

EXHIBIT A

Pending Final Approval

Equipment Guidelines 10/16/2008

The following equipment types are restricted:

Aircraft	Mobile Office (not titled)
Agricultural	Molds (stand alone)
ATM's	Owner/Operator Truckers
Automated Dialers	Pay Phones
Box Springs or Mattresses (single items)	Permanent Leasehold Improvements
Computers (used/memory)	Phone Card Debit Machines
Copiers (brokers only)	Private Party Sales (non-titled)
Dry Cleaning Units (seven (7) years or older)	✓ Restaurant Hoods/Refrigeration/Built-ins
✓ HVAC	Tanning Beds/Tanning Misting Equip.
Hazardous/Toxic Material Clean-up	Underground Equipment
✓ Inflatables	✓ Vehicles over 5 years old
✓ Invasive Medical	Video Games (any kind)
✓ Leasebacks	Vending Machines
Limousines	Wall Coverings
Livestock	Watercraft
Logging Equipment	Water Treatment/Purifiers
Mining Equipment	

Structure limitations and conditions of funding, based on equipment category apply on the following:

- Software - \$1.00 out rates apply/^{new}36 months maximum term.
- Computer Equipment - Acceptable residuals: \$1.00 only

✓ = new additions

EXHIBIT B

PUGET SOUND LEASING
Co., Inc.

January 15, 2006

CREDIT GUIDELINES

1. Completed/signed lease application.
2. Minimum time in business two (2) years.
3. Clean personal credit bureau report (no BK, charge off's, repo's)
4. Clean NACM report (no BK's, charge off's, etc.)
5. Minimum low 4 checking
6. Corporate/Trade name verified.
7. Personal Guarantees required on all closely held business.
8. Application only up to \$100,000 (minimum 5 years in business & a five figure check balance.
9. Complete financial package over \$100,000. (two (2) years business/personal tax returns or audited/review financial statements and current business/personal financial statement.
10. Credit up to \$200,000 can be approved by either the President or Senior Vice President of the Company.
11. Credit over \$200,000 requires credit committee (President, EVP, SVP, CFO)

The above are only guidelines. We review each lease application on an individual basis and render a credit decision accordingly.

The President and Senior Vice President has extensive credit background (35 years + each) (Finance, Banks, Leasing)

EXHIBIT C

APPLICATIONS PER MONTH

MONTH/YEAR	TOTAL	VENDOR	BROKER
OCT-08	550 100%	111 20%	439 80%
SEP-08	658 100%	114 17%	544 83%
AUG-08	688 100%	118 17%	570 83%
JUL-08	687 100%	122 18%	565 82%
JUN-08	624 100%	127 20%	497 80%
MAY-08	590 100%	118 20%	472 80%
APR-08	649 100%	131 20%	518 80%
MAR-08	597 100%	120 20%	477 80%
OCT-07	674 100%	189 28%	485 72%
SEP-07	568 100%	172 30%	396 70%
AUG-07	634 100%	180 28%	454 72%
JUL-07	568 100%	183 32%	385 68%
JUN-07	636 100%	195 31%	441 69%
MAY-07	718 100%	212 30%	506 70%
APR-07	717 100%	206 29%	511 71%
MAR-07	764 100%	249 33%	515 67%
FEB-07	563 100%	214 38%	349 62%
JAN-07	530 100%	190 36%	330 64%
DEC-06	473 100%	160 34%	313 66%
NOV-06	502 100%	194 39%	308 61%
OCT-06	516 100%	193 37%	323 63%
SEP-06	513 100%	191 37%	322 63%
AUG-06	576 100%	206 36%	370 64%
JUL-06	497 100%	192 39%	305 61%
JUN-06	587 100%	199 34%	388 66%
MAY-06	571 100%	191 33%	380 67%
APR-06	529 100%	156 29%	373 71%
MAR-06	686 100%	214 31%	472 69%
FEB-06	560 100%	195 35%	365 65%
JAN-06	526 100%	178 34%	348 66%
TOTAL-06	6536 100%	2269 35%	4267 65%
DEC-05	528 100%	162 31%	366 69%
NOV-05	479 100%	184 38%	295 62%
OCT-05	452 100%	140 31%	312 69%
SEP-05	513 100%	175 35%	335 65%
AUG-05	588 100%	207 35%	381 65%

VOLUME FOR THE MONTH OF OCTOBER 2008

<u>NAME</u>	<u># OF LEASE</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>	<u>AVG SIZE</u>	<u>AVG YIELD</u>
JOHN	37	20%	\$916,736	20%	\$24,777	
MIKE	70	38%	\$2,155,585	46%	\$30,794	
ELLEN	11	6%	\$339,744	7%	\$30,886	
TAMMY	13	7%	\$503,557	11%	\$38,735	
DARIN	7	4%	\$122,342	3%	\$17,477	
SCOTT	20	11%	\$280,107	6%	\$14,005	
RYAN	8	4%	\$69,148	1%	\$8,644	
		0%		0%	\$0	
STEVE	9	5%	\$158,023	3%	\$17,558	
HOUSE	7	4%	\$122,609	3%	\$17,516	
TOTAL	182	100%	\$4,667,851	100%	\$25,648	

YEAR TO DATE

JOHN	473	22%	\$13,859,942	22%	\$29,302	
MIKE	677	31%	\$24,831,950	40%	\$36,679	
ELLEN	77	4%	\$2,426,447	4%	\$31,512	
TAMMY	258	12%	\$8,545,465	14%	\$33,122	
DARIN	90	4%	\$1,551,959	3%	\$17,244	
SCOTT	240	11%	\$3,903,866	6%	\$16,266	
RYAN	109	5%	\$2,167,439	4%	\$19,885	
PAM	56	3%	\$654,864	1%	\$11,694	
STEVE	146	7%	\$2,487,963	4%	\$17,041	
HOUSE	52	2%	\$1,330,526	2%	\$25,587	
TOTAL	2,178	100%	\$61,760,421	100%	\$28,356	

APPLICATIONS PER MONTH

<u>MONTH/YEAR</u>	<u>TOTAL</u>	<u>VENDOR</u>	<u>BROKER</u>
MAY-08	590 100%	118 20%	472 80%
APR-08	649 100%	131 20%	518 80%
MAR-08	597 100%	120 20%	477 80%
OCT-07	674 100%	189 28%	485 72%
SEP-07	568 100%	172 30%	396 70%
AUG-07	634 100%	180 28%	454 72%
JUL-07	568 100%	183 32%	385 68%
JUN-07	636 100%	195 31%	441 69%
MAY-07	718 100%	212 30%	506 70%
APR-07	717 100%	206 29%	511 71%
MAR-07	764 100%	249 33%	515 67%
FEB-07	563 100%	214 38%	349 62%
JAN-07	530 100%	190 36%	330 64%
DEC-06	473 100%	160 34%	313 66%
NOV-06	502 100%	194 39%	308 61%
OCT-06	516 100%	193 37%	323 63%
SEP-06	513 100%	191 37%	322 63%
AUG-06	576 100%	206 36%	370 64%
JUL-06	497 100%	192 39%	305 61%
JUN-06	587 100%	199 34%	388 66%
MAY-06	571 100%	191 33%	380 67%
APR-06	529 100%	156 29%	373 71%
MAR-06	686 100%	214 31%	472 69%
FEB-06	560 100%	195 35%	365 65%
JAN-06	526 100%	178 34%	348 66%
TOTAL-06	6536 100%	2269 35%	4267 65%
DEC-05	528 100%	162 31%	366 69%
NOV-05	479 100%	184 38%	295 62%
OCT-05	452 100%	140 31%	312 69%
SEP-05	513 100%	175 35%	335 65%

AUG-05	588 100%	207 35%	381 65%
JUL-05	474 100%	185 39%	289 61%
JUN-05	536 100%	198 37%	338 63%
MAY-05	476 100%	178 37%	298 63%
APR-05	544 100%	197 36%	347 64%
MAR-05	459 100%	165 36%	294 64%
FEB-05	414 100%	152 37%	262 63%
JAN-05	359 100%	126 35%	233 65%
TOTAL-05	5822 100%	2069 36%	3750 64%
DEC-04	447 100%	138 31%	309 69%
NOV-04	408 100%	128 31%	280 69%
OCT-04	410 100%	138 34%	272 66%
SEP-04	432 100%	163 38%	269 62%
AUG-04	437 100%	145 33%	292 67%
JUL-04	437 100%	133 30%	304 70%
JUN-04	420 100%	117 28%	303 72%
MAY-04	385 100%	134 35%	251 65%
APR-04	400 100%	169 42%	231 58%
MAR-04	419 100%	145 35%	274 65%
FEB-04	309 100%	139 45%	170 55%
JAN-04	230 100%	91 40%	139 60%
TOTAL-04	4734 100%	1640 35%	3094 65%
DEC-03	240 100%	104 43%	136 57%
NOV-03	282 100%	146 52%	136 48%
OCT-03	325 100%	188 58%	137 42%
SEP-03	275 100%	121 44%	154 56%
AUG-03	323 100%	157 49%	166 51%
JUL-03	330 100%	141 43%	189 57%
JUN-03	347 100%	176 51%	171 49%
MAY-03	323 100%	143 44%	180 56%
APR-03	391 100%	156 40%	235 60%
MAR-03	334 100%	141 42%	193 58%
FEB-03	331 100%	179 54%	152 46%

JAN-03	285 100%	126 42%	159 56%
TOTAL-03	3786 100%	1778 47%	2008 53%
DEC-02	356 100%	101 28%	255 72%
NOV-02	287 100%	120 42%	167 58%
OCT-02	433 100%	188 43%	245 57%
SEP-02	357 100%	133 37%	224 63%
AUG-02	347 100%	170 49%	177 51%
JUL-02	378 100%	175 46%	203 54%
JUN-02	360 100%	202 46%	158 54%
MAY-02	441 100%	208 47%	233 53%
APR-02	436 100%	234 54%	202 46%
MAR-02	358 100%	192 54%	166 46%
FEB-02	229 100%	150 66%	79 34%
JAN-02	242 100%	138 57%	104 43%
TOTAL-02	4224 100%	2011 48%	2213 52%
DEC-01	197 100%	134 61%	63 32%
NOV-01	198 100%	132 67%	66 33%
OCT-01	217 100%	140 65%	77 35%
SEP-01	160 100%	99 62%	61 38%
AUG-01	230 100%	145 63%	85 37%
JUL-01	200 100%	127 64%	73 36%
JUN-01	242 100%	117 48%	125 52%
MAY-01	250 100%	144 58%	106 42%
APR-01	258 100%	157 61%	101 39%
MAR-01	324 100%	181 56%	143 44%
FEB-01	204 100%	111 54%	93 46%
JAN-01	292 100%	173 59%	119 41%
TOTAL-01	2772 100%	1660 60%	1112 40%

