagit County Planning and Development Services.



201103290058
Skagit County Auditor

9. Maintenance of the private access roads shall be the responsibility of the homeowners association with the lot owners as members, see document recorded under Auditor's File No. 200608210102 for specific conditions regarding the same.

10. This survey has depicted existing fence lines and other occupational indicators in accordance with W.A.C. Ch. 332.130. These occupational indicators may indicate a potential for claims of unwritten title ownership. The legal resolution of ownership based upon unwritten title claims has not been resolved by this boundary survey.

11. Park impact fees in the amount of one hundred dollars shall be paid at the time of building permit issuance.

12. Wetland delineation was done by Skagit Wetlands in December 2004.

13. Lots 1 and 2 are hereby subject to a restrictive covenant around the existing well located thereon. The owner of Lot 2 agrees(s) and covenants(s) that (their) heirs, successors and assigns will not construct, maintain, or suffer to be constructed or maintained upon the said land within 100 feet of the well shown hereon, so long as the same is operated to furnish for public consumption, any potential source of contamination, such as septic tanks and drainfields, sewerlines, underground storage tanks, roads, railroad tracks, vehicles, structures, barns, feed stations, grazing animals, enclosures for maintaining fowl or animal manure, liquid or dry chemical storage, herbicides, insecticides, hazardous waste, or garbage of any kind or description.

14. In no case shall the County accept a dedication or any obligation as to any such road, street, and/or alley until the same and all roads, streets and/or alleys connecting the same to the full, current county road system have been brought to full county road standards and a right-of-way deed has been transferred to and accepted by the county.

15. All runoff from impervious surfaces, roof drains shall be directed so as not to adversely affect adjacent properties.

16. Setbacks:

- a. From a public road, a minimum of 20 feet. For Lots designated AG-NRL, IF-NRL and SF-NRL, lots shall be configured so that houses are no more than 200 feet from adjacent public roads.
- b. A 200 foot setback shall be observed from adjacent NRL designated parcels.
- c. No other setbacks shall be required, except that fire separation may be required based on the UBS. Internal setbacks may be established by private covenant.

17. A Skagit County address range has been applied to the road system in this subdivision. At the time of application for building and /or access, Skagit County GIS will assign individual addresses in accordance with the provisions of Skagit County Code 15.24.

18. Lot 1 shall be the owner of the open space and wetlands and the maintenance of the same shall be born by the present or future owners of Lot 1, the uses and restrictions shall be as outlined under SCC 14.18.310.

19. Each parcel within the project has been allocated 625 gallons of water per day therefore, water use shall be metered and recorded monthly to insure that this allocation is not exceeded. Accessory dwelling units (ADU'S) will not be allowed unless it can be demonstrated to Skagit County Department that (with conservation) the total water use for the lot will remain under 625 gallons per day.



201103290058

Skagit County Auditor

Order No.: 91696

Policy No.: CW-8371604

20. Lot 1 is currently using the existing drainfield and well that is located on Lot 2 prior to any building permit being issued for Lot 2, Lot 1 shall cause to be installed its own drainfield and well on Lot 1 or in a location as approved by Skagit County and permanently abandon any use or connection to the existing drainfield and well that is shown on Lot 2 hereon.

21. Lot 2 hereby conveys an easement to Lot 1, over, under and across, for the use of the existing drainfield, waterline and well. Said easement shall be extinguished and shall be of no further encumbrance upon Lot 2 when said use is permanently abandoned.

22. Lot 5 hereby conveys a 10 foot easement for the installation, repair and maintenance of a water line to "Thomas Creek Water System" or its assigns or successors as shown hereon.

23. Lot 2 is subject to, together with and hereby conveys a 10.00 foot utility easement to the present and future owners of the land hereby platted and to all utilities as specified under "utility easements" as outlined on this sheet.

24. Arsenic level in the demonstration well AHHS08 was 40 PPB, below the current MCL (maximum contaminant level) of 50 PPB. EPA recommends the new level of 10 PPB be adopted. Future monitoring and testing is recommended.

25. Lot 1 and Lot 2 are supplied by individual wells. Contact health department to determine if additional water quality or quantity testing will be required for building permit approvals.

26. Lot 1 hereby grants to Lot 2 and Lot 2 hereby grants to Lot 1 an easement for a well protection zone having a 100 foot radius, any activity within this 100 foot radius is controlled by the conditions of the declaration of well as shown on this sheet and as required by SCC 12.48.240(5).

27. Per Skagit County Code 12.05.190 prior to issuance of a building permit for either Lot 1 or Lot 2, the septic tank shown in the right-of-way of Thomas Creek Lane shall be abandoned.

K. PROTECTIVE COVENANTS AND/OR EASEMENTS, BUT OMITTING RESTRICTIONS, IF ANY, BASED ON RACE, COLOR, RELIGION OR NATIONAL ORIGIN:

Dated:	Undisclosed
Recorded:	January 23, 2007
Auditor's No.:	200701230076
Executed By:	Thomas Creek LLC

Said document supersedes previous covenants recorded under Auditor's File No. 200608210102.

L. AGREEMENT, AND THE TERMS AND PROVISIONS THEREOF:

Between:	Alan L. Thomas and Brenda S. Thomas, husband and wife
And:	Richard A. Dills, et al
Dated:	September 2003
Recorded:	November 12, 2003
Auditor's No.:	200311120047
Regarding:	Road Maintenance Agreement and Easement



201103290058
Skagit County Auditor

Order No.: 91696

Policy No.: CW-8371604

M. EASEMENT, INCLUDING TERMS AND PROVISIONS THEREOF:

Grantee: Skagit County
Dated: June 1, 2006
Recorded: August 21, 2006
Auditor's No.: 200608210100
Purpose: Protected Critical Area Easement
Area Affected: Portions of the Plat of The Glade at Thomas Creek Long Card

N. AGREEMENT, AND THE TERMS AND PROVISIONS THEREOF:

Between: Alan and Brenda Thomas, husband and wife
And: Thomas Creek LLC
Dated: August 21, 2006
Recorded: August 21, 2006
Auditor's No.: 200608210101
Regarding: Shared Well and Water System Agreement

O. PLAT LOT OF RECORD CERTIFICATION:

Recorded: August 21, 2006
Auditor's No.: 200608210102

P. Deed of Trust including the terms and conditions thereof:

Grantor: Jeffrey A. Grimbly and Rachel J. Grimbly, husband and wife
Trustee: First American Title Company
Beneficiary: Peoples Bank
Amount: \$95,500.00, plus interest, if any
Dated: June 4, 2007
Recorded: June 13, 2007
Auditor's No. 200706130062

Q. Any tax, fee, assessments or charges as may be levied by Thomas Creek Community Association.



201103290058
Skagit County Auditor