EXHIBIT D

Lou Secord

From: "Jim Jackson" <jimj@jmhseattle.com>
To: "Mike Evered" <mevered@earthlink.net>; "Van Griffin" <vgriffin@gogus.com>; "Pam Myers" <pr_myers@earthlink.net>; "Katy Titcomb" <btitcomb@earthlink.net>; "Steve Schwartz" <Steve.Schwartz@pacific-re.com>
Cc: "Don Hirtzel" <dhirtzel@firstsoundbank.com>; "Lou Secord" <lasecord@msn.com>; "Jan Gould" <jgould@firstsoundbank.com>
Sent: Thursday, July 24, 2008 11:40 AM
Attach: Memo to Outside Directors re PSL audit, etc.doc; Leasing Observations by Moss Adams.pdf
Subject: PSL Internal Audit

FYI

Jim Jackson

JACKSON, MORGAN & HUNT, PLLC
Certified Public Accountants

4123 California Avenue SW, Suite 101 ☐\$B!☐(B PO Box 16720
Seattle, Washington 98116
Phone 206-932-1314 ☐\$B!☐(B Fax 206-932-1858
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First Sound Bank
Leasing
7/15-17/08
Observations

1. The policy does not define what are acceptable or not acceptable properties or businesses.
2. Approval Documentation
 - List strengths and weaknesses
 - List sources of repayment
 - List exceptions to policy
 - List conditions of approval – signoff required to complete lease transaction
 - Set threshold for documenting financial ratios

These are the critical areas that regulators will consider during an examination:

 - The lessee's ability to properly amortize the fixed obligations, including all present and proposed lease arrangements.
 - The correlation between projected and achieved operational results, with emphasis on cash flow.
 - The reasonableness of residual values and any exposure to income adjustments or loss on termination.
 - Possible adverse operating trends.
 - The support offered by other collateral.
 - The usefulness of the leased property to a third party, in the event of default.
 - Set threshold to obtain Articles of Incorporation for business entities.
3. File set-up
 - Stack all documentation lists on left side of file
4. Approval Transmittal
 - Initial each item to indicate satisfaction of requirement
5. Forced Placed Insurance
 - No documented policy, procedures, processes and responsibilities.
6. Term Modifications
 - Policy – extensions (affected by FASB 5)
7. Restructured Leases

➤ Reporting for financial statement purposes

8. Anti-Money Laundering Programs

- CDD
- Monitoring – early payoffs

MOSS-ADAMS LLP

CERTIFIED PUBLIC ACCOUNTANTS | BUSINESS CONSULTANTS

DANIEL L. HUSTON , Partner, Internal Audit & Regulatory Compliance dan.huston@mossadams.com www.mossadams.com	<small>FINANCIAL INSTITUTION GROUP</small>
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<small>T</small> 503-242-1447 <small>F</small> 800-820-4476 503-274-2789	<small>T</small> Fox Tower 805 SW Broadway, Suite 1200 <small>F</small> Portland, OR 97205
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MOSS-ADAMS LLP

CERTIFIED PUBLIC ACCOUNTANTS | BUSINESS CONSULTANTS

MICHAEL G. STRICKER , Manager, Internal Audit & Regulatory Compliance FINANCIAL INSTITUTION GROUP mike.stricker@mossadams.com > www.mossadams.com	
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<small>D</small> 509-777-0163 <small>F</small> 800-888-4065 509-624-5129	<small>D</small> 601 West Riverside Suite 1800 <small>F</small> Spokane, WA 99201-0663
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July 23, 2008

Memorandum

Via - Email

From: James Jackson

To: Outside Directors

cc: Don, Lou and Jan

Subject: PSL Internal Audit

Preliminary observations by Moss Adams LLC.

Enclosure: Exit conference notes

1. Don, Lou, Jan and Jim met with the internal auditors from Moss Adams on July 17 to discuss their preliminary observations of the leasing divisions internal controls surrounding the credit approval process, and related activities.
2. I am happy to report that there were no serious deficiencies.

3. The enclosed outline was used for discussion purposes with Moss Adams. Their formal report will be delivered in early August.
4. The Audit Committee will formally review the Moss Adams report at its September meeting. Appropriate follow-up/action items will be forwarded to Lou for his attention.
5. If you have any questions, lets discuss them at the July 29 Board Meeting. See you then.

EXHIBIT E

Internal Revenue Service
LMSB Financial Services

Department of the Treasury

Date:

January 24, 2002

Form: 1120, 1120S

Year Periods Ended:
04/30/98, 12/31/98,
12/3199

Person to Contact:
Rita McCutcheon
ID#91-06082

Contact Telephone Number:
(206) 720-2984

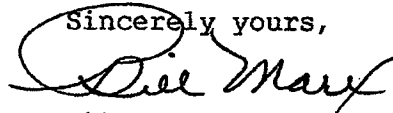
Mr. Louis Secord, Jr. President
Puget Sound Leasing Co., Inc.
185 NE Gilman Blvd.
Issaquah, WA. 98027

Dear Mr. Secord:

We are pleased to tell you that after further consideration of your tax returns for the above periods, we have accepted them as filed.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,



Bill Marx

Financial Services
Team Manager

Copies:
James H. Jackson
Robert M. Kane
Doug Blair CFO

Letter 1024(D0) (Rev. 3-80)

EXHIBIT F

**Internal Revenue Service
Internal Revenue Agent**

Department of the Treasury

Date: January 16, 2004.

Puget Sound Leasing Co., Inc.
185 N.E. Gilman Blvd.
Issaquah, WA 98027

Form Number:
1120S
Person to Contact:
Shane Forsell

Employee Identification Number
91-02897
Contact Telephone Number:
206-220-6570
Tax Periods:
12/31/2001

Dear Taxpayers:

We are pleased to tell you that after further review of your tax returns for the above periods, we have accepted them as filed. Do not consider this as an examination that resulted in no change to your tax liabilities. You were not examined for these years.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,



Shane Forsell
Internal Revenue Agent

Letter 1024 (DO) (Rev. 7-1989)
Cat. No. 40458E

EXHIBIT G

LARASCO, INC
PORTFOLIO SALES - PERFORMANCE INCENTIVES
2002 - 2007

DECLARATION OF LOUIS SECORD
 NO. C09-0056 TSZ -- Page 61

Date of Sale	Purchaser	Discount Rate	Total Amount Paid for Batch	Last Pmt	Signed Incentive Agreement in File	Incentive Amount	Incentive Due Date	Comments
6/28/2002	Union Safe Deposit Bank #2	7.11%	6,526,978.09	08/20/07	Yes	12,075.78	07/20/07	Paid
9/30/2002	Pacific NW Bank #1	6.42%	4,489,563.19	10/20/07	Yes	8,818.67	11/20/07	Paid
11/25/2002	Union Safe Deposit Bank #3	6.34%	3,813,570.67	11/20/07	No	7,340.02	12/20/07	Paid
12/24/2002	Pacific NW Bank #2	6.50%	4,443,053.34		Yes	8,804.38	01/20/08	Paid
12/8/2003	Union Safe Deposit Bank #6	5.98%	4,863,919.65	11/10/08		9,373.70	12/10/08	Paid
11/25/2003	Banner Bank	5.60%	5,042,503.72	11/20/08	Yes	9,450.76	12/20/08	Incentive Amt per Exhibit A (Pmt Amort Sch not found)
6/28/2004	First Mutual Batch #1	6.45%	4,583,369.01	08/20/09	Yes	9,267.71	07/20/09	
8/31/2004	Union Safe Batch #9	6.30%	5,144,879.88	08/20/09	No	10,410.24	09/20/09	Incentive Amt per Exhibit A
12/15/2004	First Mutual Sale #2	6.50%	4,995,460.51	12/20/09	No	10,261.25	01/20/10	Incentive Amt per Exhibit A
3/1/2004	Union Safe Deposit Batch #7	5.37%	4,194,213.75	02/10/10	No	7,753.20	03/10/10	Incentive Amt per Exhibit A
5/26/2004	Union Safe Deposit Batch #8	6.67%	4,777,652.66	03/10/10	No	9,515.74	04/10/10	Incentive Amt per Exhibit A
5/22/2003	Union Safe Deposit Bank #4	5.14%	3,267,242.03	03/20/10	No	7,144.67	04/20/10	Incentive Amt per Exhibit A
5/26/2005	First Mutual Bank #3	7.02%	5,816,045.27	05/20/10	Yes	12,155.45	06/20/10	
8/26/2003	Union Safe Deposit Bank #5	6.11%	3,668,655.49	07/10/10	No	7,002.64	08/10/10	Incentive Amt per Exhibit A
12/16/2005	Regal Bank #2	7.44%	5,383,583.79	12/15/10	Yes	10,530.91	01/15/11	Incentive Amt per Exhibit A
3/23/2006	Banner Bank #2	7.34%	9,742,447.76	03/20/11	Yes	19,879.36	04/20/11	
1/26/2006	First Mutual Bank #4	7.23%	5,986,753.96	04/20/11	Yes	11,817.26	05/20/11	
4/27/2006	Cowitiz Bank #1	7.65%	4,164,933.04	04/20/11	Yes	8,665.65	05/20/11	
7/20/2006	Charter Bank #1	7.87%	5,220,651.96	07/20/11	Yes	11,345.64	08/20/11	
8/26/2005	Regal Bank #1	7.06%	6,742,347.82	08/15/11	Yes	14,707.40	09/15/11	???
8/31/2006	County Bank #1	7.63%	4,344,892.55	08/15/11	Yes	9,015.13	09/15/11	Network
9/11/2006	Charter Bank #2	7.60%	4,674,228.24	09/20/11	Yes	9,335.22	10/20/11	
11/28/2006	Plaza Bank #1	7.35%	4,980,321.22	11/20/11	Yes	10,018.52	12/20/11	
12/22/2006	Charter Bank #3	7.31%	4,480,423.03	12/20/11	Yes	9,311.79	01/20/12	
05/24/07	Charter #4	7.10%	8,146,301.66	05/20/12	Yes	17,034.14	06/20/12	
8/28/2006	First Mutual Bank #5	7.83%	7,868,517.14	04/20/13	Yes	15,740.26	05/20/13	
3/29/2002	Union Safe Deposit Bank	7.99%	6,633,410.11	03/20/07	No	None	None	
8/26/2002	Columbia Bank	7.15%	4,926,324.52	07/15/07	No	None	None	

2/10/2003	Issaquah Bank	6.00%	642,502.99	No	None	None
6/27/2003	Wells Fargo	5.30%	6,049,511.51	No	None	None
12/30/2003	Columbia Bank	6.00%	2,658,973.90	No	None	None
10/22/2004	Wells Fargo Batch #3	5.85%	5,777,145.45	12/15/08	None	None
3/29/2005	Sovereign Bank #1	7.15%	6,272,920.69	10/20/10	None	None
6/29/2005	Sovereign Bank #2	6.80%	5,835,528.42	04/15/05	None	None
9/30/2005	Sovereign Bank #3	7.15%	4,321,863.21	07/15/10	None	None
11/10/2005	Wells Fargo #4	6.95%	6,986,239.01	09/15/10	None	None
6/28/2006	HSBC #1	7.30%	4,997,219.60	11/20/10	None	None
10/20/2006	Wells Fargo Bank #5	7.00%	6,324,692.26	06/20/11	None	None
02/28/07	Banner Bank #3	6.80%	8,534,373.20	10/20/11	None	None
03/26/07	First Mutual Bank #6	6.81%	4,951,716.65	02/20/12	None	None
04/27/07	County Bank #2	6.80%	4,692,504.79	01/20/14	None	None
08/20/07	Banner Bank #4	6.95%	5,701,226.23	04/15/12	None	None
08/30/07	First Mutual #7	6.62%	6,563,522.77	08/01/12	None	None
09/27/07	County Bank #3	6.58%	6,247,765.15	08/20/14	None	None
10/30/07	Wells Fargo #6	6.47%	7,062,038.14	09/15/12	None	None
12/20/07	Banner Bank #5	6.23%	5,300,738.76	08/20/12	None	None
				12/20/12	None	None

Total Incentives	276,775.49
Paid thru 7/31/2008	37,038.85
To Be Paid	239,736.64

Total Due by Payout Year	
2008	18,824.46
2009	19,677.95
2010	53,832.95
2011	105,315.09
2012	26,345.93
2013	15,740.26
	239,736.64

EXHIBIT H



First Sound Bank

June 3, 2008

Ron Werth
Vice President and Manager
Washington Federal/First Mutual Bank
400 – 108th Avenue NE
P.O. Box 1647
Bellevue, WA 98009-1647

RE: Puget Sound Leasing

Dear Ron,

Puget Sound Leasing joined First Sound Bank as an operating Division of the Bank on March 1, 2008. The long relationship you enjoyed with Puget Sound Leasing Company, Inc. and the principals, Lou and Dick Secord, will remain with the Bank. The administration of the lease portfolio and subsequent lease stream sales is anticipated to operate as it has in the past under the former Puget Sound Leasing Company, Inc.

Should you have any questions feel free to call.

Thank you.

Sincerely,

Don L. Hirtzel
Chairman and CEO

CC:

Steven M. Shaughnessy, President, First Sound Bank
Louis A. Secord, President, Puget Sound Leasing, a Division of First Sound Bank
Mimi MacDonald, CCO, First Sound Bank

EXHIBIT I



First Sound Bank

June 6, 2008

Ron Werth
Vice President and Manager
Washington Federal/First Mutual Bank
400 - 108th Avenue NE
P.O. Box 1647
Bellevue, WA 98009-1647

RE: Puget Sound Leasing

Dear Ron,

Puget Sound Leasing joined First Sound Bank as an operating Division of the Bank on March 1, 2008. The long relationship you enjoyed with Puget Sound Leasing Company, Inc. and the principals, Lou and Dick Secord, will remain with the Bank. The administration of the lease portfolio and subsequent lease stream sales is anticipated to operate as it has in the past under the former Puget Sound Leasing Company, Inc. Please refer to the attachment taken from the PSLC audited 12-31-06 financial statements as prepared by McGladrey & Pullen: Note 11 - Commitments which states "it has been the Company's policy, but not its obligation, to continue the payment of the lease stream to the purchaser, even if the lease is nonperforming."

Should you have any questions feel free to call.

Thank you.

Sincerely,

Don L. Hirtzel
Chairman and CEO

CC:

Steven M. Shaughnessy, President, First Sound Bank
Louis A. Secord, President, Puget Sound Leasing, a Division of First Sound Bank
Mimi MacDonald, CCO, First Sound Bank

Notes to Financial Statements

Puget Sound Leasing Company, Inc.
December 31, 2006 and 2005

Note 10 - Contingencies (concluded)

In May 1998, the Company's stockholders elected to be treated as an S corporation under the Internal Revenue Code. S corporations are generally exempt from all federal and state income taxes. However, a built-in gain tax is imposed on an S corporation's net recognized built-in gain for any year during the 10-year period beginning with its first day as an S corporation that the corporation has a net income for federal income tax purposes.

The maximum amount subject to tax; however, is limited to the corporation's net unrealized built-in gain. This generally equals the excess of the value of all corporation assets over their aggregate adjusted basis on the date of conversion to S corporation status. This contingent tax is estimated to be \$422,000. The contingency for the built-in gain tax expires April 2008.

Note 11 - Commitments

The Company, in its normal course of business, batches and sells the rights to receive the stream of payments to a group of leases. In accordance with FAS No. 140, the Company removes the lease stream from its balance sheets and recognizes a gain on the sale of the stream of payments. As a part of this sales contract, the Company retains the rights and the benefits to service the leases without recourse from the institution that purchases the stream of payments. In the course of servicing leases for the purchaser, certain leases become nonperforming. It has been the Company's policy, but not its obligation, to continue the payment of the lease stream to the purchaser, even if the lease is nonperforming. At December 31, 2006 and 2005, the nonperforming leases balances were \$216,025 and \$176,192, with monthly payments totaling \$8,472 and \$5,842, respectively. A period charge to gain on sale of lease portfolios is made for each continued payment to the purchaser of the lease stream. During 2006 and 2005, \$188,009 and \$148,040, respectively, were charged to this account.

The Company made a commitment to its stockholders to make a monthly distribution of \$29,350 each.

Note 12 - Employee Benefits and Retirement

The Company subscribes to a group medical and dental insurance plan, for which it pays employees' premiums. For 2006 and 2005, the cost to administer these programs totaled \$147,958 and \$110,934, respectively.

The Company has a 401(k) defined contribution plan which requires a one year service requirement. The Company has a discretionary match of up to 4 percent and discretionary profit-sharing contributions. In 2006 and 2005, the Company elected a match of 4 percent. During 2006 and 2005, the Company's contributions to the 401(k) plan were \$72,915 and \$54,223, respectively.

Note 13 - Concentrations

Independent lease brokers supplied 70 percent and 64 percent of the lease originations approved for funding in 2006 and 2005, respectively. Eighteen independent brokers originated 61 percent of the lease funding in 2006 and 13 independent brokers originated 60 percent of the lease funding in 2005.

EXHIBIT J

Lou Secord

From: "Steve Shaughnessy" <sshughnessy@firstsoundbank.com>
To: "Glen Garrison" <ggarrison@KellerRohrback.com>
Cc: "Lou Secord" <lasecord@msn.com>; "Jan Gould" <jgould@firstsoundbank.com>
Sent: Monday, October 06, 2008 4:34 PM
Attach: WA FED Letter 10.06.08.pdf
Subject: Letter of request from WaFed

Glen,

Please review the attached letter received today from Washington Federal Savings. I believe our response to Mr. Collette was very clear in our recent meeting with him on September 30th and that response was that First Sound Bank has no interest in repurchasing the portfolio that was recently sold to First Mutual Bank in June 2008. I know that Don has provided you with a copy of the letter that was prepared for Washington Federal, aka First Mutual Bank. My wish is for your thoughts on the appropriate response. Would it be appropriate to have counsel author the response?

Please let me know when it would be convenient to discuss.

Thanks,



Steven M. Shaughnessy
President and Chief Operating Officer
First Sound Bank
925 Fourth Avenue, Suite 2350
Seattle, WA 98104

Direct 206.436.2001
Fax 206.515.2005
sshughnessy@firstsoundbank.com

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Washington Federal Savings

425 Pike Street, Seattle, WA 98101-2334
(206)624-7930 Fax: (206)624-2334

Hand Delivered

October 6, 2008

Don L. Hirtzel
Chairman & Chief Executive Officer
First Sound Bank
925 Fourth Ave, Suite 2350
Seattle, WA 98104

Re: Puget Sound Leasing

Dear Don,

In May of this year, Puget Sound Leasing (PSL) asked First Mutual Bank (FMB) a division of Washington Federal Savings (WFS) to purchase the future cash stream from a portfolio of leases originated by PSL. This would have been the 9th purchase dating back to June of 2004. This would have been the first purchase after FMB's acquisition by WFS, and PSL's acquisition by First Sound Bank.

On Thursday May 29th, we hosted a luncheon for yourself, Lou Secord, Doug Blair and Steve Shaunessy to hear about First Sound's intention to honor the course of conduct that PSL has built their reputation on over the last 25 years, specifically to make all past due payments and buying back all defaulted leases ("Perfect Pay"). You, Lou & Steve repeatedly assured us that this practice would continue as before. Mark Schoonover specifically asked you how First Sound Bank could justify this given the additional shareholders of the institution and your response was that it was in the best interest of the organization to continue this business practice as it is the reason why banks purchase the pools.

You offered to provide a letter that reassured us of the continuation of this practice. A copy of this letter dated June 6, 2008 is attached for your reference. Based on these strong verbal and written assurances, FMB purchased a future lease stream valued at \$7,295,671.72 on June 27, 2008.

On Monday, September 29th, Lou called Ron Werth to inform him that First Sound Bank would not be honoring this commitment going forward. On Tuesday September 30th Ron and I met with you, Lou & Steve in your office to learn more about First Sound's decision to cease this course of dealing that had specifically induced FMB to make the last purchase in June.

At that meeting, I asked that you repurchase this portfolio since it was purchased under the aforementioned assurances from you and your management team. I did not get a response, so I am formally requesting that First Sound Bank repurchase the June 2008 portfolio from First Mutual Bank. We would like your response by the end of business October 15th.

With Offices in Washington, Idaho, Oregon, Utah, Arizona, Nevada and Texas.

We also request that First Sound Bank seriously reconsider your decision to cease your long standing practice of "Perfect Pay" and recommit to the course of dealing that we have relied upon over the past four and a half years when we purchased the other portfolios from PSL.

I look forward to hearing from you at your earliest convenience.



Rick Collette
Executive Vice President
Business Banking Group Manager

CC: Lou Secord
Steve Shaughnessy
Ron Werth
Roy Whitehead
Mark Schoonover
Paul Tyler, Counsel, WFS

EXHIBIT K

PUGET SOUND LEASING - COLLECTION RESULTS

	1999	2000	2001	2002	2003	2004	2005	2006	2007
JAN.	2.33	1.30	1.51	2.67	1.88	.84	.75	.73	.46
FEB.	2.23	1.55	1.12	1.81	1.69	.82	.83	.78	.60
MARCH	1.85	1.55	1.73	1.75	1.45	.72	.67	.73	.76
APRIL	2.30	1.25	1.43	1.38	1.52	.74	.71	.67	.57
MAY	1.52	1.44	1.46	1.33	1.28	.62	.71	.74	.68
JUNE	1.64	1.63	1.80	1.33	1.25	.64	.60	.74	.85
JULY	1.48	.86	1.86	1.39	.83	.45	.64	.74	.88
AUG.	1.35	1.42	2.68	1.25	1.03	.33	.74	.60	.98
SEPT.	1.38	1.91	2.33	1.46	1.04	.41	.75	.72	.87
OCT.	1.28	1.40	2.09	1.35	.94	.28	.64	.51	.82
NOV.	1.08	.85	2.12	1.42	1.17	.37	.58	.48	2.54
DEC.	.89	1.12	2.44	1.80	.92	.57	.57	.29	
AVE.	1.61	1.35	1.88	1.57	1.25	.56	.68	.64	.91

EXHIBIT L

Date: April 11, 2008

From: Stacia A. Stratton

To: James H. Jackson
Audit Committee Chairman

Copies: Don Hirtzel
Chairman and CEO

Mary E. MacDonald
EVP and CCO

Re: Review of Puget Sound Leasing (PSL) as of 3/31/08

Scope of Review:

The focus of the visit was to review the largest leases and to assess the underwriting process. I initially interviewed various managers to learn more about the approval and collection processes. The CFO provided a list of the largest leases in the "owned portfolio." There are 48 leases with balances above \$100M. Of these, only 10 exceed \$200M, 3 are between \$150-200M, and 35 between \$100M-\$150M.

I reviewed 9 of the 10 leases above \$200M and sampled 4 additional leases above \$100M. Refer to Attachment A for a list of leases reviewed. In addition, I researched details on a group of leases to various Dinner's Ready franchisees which are beginning to experience delinquencies. Refer to Attachment A.

I did not request a list of past due portfolio leases since SVP & Risk Manager Steve Twidwell stated that delinquencies are not yet being reported accurately on the lease accounting system. The delinquency percentage history reflected on Attachment B is for the entire serviced portfolio – both owned and sold. The past due percentage increased from 82% in October 2007 to 2.54% in November, immediately after conversion to the new lease accounting system. At month-end February 2008, the past due percentage has increased to 2.96%. Part of the problem is that monthly payments that are short by a small amount – perhaps due to added fees or an increase in the sales tax in a particular state, are reflected as past due. These system issues have not yet been resolved and SVP Twidwell estimates that actual delinquency is closer to 1.25%.

Quality of Reviewed Leases:

All but one of the 13 leases reviewed were of satisfactory quality. The lease to Swingers, LLC dba Time Out Sports Bar (Lease #22790) is of questionable quality and was recently rewritten with \$89M in new funds advanced. Based on review of the file and discussions with SVP Carbone, this lease did not meet underwriting guidelines but was approved and documented as "Known to LAS" (President and CEO Lou Secord) on the Lease Approval Worksheet. **I consider this lease to warrant a Special Mention grade.**

The list of large leases provided by CFO Blair reflects two leases to this entity. One was booked under the dba Time Out Sports Bar (\$244,961 payment stream) and the other under the legal entity Swingers, LLC (\$406,877 payment stream). In reality, the smaller lease to Time Out Sports Bar should not be reflected on the system as it was refinanced into the larger lease in February 2008. (EVP Jan Gould is aware of this) The original lease was made in November 2004 when the LLC members John Stoneberg and Brent Nerby bought this Kirkland bar from the previous owners and paid for the acquired equipment with the lease proceeds. Nerby had managed the bar for the prior owner. There was some payment slowness on the original lease and its payoff balance of \$208,947 was combined with \$89M in new funds and rewritten at \$297,947. The payment stream of \$406.9M represents \$6,781/mo x 60 months with the first lease payment due on 3/15/08 (payment made on 3/25). The new \$89M is documented by an invoice with a list of equipment (tap system, pizza oven, stereo equipment, etc.) but the invoice was prepared by Swingers

4.21.08
out
D

and the proceeds were deposited to their checking account at First Sound Bank. There is mention that the equipment is intended for a new location in Issaquah (not yet open) but some of the proceeds were reportedly to pay a tax lien.

There is not a current financial statement or tax return on the business in the file. Credit reports on each owner reflect poor Transunion credit scores. Stoneberg reflects prior charge-offs, collections and accounts closed by creditors. Nerby's 2007 tax return shows \$69M in wages from the business but does not even reflect ownership in the LLC. A current tax return for Stoneberg was not located. They were described as "not the best money managers."

Dinner's Ready Leases:

I did not review individual lease files for the Dinner's Ready franchises. The collections staff commented on the trend of rising delinquencies and repossession activity that is surfacing. The lease system was searched and the eleven leases on Attachment A were identified. This franchise and similar operations provide recipes and meal preparation in their kitchen that you can then take home, freeze and cook at a later date. Dinner's Ready corporate offices are located in Mountlake Terrace and there are a number of locations in Washington in addition to other western states. But there are a number of similar franchise operations around the country. It is not an inexpensive meal preparation option, and the delinquencies are presumably a product of the declining economy.

The 11 Dinner's Ready leases identified total \$573M with an additional \$45M to a similar Dinner's Done Right franchisee. Three of the franchises (\$167M) have closed their door recently and contacted PSL to pick up the equipment. Another four leases are in various stages of delinquency (\$215M). See

Note: There is evidence of booking leases under both the legal name as well as the "dba" name. The Dinner's Ready leases on the Attachment are booked under the dba which is the only way they can be identified. There is no guaranty that additional Dinner's Ready franchises are not booked under the name of the various legal entities. (*See recommendation below under Observations/ Recommendations*)

Underwriting Process:

Lease underwriting/approval is the responsibility of Frank Carbone, SVP-Credit who has years of credit experience including within a regulated bank environment. PSL operates with a one-page Credit Guidelines document supplemented by SVP Carbone's credit judgment. There are guidelines in place for when a complete financial package is required (business and personal financial statements and tax returns) but SVP Carbone requires a complete financial package whenever he feels it is warranted based on his review of the application and the credit reports. If a credit report or expanded Westlaw report discloses tax liens, they must be resolved before the lease is approved.

A rudimentary spreadsheet program has been developed for financial statements and tax returns and SVP Carbone spreads them himself. He adds back depreciation and the current portion of term debt to arrive at cash flow and then makes handwritten adjustments to add back owner salary/withdrawals and building lease payments to the owner in arriving at a "global" cash flow for closely-held businesses. He then mentally calculates a Debt Service Coverage ratio (DSC) but this is not documented on the spreads or the Lease Application Worksheet. (*See recommendation below under Observations/Recommendations*)

SVP Carbone documents approval of a lease with his initials on the Lease Application Worksheet. In his absence, President Lou Secord reviews/approves and initials the Application Worksheet. Approval of leases above \$200M (determined by equipment cost) requires approval by the four PSL Credit Committee members (L. Secord, R Secord, Carbone, Blair). (*See recommendation below under Observations/ Recommendations*)

File Documentation:

The lease files do not contain dividers but are orderly. Each file contains a Document Checklist, the Lease Application, Application Approval Worksheet, photocopies of the signed Lease Documents with the Equipment List attached as Exhibit A, Lease Guarantees (if any), Corporate Resolution, Secretary of State filing/Business License, original Equipment Invoices and copies of the PSL payment checks, Copy of the UCC, evidence of Insurance, and Credit Reports for the Business and individual Guarantors. The larger leases also contain Financial Statements and Tax Returns. Original lease legal documents are scanned and stored offsite.

The Application Worksheet reflects the approval initials and any approval conditions.

Observations and Recommendations:

- ❖ SVP Frank Carbone acknowledges the expectation and need for expanded written policies, guidelines and procedures now that PSL is owned by a regulated bank. He is very open to meeting the bank's needs for expanded written documentation. Mr. Carbone is anticipating retirement in 2010 and his years of experience will be difficult to duplicate without written guidelines and procedures.
- ❖ Recommend using the bank's more detailed FS spreading software and expanded cash flow analysis for leases above \$500M, recognizing that this will slow the current approval time. Could consider for leases of \$200M and above since very few leases are affected.
- ❖ Recommend adding the requirement for a Westlaw report to the current Credit Guidelines. Current practice is to order for leases of \$100M and above.
- ❖ Observed some of the leases above \$200M with initials of only 3 of 4 PSL Credit Committee Members. If this is acceptable (only 3 of 4 initials required), then this clarification should be included in the written approval guidelines.
- ❖ Recommend that delinquent leases be "bulk-criticized" and included in the banks consolidated figures for Criticized/Classified assets that are reported to the Board – similar to procedures for the Uniform Guidelines for the Classification of Consumer Loans. Leases >60 days past due could be considered Special Mention and those >90 days as Substandard. Repossessed Equipment should be considered as Substandard assets similar to OREO.
- ❖ Lease files contain the guaranty of spouses as well as a credit report without consideration of Regulation B requirements. Bank management is aware of this and will assist PSL management with training and modifying its practices to comply with regulations.
- ❖ The PSL website should be reviewed and updated. The Vendor Services Division page refers to "Application Only to \$75M" when this has been increased to \$100M.
- ❖ Consider use of the NAICS codes to allow identification of concentrations by industry. Note: the Dinner's Ready franchises appear to fit under a food preparation category. You might also consider a field to identify specific franchises.
- ❖ Consider standardizing the practice of whether a lease is booked under its legal name or a dba. Currently, there are inconsistencies.

Puget Sound Leasing Credit Review as of 3/31/08

Attachment A

Puget Sound Leasing – Owned Contracts Reviewed

Contract #	Lessee	Orig.	Balance	Residual
0028425-002	Allied Health Care Services, Inc.	6/07	\$548,170	\$1
0022790-001	Swingers LLC dba Time Out Sports Bar	2/08	\$406,877	\$1
0030628-000	Fremont Dock Co.	6/06	\$280,051	\$32,000
0018487-001	Lewis Contractors, Inc.	2/08	\$263,376	\$23,307
0036132-001	Sign Design, Inc.	12/07	\$245,920	\$1
0036790-002	Thai Bamboo Restaurant	10/07	\$244,429	\$1
0025784-000	Oceano Restaurant	7/05	\$242,816	\$1
0028821-000	Sparks Chamber of Commerce	7/06	\$242,329	\$1
0030692-001	Newport Mesa Audiology Balance & Ear	6/07	\$234,998	\$1
0035658-000	United Sewer Services, Inc.	6/07	\$147,562	\$1
0023295-000	Powell Skateboards	3/05	\$129,892	\$1
0016443-001	Beers Architects and Planners, Inc.	2/08	\$116,434	\$1
0014558-001	Lakeside Fitness and Tanning, LLC	12/07	\$108,766	\$1

Dinner's Ready Franchise Leases

Contract #	Legal Name dba Dinner's Ready	Orig.	Location	Balance	Past Due or Repo
23748-000	Marjen Industries, Inc	10/05	Tualatin, OR	\$45,271	LP 10/15/07; ceased opns Feb; requested repo
23372-000	*	na	Kirkland, WA	\$49,454	Current
23600-000	*	na	Lake Forest Park	\$38,565	Current
23981-000	*	na	Reno, NV	\$44,692	PD 31-60 days – 2 pmts
25112-000	*	na	Lake Stevens, WA	\$48,978	Current
25271-000	Buena Vita, LLC	11/05	Southlake, TX	\$55,448	Ceased opns Mar; req. PSL to repo
26272-000	*	na	Lynnwood, WA	\$51,942	PD 1-30 days
27253-000	*	na	Shoreline, WA	\$53,514	Current
29931-000	R&R Restaurant Management Co., Inc	na	Roseville, CA	\$66,684	LP 10/1/07; Ceased opns Dec 07 and req repo
26271-000	*	na	Mariemont, OH	\$56,453	Past Due 1-30 days
23951-000	*	na	Vancouver, WA	\$61,699	Past Due
			TOTAL	572,700	

* Reviewed files and determined legal name only on the leases in the REPO process. All are booked on the lease accounting system under the dba.

The Broker for each of the three Repo leases is Harbor Financial Services and the common Vendor is Smith & Greene of Kent, WA

EXHIBIT M

Lou Secord

From: "Jan Gould" <jgould@firstsoundbank.com>
To: <lasecord@msn.com>; "Doug Blair" <dblair@pugetsoundleasing.com>
Cc: "Steve Shaughnessy" <sshughnessy@firstsoundbank.com>; "Don Hirtzel" <dhirtzel@firstsoundbank.com>
Sent: Thursday, October 23, 2008 8:28 AM
Subject: FW: Security deposit forfeitures

Doug and Lou,

Here is Christie's response to my email. We need to make sure the forfeitures are in line with these rules. The best method is to make your selection and have a one over one review and signoff. I can come over and do it next week for this month.

Jan


First Sound Bank

Jan Gould
CFO/EVP
First Sound Bank
925 Fourth Avenue, Suite 2350
Seattle, WA 98104

Direct 206-436-2002
Fax 206-515-2005
jgould@firstsoundbank.com

From: Bakker, Christie [mailto:Christie.Bakker@rsmi.com]
Sent: Tuesday, October 21, 2008 8:53 AM
To: Jan Gould
Cc: Hu, Jenny
Subject: RE: Security deposit forfeitures

We will be requesting that you provide support for recognizing this. Our research at PSL did support them doing this based upon the language in the contracts. We will need to verify the language has not changed. We do audit that the lease is delinquent at the time recognized and that it was a lease acquired by you versus one that PSL retained servicing on. I don't remember all the specifics right now but I think we also verified that the lessee was also billed the following month to replenish the security deposit.

If you could provide support on an individual lease basis that the lease was acquired by the bank - we will need that to select our sample for testing.

Christie Bakker
Partner
McGladrey & Pullen, LLP
One Union Square
800 University Street, Ste. 1100
Seattle, Washington 98101

Direct 206.676.1109
Main: 206.281.4444

10/23/2008

Fax Direct: 206.749.7109
Fax Main: 206.676.1193

The Firm for Companies on the Move

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From: Jan Gould [mailto:ygould@firstsoundbank.com]
Sent: Monday, October 20, 2008 3:24 PM
To: Bakker, Christie
Cc: Hu, Jenny
Subject: Security deposit forfeitures

Christy,

I just wanted to confirm that there will not be a problem with security deposit forfeiture income. When we discussed it earlier, you indicated that PSL has the right to take this into income. This is a large number in our income statement so this is important to us.

Please let me know if there are concerns regarding this.

Thanks.

Jan



First Sound Bank.

Jan Gould
CFO/EVP
First Sound Bank
925 Fourth Avenue, Suite 2350
Seattle, WA 98104

Direct 206-436-2002
Fax 206-515-2005
ygould@firstsoundbank.com

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10/23/2008

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10/23/2008

EXHIBIT N

Done

6.T. = \$1,150,574.66

Puget Sound Leasing
Security Deposit Analysis - True Lease and Prom Note Accts
06/24/08

UNPAID MISC F E E S (Before Sales Taxes)

Contract	Lease	Bank Nm	Booing	Contract	Status	Paymto-Date	Payment	CBR	PAR 31	PAR 61	PAR 91	Total	Sec Dep	Late	New	Prep	Ext	Coll	Doc	NSF	Int	TOTAL	
001-002375-000	ALL TUNE & LUBE	Frist Mutual B	12/16/05	181	In Bankruptcy	4/7/2007	341.26	12,636.62	341.26	341.26	1,365.04	2,047.56	341.30	341.30	187.75							539.05	
001-002340-001	AMBUIMED CORP	Frist Mutual B	02/15/07	181	In Legal	1/15/07	1,461.43	58,457.20		7,307.15	7,307.15	7,307.15	730.70	730.70				10.00				798.12	1,538.82
001-002340-000	ATACOMA	Frist Mutual B	08/12/05	181	In Legal	5/8/2008	1,246.25	48,603.75		1,246.25	4,965.00	6,231.25	823.15	823.15	381.65				7,428.81				12,400.98
001-002376-000	BAILEY'S SHIRPLE	Frist Mutual B	04/28/06	181	In Legal	12/15/07	343.76	6,197.88		1,375.04	1,375.04	1,375.04	171.90	171.90									171.90
001-002343-001	CC-APPRAISALS	Frist Mutual B	11/6/05	181	In Legal	12/20/08	140.92	5,073.12		503.68	563.68	563.68	103.59	103.59					80.00				254.51
001-002344-000	CLUTCH WIZARD	Frist Mutual B	04/04/06	181	In Legal	12/15/07	597.10	24,481.10	597.10	597.10	2,388.40	3,582.80	1,433.04	1,433.04	280.07				803.96				3,172.87
001-002344-000	COMMUNITY PLU	Charter Bank	08/03/06	181	In Legal	11/01/07	359.68	16,190.36		1,753.30	1,753.30	1,753.30	140.28	140.28						80.00			598.00
001-002345-000	DEBERT HILLS R	Frist Mutual B	03/03/05	181	In Legal	12/01/07	633.92	17,748.76		2,535.68	2,535.68	2,535.68	738.41	738.41	256.73								985.14
001-002347-000	DJ'S BAR & GRILL	Frist Mutual B	11/07/06	181	In Legal	12/01/07	164.95	4,439.80	164.95	184.55	739.80	1,109.70	189.52	189.52	96.29				110.75				445.28
001-002348-000	DOZEN DONUTS	Regal Bank	08/03/05	181	In Legal	3/10/2008	833.16	28,154.28		3,412.84	3,412.84	3,412.84	511.82	511.82					273.24				765.16
001-002349-000	FELICIANO LAVIN	Regal Bank	04/26/07	181	In Bankruptcy	3/16/2008	1,255.87	63,461.66	1,255.87	4,033.83	6,815.17	6,815.17	1,088.56	1,088.56				2,970.26				4,069.85	
001-002350-000	FES CONSTRUCT	Frist Mutual B	05/21/07	181	In Legal	12/15/07	700.32	37,817.28		700.32	2,601.28	3,501.60	425.87	425.87					2,045.00				2,470.87
001-002359-000	FTF FUNDING	Charter Bank	03/04/06	181	In Bankruptcy	11/02/07	802.92	26,498.36	802.92	802.92	3,211.68	4,817.52	1,270.17	1,270.17	785.47				1,078.40				3,145.04
001-002360-000	GENESIS AUDIO	Regal Bank	11/15/05	181	In Legal	10/20/08	1,154.69	42,723.53		5,773.45	5,773.45	5,773.45	88.50	88.50					1,278.32				1,784.00
001-002369-000	GOOD LUCK FOO	Frist Mutual B	08/09/05	181	In Legal	12/15/07	214.00	7,062.00		858.00	858.00	858.00	198.88	198.88									179.84
001-002378-000	GRANDSLAM PIZ	County Bank	07/13/06	181	In Legal	11/12/2007	342.50	7,010.80		1,530.80	1,530.80	1,530.80	111.14	111.14									728.53
001-002380-000	HIGH RATIO CON	Pizza Bank	10/06/06	181	In Bankruptcy	11/12/2007	694.65	15,286.95		2,693.60	2,693.60	2,693.60	383.38	383.38					528.12				1,172.84
001-002381-000	HOUSE OF SAHU	Frist Mutual B	07/20/07	181	In Legal	11/15/07	1,211.28	39,871.58		5,958.30	5,958.30	5,958.30	2,422.82	2,422.82					749.55				2,470.87
001-002385-000	INCHES-A-WEIG	Chewy Bank	12/11/06	181	In Bankruptcy	1/12/2008	289.00	409.23		689.23	689.23	689.23	110.74	110.74	92.75				43.98				247.46
001-002388-000	JANATHAN'S PANCK	Bank of the W	07/14/03	181	In Legal	10/15/07	433.98	4,339.60		2,603.78	2,603.78	2,603.78	217.00	217.00									232.62
001-002389-000	NATIONAL NUTRI	Barrow Bank	12/28/06	181	In Repossessak	4/19/2008	562.13	23,230.76	562.13	2,248.92	3,372.78	3,372.78	512.65	512.65									389.54
001-002391-000	PALMEROS COFF	Regal Bank	06/24/05	181	In Bankruptcy	12/13/2007	573.19	18,915.27	573.19	573.19	2,865.95	4,012.33	551.55	551.55									708.13
001-002392-000	PILAR OF GLOR	324/2008	11/01/07	181	In Legal	3/24/2008	1,666.09	5,160.89		5,160.89	5,160.89	5,160.89	87.85	87.85									367.71
001-002393-000	PONDERAY CAFE	Frist Mutual B	02/11/05	181	In Repossessak	6/10/2008	1,543.28	16,842.82	1,543.28	1,543.28	1,543.28	1,543.28	1,181.76	1,181.76									1,350.42
001-002394-000	PONDERAY CAFE	Frist Mutual B	12/22/04	181	In Repossessak	5/15/2008	1,543.28	16,842.82	1,543.28	1,543.28	1,543.28	1,543.28	1,181.76	1,181.76									1,350.42
001-002395-000	PSJ ENTERPRISES	County Bank	07/24/08	181	In Repossessak	5/15/2008	1,038.59	19,231.60	1,038.59	1,038.59	1,038.59	1,038.59	1,038.59	1,038.59									1,350.42
001-002396-000	PRECISION COFF	Frist Mutual B	05/18/07	181	In Legal	3/28/2008	1,874.56	54,516.88	1,874.56	1,874.56	5,778.33	9,527.45	1,312.22	1,312.22									5,454.58
001-002397-000	PURSFULL TRUC	Frist Mutual B	07/18/07	181	In Bankruptcy	3/20/2008	702.90	40,065.30		702.90	3,514.50	4,217.40	1,405.80	1,405.80									5,454.58

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Puget Sound Leasing
Security Deposit Analysis - True Lease and Prom Note Accts
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U N P A I D M I S C F E E S (Before Sales Taxes)

Contract	Lessee	Bank Nm	Booking Date	Delin Status	Contract Status	Date	Payment	CBR	Past 31	Past 61	Past 91	Total	Sec Dup	Late Chgs	New Interim Rent	Prop Tax	Est Fees	Coil Fees	Doc Fees	NSF Fees	Ins	TOTAL
001-0028281-000	QUALITY HOME L	Barner Bank	01/27/08	181	In Legal	3/10/2008	1,967.24	23,075.64	-	5,382.20	5,382.20	5,382.20	-	940.32	-	461.49	-	159.86	60.00	60.00	91.80	688.32
001-0028281-000	RN REALTY & AS	First Mutual B	12/27/04	181	In Legal	1/25/2008	309.89	8,654.83	309.89	309.89	1,241.45	1,860.83	-	247.78	-	-	-	471.82	-	-	-	1,493.47
001-0028350-000	SAKURA	First Mutual B	05/16/05	181	In Legal	1/12/2007	1,204.12	38,735.98	-	7,224.72	7,224.72	7,224.72	-	722.46	-	1,717.69	1,180.25	-	-	-	-	3,850.40
001-0028350-000	SATELLITE GROU	Chimer Bank	03/18/07	181	In Legal	12/15/07	551.88	17,111.38	-	3,311.69	3,311.69	3,311.69	-	386.40	-	-	-	10.00	-	-	-	396.40
001-0028784-001	SCI GLOBAL MAN	First Mutual B	12/28/05	181	In Legal	8/19/2008	665.80	25,172.03	665.80	2,534.83	3,866.43	3,866.43	-	480.84	-	118.22	-	245.45	-	-	-	844.51
001-0028925-000	SOCAL SEAFOOD	Regal Bank	10/13/05	181	In Legal	1/30/2008	317.52	11,430.72	-	1,587.60	1,587.60	1,587.60	-	222.25	-	15.56	-	185.11	-	-	-	422.92
001-0022398-901	SOLUTIONS INTB	First Mutual B	11/24/04	181	In Legal	12/01/07	1,028.70	1,028.70	-	1,028.70	1,028.70	1,028.70	-	93.83	-	-	-	3,528.07	90.00	90.00	93.83	4,070.35
001-0028194-000	SPORTHERAPY, I	Chimer Bank	11/15/06	181	In Bankruptcy	8/7/2008	644.02	32,201.00	-	3,884.12	3,884.12	3,884.12	-	452.28	-	350.60	568.46	538.67	30.00	30.00	218.40	3,809.42
001-0027707-000	SUNSET CAPITAL	First Mutual B	12/12/05	181	In Legal	8/11/2008	570.81	22,253.79	570.81	3,423.86	4,584.89	4,584.89	-	540.00	-	135.41	-	235.75	-	-	-	1,914.48
001-0028242-001	THRIFTNO STORE	Chimer Bank	08/20/08	181	In Legal	12/15/07	618.10	26,501.41	618.10	2,395.51	3,631.71	3,631.71	-	597.29	-	-	-	5.00	-	-	-	905.89
001-0028255-000	TODAY'S REALTY	First Mutual B	01/03/05	181	In Legal	8/6/2008	548.84	8,229.60	548.84	2,743.20	3,340.48	3,340.48	-	488.96	-	176.23	-	215.75	-	-	-	832.86
001-0027919-000	TONY'S TAQUERL	Regal Bank	11/27/03	181	In Legal	8/6/2008	333.29	4,332.77	333.29	1,668.45	2,333.03	2,333.03	-	316.59	-	108.61	-	235.75	-	-	-	690.95
001-0028233-000	WALDENWATER	Chimer Bank	02/28/07	181	In Legal	5/8/2008	911.55	48,312.15	-	4,557.75	4,557.75	4,557.75	-	546.96	-	-	-	707.80	60.00	60.00	273.12	1,890.84
001-0028934-000	WORLDWIDE TEC	First Mutual B	03/23/06	181	In Legal	22/12/2008	727.83	30,246.88	-	2,580.15	2,580.15	2,580.15	-	800.59	-	308.74	314.60	678.04	-	-	-	1,598.57
001-0028434-001	WYNDALL'S ENTE	WYNDALL'S ENTE	05/20/05	181	In Repossess	3/25/2008	1,737.56	59,077.04	-	10,425.38	10,425.38	10,425.38	-	888.90	-	-	-	140.04	-	-	-	2,385.18
001-0027893-000	14K JEWELRY, IN	Barner Bank	12/30/05	181	In Legal	6/18/2008	348.87	4,509.31	348.87	1,040.81	1,734.35	1,734.35	-	312.21	-	-	-	5.00	-	-	-	1,871.49
001-0027073-000	ACCESS INDUST	Wells Fargo E	10/24/05	151	In Legal	01/01/08	905.11	31,678.85	905.11	2,715.33	4,525.55	4,525.55	-	683.57	-	-	-	862.53	-	-	-	1,445.25
001-0030242-000	AMERICAN UNIVE	AMERICAN UNIVE	03/10/06	151	In Legal	1/28/2008	350.30	7,588.50	-	650.30	650.30	650.30	-	264.24	-	-	-	-	-	-	-	1,090.56
001-0030464-001	AS EASY AS 1-800	Chimer Bank	06/06/07	151	In Bankruptcy	3/12/2008	148.91	8,025.10	148.91	379.89	528.60	528.60	-	74.95	-	-	-	-	-	-	-	688.20
001-0031240-000	AUTO QUEST LV,	Chimer Bank	06/15/08	151	In Bankruptcy	3/15/2008	555.54	24,443.76	-	1,688.82	1,688.82	1,688.82	-	170.86	-	276.67	-	-	-	-	-	447.93
001-0028585-000	AUTOSTAR LEAS	Wells Fargo E	10/09/05	151	In Legal	4/02/2008	884.85	7,077.20	-	884.85	3,588.60	3,588.60	-	442.38	-	-	-	-	-	-	-	782.73
001-0028834-000	BLACK BASS HOT	Regal Bank	07/18/05	151	In Legal	5/6/2008	518.55	16,076.05	-	1,555.65	1,555.65	1,555.65	-	282.41	-	-	-	-	-	-	-	840.21

Puget Sound Leasing
 Security Deposit Analysis - True Lease and Prom Note Accts
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UNPAID MISC F E E S (Before Sales Taxes)

Contract	Lessee	Bank Nm	Booting Date	Contract Dnln Status	Status Date	Paid-to-Date	Payment	CBR	Past 31	Past 61	Past 91	Total	Sec Dep	Chgs	New Interm Rent	Pers Prop Tax	Ext Fees	Call Fees	Doc Fees	NSF Fees	Ins	TOTAL
001-002225-000	BOB GRAMT AUT	Frat Mutual B	11/09/04	151 In Legal	3/7/2008	01/15/08	219.26	5,042.98	-	-	657.78	657.78	-	308.61	135.07	70.00	2,810.00	59.26				3,164.28
001-003184-000	BRINGLE TRANS		08/14/08	151 In Legal	2/15/2008	01/15/08	885.70	8,495.40	-	-	885.70	885.70	-	354.28		10.00	10.00					1,465.50
001-003774-000	CAMS NEW YORK		05/31/07	151		01/15/08	227.47	8,098.80	227.47	227.47	662.41	1,137.35	-	136.50		10.00	10.00				772.10	2,084.25
001-003582-000	COMFORT DENTY	County Bank	03/07/07	151 In Legal	2/15/2008	01/15/08	2,564.34	143,603.04	-	-	7,693.02	7,693.02	-	4,022.15		1,138.48	20.00					1,407.12
001-002593-000	CROOKHAM TON	Wells Fargo E	08/29/05	151 In Legal	3/10/2008	01/15/08	1,353.18	43,301.78	-	-	4,059.54	4,059.54	-	276.84		20.00	20.00					555.32
001-002739-000	DUNSAN DRILLIN	Frat Mutual B	04/09/06	151 In Legal	2/13/2008	01/15/08	238.47	9,538.80	-	-	715.41	715.41	-	125.23		1,100.30	30.67					1,235.53
001-003071-000	FIRST STAR FINA	County Bank	06/28/08	151 In Legal	3/11/2008	01/15/08	272.51	5,179.18	272.51	272.51	819.02	1,364.04	-	277.56		73.12						391.15
001-003929-000	FLORIDA TRACTC	Frat Mutual B	07/27/07	151 In Legal	5/20/2008	01/15/08	1,644.02	59,698.64	1,644.02	1,644.02	4,832.06	8,220.10	-	1,479.60								1,479.60
001-000006-000	FRELJINGHUYSEN		10/15/07	151		01/15/08	43.90	243.90	-	-	243.90	243.90	-	984.06		942.01						2,202.53
001-002784-000	FURIOUS MOTOR	Banner Bank	01/20/08	151 In Legal	2/5/2008	01/15/08	755.34	28,702.82	-	-	2,298.02	2,298.02	-	120.51		10.00						120.51
001-002430-001	HOMEFRONT MO	Regal Bank	05/13/05	151 COLLECTION	1/15/2008	01/15/08	718.70	863.50	133.93	133.93	401.79	669.85	-	141.66		624.12					600.00	2,114.02
001-003939-000	IR SOLUTIONS		06/25/07	151 In Legal	4/12/2008	01/15/08	1,083.05	898.58	1,083.05	203.39	607.17	1,892.81	-	589.50		563.90						764.82
001-001826-000	ISIAN KNOX BERN	Bank of the W	11/05/03	151 In Legal	3/13/2008	01/15/08	351.71	3,853.81	351.71	351.71	1,055.13	1,758.55	-	211.02		20.00						902.05
001-002894-000	ITRY'S GOURMET		03/28/06	151 In Legal	3/13/2008	01/15/08	617.81	24,712.40	617.81	617.81	1,853.46	3,089.05	-	484.24		101.08						2,500.04
001-002829-000	JUMP 4 JOY INFL	Cowitz Bank	04/03/08	151 In Legal	5/8/2008	01/15/08	1,350.08	24,301.44	-	-	4,050.32	4,050.32	-	128.60		10.00						175.86
001-001729-000	MED SERVICES P		12/08/04	151 In Repossessk	4/23/2008	01/15/08	442.92	-	-	-	284.80	284.80	-	60.10		216.73						201.65
001-001750-000	NORTH VALLEY 4	Wells Fargo E	04/14/03	151		01/15/08	2,245.82	1,934.12	2,245.82	483.33	1,450.59	4,179.84	-	799.61		30.00				60.00		1,008.24
001-002592-000	ORTIZ ROOFING	Regal Bank	07/28/05	151 In Legal	12/19/2007	01/15/08	868.61	25,811.52	-	-	1,613.22	1,613.22	-	343.84		398.82	616.10					3,870.95
001-000006-000	PETER BECKRIBI		11/29/07	151		01/15/08	1,000.00	22,851.22	1,000.00	1,000.00	3,000.00	5,000.00	-	503.02		118.55					303.93	1,086.62
001-000729-000	PIZZA FACTORY	Regal Bank	11/22/05	151		01/15/08	1,691.63	17,822.83	-	-	4,389.89	4,389.89	-	773.30		769.63						1,482.93
001-002070-000	PORTUELLUS, INC	Banner Bank	01/04/06	151 In Legal	8/9/2008	01/15/08	1,116.65	40,134.35	1,116.65	1,116.65	2,789.25	5,001.55	-	1,116.70		1,153.03						2,639.79
001-001792-000	PROGRESSIVE B	Bank of the W	09/12/03	151 In Bankruptcy	9/12/2008	01/15/08	641.70	3,850.20	-	-	1,925.10	1,925.10	-	256.88		20.00						531.42
001-001782-001	PROGRESSIVE B	Bank of the W	07/28/03	151 In Bankruptcy	1/17/2007	01/15/08	772.52	6,180.16	-	-	2,317.56	2,317.56	-	306.00		397.38						564.86
001-002969-000	PUEBLO VELD III	Frat Mutual B	05/09/06	151 In Repossessk	4/16/2008	01/15/08	485.84	7,919.28	485.84	485.84	1,397.52	2,329.20	-	422.25		10.00						809.83
001-002281-000	RANCHO GRANDI		12/08/04	151		01/15/08	1,368.13	-	-	-	1,089.13	1,089.13	-	230.53		140.74						390.27
001-000984-000	SIGNS ETC, LLC	County Bank	07/31/06	151 In Repossessk	4/16/2008	01/15/08	965.92	39,890.50	965.92	965.92	2,177.78	4,529.62	-	97.43		213.75						590.42
001-002198-000	STAR DRAM, PLL	Wells Fargo E	08/13/04	151 In Legal	6/13/2008	01/15/08	683.17	8,431.54	483.17	483.17	1,267.65	2,173.99	-	339.90		469.20						1,153.62
001-002327-000	TECH VALLEY PR	Pizza Bank	11/01/06	151 In Repossessk	2/6/2008	01/15/08	2,892.84	69,530.72	2,892.84	2,892.84	6,977.82	14,463.20	-	1,735.56		1,671.61						4,017.72
001-002434-000	THURFTKO STORE	Frat Mutual B	04/13/05	151 In Legal	6/11/2008	01/15/08	742.48	20,783.53	742.48	742.48	2,221.53	3,706.48	-	605.09		284.11						1,278.19
001-003948-000	TOP THE BANER	County Bank	07/08/06	151 In Repossessk	8/11/2008	01/15/08	799.67	34,935.61	799.67	799.67	2,399.01	3,998.35	-	830.78		360.39						1,823.36

Puget Sound Leasing
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DECLARATION OF LOUIS SECOR
NO. C09-0056 TSZ -- Page 87

UNPAID MISC FEES (Before Sales Taxes)

Contract	Lease	Bank Nm	Bookng	Deliv	Contract	Status	Pa'd-to-Date	Payment	CBR	Past 31	Past 61	Past 91	Total	Sec Dep	Chgs	Late	New	Incom	Prop	Tax	Ext	Fees	Coil	Duo	NSF	Fees	Int	TOTAL
001-0027404-000	TREASURE CASIN	Banner Bank	02/09/06	151	In Legal	4/1/2008	01/15/08	658.53	16,688.00	658.53	1,785.81	3,088.87	4,941.18			494.18			191.91				535.55					1,221.84
001-0026685-000	VALLEY WIDE HO	Wells Fargo E	10/07/05	151			01/01/08	1,207.97	43,465.92		3,623.91	3,623.91	382.40			382.40			128.57		1,078.16		10.00				1,577.73	
001-0033332-000	7 DAYS FOOD ST	Sovereign Ban	07/20/05	121	In Legal	8/23/2008	02/15/08	189.27	5,678.10	189.27	378.54	757.08	119.22			119.22			158.64				30.00				287.86	
001-0033074-000	ASHCRAFTS MAR		10/31/06	121	In Bankruptcy	1/10/2008	02/01/08	209.43	4,907.46		416.86	628.29	131.05			131.05			205.69				289.60				589.24	
001-0029481-000	BH MEDICAL INC	First Mutual B	04/12/06	121	In Legal	5/28/2008	02/15/08	1,811.25	70,638.75	1,811.25	1,811.25	3,722.50	3,260.34			3,260.34			21.00				684.75				4,118.09	
001-0031733-000	C & H GARAGE &	Chatter Bank	08/18/08	121	In Legal	1/2/2008	02/15/08	445.67	13,020.48		661.34	891.34	77.00			77.00			44.57				808.82				853.19	
001-0039173-000	CENTRAL MISSOIL	County Bank	03/06/07	121	In Legal	4/1/2006	02/01/08	680.46	37,887.30	680.46	1,377.72	2,745.44	370.02			370.02			235.95				55.00				380.02	
001-0031473-000	CLEAR DRAIN CO	Chatter Bank	08/22/06	121	In Bankruptcy	9/13/2008	02/15/08	633.55	11,497.45		687.10	897.10	502.83			502.83			235.95				55.00				615.62	
001-0032839-001	DA FLOORING, IN	Wells Fargo E	10/17/07	121	In Legal	8/2/2008	02/01/08	1,064.39	59,848.48		1,064.39	1,172.42	425.76			425.76			632.42				522.45				1,225.76	
001-0023981-000	DINNERS READY		06/08/05	121	In Bankruptcy	5/23/2008	02/15/08	1,593.31	44,671.28	1,593.31	2,812.92	5,913.54	1,498.38			1,498.38			632.42				522.45				2,591.23	
001-0027251-000	FIDELITY BORRO	First Mutual B	11/30/05	121	In Legal	5/19/2008	02/15/08	782.80	12,703.80	782.80	782.80	961.90	487.58			487.58			687.25				30.00				1,228.84	
001-0030410-000	FORESTAL PROD		08/14/06	121	In Legal	5/24/2008	02/15/08	782.80	12,703.80	782.80	782.80	961.90	185.95			185.95			687.25				30.00				1,475.49	
001-0034545-000	GRACE S HAN, DI	County Bank	03/27/07	121	In Legal	3/26/2008	02/01/08	1,306.39	66,625.69		2,612.78	2,612.78	100.64			100.64			103.35				788.08				594.87	
001-0033335-000	HAMMER'S AUTO	Banner Bank	11/16/06	121	In Legal	3/19/2008	02/15/08	891.00	41,013.00		1,783.20	1,783.20	356.84			356.84			187.74				20.00				68.32	
001-0028387-001	HARBOUR INTERI		03/14/06	121	In Legal	5/6/2008	02/01/08	75.78	2,870.84		75.78	151.56	30.00			30.00			103.35				283.36				152.09	
001-0026598-000	J H MENEZES CO	Wells Fargo E	10/11/05	121	In Legal	3/19/2008	02/15/08	341.07	11,836.65	341.07	681.24	1,363.48	204.58			204.58			187.74				30.00				805.64	
001-0021638-000	JADE BHAKTIONA	Wells Fargo E	08/18/06	121	In Legal	6/11/2008	02/15/08	552.66	23,880.70	552.66	657.98	1,793.30	386.89			386.89			187.74				119.68				721.27	
001-0023840-000	JOEL'S ENTERPR		02/28/07	121			02/01/08	1,038.51	27,001.26	1,038.51	2,077.02	4,154.04	519.25			519.25			203.74				10.00				529.25	
001-0035835-000	JOHN CHEZIK HO	Sovereign Ban	07/21/05	121	In Bankruptcy	6/11/2008	02/15/08	290.69	1,694.14	290.69	290.69	351.38	140.35			140.35			203.74				10.00				485.31	
001-0027595-000	LATINO AMERICA	Banner Bank	12/30/05	121	In Legal	4/18/2008	02/01/08	346.87	3,946.42	346.87	479.72	1,174.48	95.68			95.68			738.74				426.85				768.17	
001-0030298-000	LIFETIME AUTO C	Chatter Bank	05/26/06	121	In Legal	2/15/2008	02/15/08	2,597.27	41,807.31	2,597.27	2,597.27	6,172.60	1,811.11			1,811.11			738.74				10.00				2,600.85	
001-0033810-000	LORDS	Charter Bank	03/28/07	121	In Legal	5/8/2008	02/01/08	1,244.31	32,605.23	1,244.31	1,497.48	3,995.10	497.72			497.72			187.74				30.00				2,338.97	
001-0031733-000	MALI WOH	First Mutual B	08/11/06	121	In Legal	5/8/2008	02/15/08	297.68	5,953.60	297.68	297.68	595.38	181.61			181.61			187.74				111.66				362.59	
001-0030906-000	MILLENNIUM PRC	Banner Bank	10/28/07	121	In Legal	4/15/2008	02/01/08	475.49	16,165.66	475.49	475.49	950.88	332.85			332.85			187.74				101.68				568.71	
001-0023838-001	PAINLESS SHOE	First Mutual B	05/30/07	121			02/01/08	1,725.00	81,425.00	1,725.00	1,725.00	6,900.00	1,207.50			1,207.50			113.61				24.52				1,207.50	
001-0023978-001	PASSION TECHNI		04/26/05	121	In Legal	2/14/2008	02/01/08	213.07	652.28		426.14	426.14	133.02			133.02			113.61				188.12				331.14	
001-0023978-000	PASSION TECHNI	First Mutual B	03/10/05	121	In Legal	2/14/2008	02/01/08	570.00	233.36		233.36	233.36	10.00			10.00			113.61				300.35				10.00	
001-0031721-000	POWERHOUSE G		08/31/05	121	In Legal	4/4/2008	02/01/08	189.44	6,088.36		189.44	550.78	315.07			315.07			113.61				300.35				335.42	

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Puget Sound Leasing
Security Deposit Analysis - True Lease and Prom Note Accts
06/24/08

DECLARATION OF LOUIS SANCORD
NO. C09-0056 TSZ -- Page 88

UNPAID MISC F.E.E.S (Before Sales Taxes)

Contract	Lessee	Bank Nm	Booking Date	Defn Status	Contract Status	Date	Payment	CBR	Part 31	Part 61	Part 91	Total	See Dep	Chgs	New Infrim Rent	Fers Prop Tax	Ext Fees	Coji Fees	Doc Fees	NSF Fees	Ins	TOTAL	
001-002192-001	SRI MORTGAGE, Sovereign Bk	03/18/05	121	In Legal	3/10/2008	02/15/08	1,709.50	18,000.00	1,709.50	3,418.00	6,836.00	1,367.00	2321	1,367.00	1,015.71			210.75	30.00	585.87		288.04	3,218.93
001-002207-000	STONEBRIDGE	Sovereign Bk	12/28/04	121	In Repossessk	3/24/2008	640.15	15,353.60	640.15	640.15	1,280.30	2,560.60		448.14	423.21			20.00				488.14	488.50
001-002759-000	VFV POST #8978	First Mutual Bk	11/22/05	121	In Repossessk	2/6/2008	351.14	11,938.78	351.14	351.14	702.28	1,404.56		210.86				10.00				208.58	424.22
001-002759-001	VFV POST #8978	Cowitz Bank	12/14/05	121	In Repossessk	2/6/2008	125.65	4,397.75	125.65	125.65	251.30	502.60		75.42				10.00				68.53	153.95
001-003298-000	WESTERN AVE AI	05/04/07	121	In Repossessk	4/18/2008	818.36	32,154.72	818.36	818.36	1,636.72	3,273.44			484.72				815.38				901.17	1,310.10
001-003778-000	WESTLAND FINAR	03/01/08	121	In Legal	5/22/2008	2,177.26	128,281.08	2,177.26	2,177.26	4,354.52	8,709.04			1,524.11				20.00				30.00	2,445.28
001-003835-000	WOODBRIDGE IV	First Mutual Bk	01/28/07	121	In Legal	1/13/2008	1,546.10	75,659.90			3,092.20			919.24				318.16				30.00	988.40
001-003849-000	ZAYOUNI CAR C	Charm Bank	04/13/07	121	In Bankrupty	3/14/2008	690.54	34,707.54	690.54	690.54	1,381.08			408.30				1,717.04				251.18	2,531.58
001-001845-000	A-1 FIREPLACE &	Bank of the W	06/22/04	91	In Legal	5/20/2008	591.74	9,467.84	591.74	591.74	1,183.48			177.51				10.00				30.00	611.37
001-003359-000	ADMIRAL CONBTI	06/01/07	91	In Legal	5/28/2008	430.12	22,898.24	430.12	430.12	860.24				301.07				10.00				421.80	1,935.85
001-002810-000	ALL TUNE AND LL	Banner Bank	01/22/07	91	In Legal	5/28/2008	176.47	3,882.32	176.47	176.47	352.94			88.25				392.08		7.82		38.40	1,928.23
001-003199-000	ANGLE'S BODY S	12/20/07	91	In Legal	5/28/2008	536.16	15,549.22	536.16	536.16	1,072.32				181.40				1,572.85				38.40	1,928.23
001-003399-000	ARRMCA REAL E	07/20/07	91	In Legal	5/28/2008	382.78	17,413.92	382.78	382.78	765.56				181.40				611.60		1,554.17		38.40	2,747.17
001-002468-001	CATS ARE IN, LLC	10/25/06	91	In Legal	5/28/2008	382.78	17,413.92	382.78	382.78	765.56				181.40				611.60		1,554.17		38.40	2,747.17
001-002468-001	CATS ARE IN, LLC	10/25/06	91	In Legal	5/28/2008	382.78	17,413.92	382.78	382.78	765.56				181.40				611.60		1,554.17		38.40	2,747.17
001-001808-001	EARTHLEND CU	02/23/06	91	In Legal	4/1/2008	1,313.77	19,706.55	1,313.77	1,313.77	2,627.54				696.90				2,625.00				38.40	3,281.90
001-002703-000	EXPRESS COLLE	First Mutual Bk	10/19/05	91	In Legal	4/1/2008	421.26	3,970.08	421.26	421.26	842.52			168.52				225.00				38.40	1,681.52
001-002432-001	FROSTLINE AIR C	Plaza Bank	08/20/06	91	In Legal	4/1/2008	243.53	10,471.78	243.53	243.53	487.06			134.78				200.00				38.40	589.78
001-002432-000	FROSTLINE AIR C	04/13/05	91	In Legal	4/1/2008	131.59	1,843.22	131.59	131.59	263.18				85.28				200.00				38.40	285.28
001-002432-000	FROSTLINE AIR C	04/13/05	91	In Legal	4/1/2008	131.59	1,843.22	131.59	131.59	263.18				85.28				200.00				38.40	285.28
001-002432-000	FRUITLAND CHA	Regal Bank	10/27/05	91	In Legal	4/1/2008	1,000.36	33,011.86	1,000.36	1,000.36	2,000.72			860.88				10.00				10.00	1,506.72
001-0024875-002	FUTURE COMMI	11/03/05	91	In Legal	4/1/2008	172.82	1,699.40	172.82	172.82	345.64				158.88				10.00				10.00	103.68
001-0024875-004	FUTURE COMMI	01/06/06	91	In Legal	4/1/2008	172.82	1,699.40	172.82	172.82	345.64				158.88				10.00				10.00	103.68
001-0024875-005	FUTURE COMMI	01/09/06	91	In Legal	4/1/2008	172.82	1,699.40	172.82	172.82	345.64				158.88				10.00				10.00	103.68
001-0024875-003	FUTURE COMMI	01/09/06	91	In Legal	4/1/2008	172.82	1,699.40	172.82	172.82	345.64				158.88				10.00				10.00	103.68
001-0028389-000	GARAGE 112	Cowitz Bank	02/22/06	91	In Legal	2/27/2008	269.43	11,316.06	269.43	269.43	538.86			158.86				10.00				150.96	405.37
001-0031167-000	GOLD BAR RESTA	Charm Bank	07/28/06	91	In Legal	8/4/2008	1,043.35	7,305.45	1,043.35	1,043.35	2,086.70			578.91				40.00		30.00		30.00	901.54
001-0031905-000	GONZALEZ & GOI	08/26/04	91	In Legal	5/6/2008	1,043.35	7,305.45	1,043.35	1,043.35	2,086.70				578.91				40.00		30.00		30.00	901.54
001-0011465-001	GRACE BUILDING	First Mutual Bk	12/17/07	91	In Legal	6/20/2008	1,574.49	81,320.42	1,574.49	1,574.49	3,148.98			787.25				310.00				30.00	1,127.25
001-003298-000	HAPPY DAYS CAE	12/14/08	91	In Repossessk	3/18/2008	255.84	8,591.76	255.84	255.84	511.68				118.00				702.88				788.80	6,056.61
001-003298-000	HAPPY DAYS CAE	12/14/08	91	In Repossessk	3/18/2008	255.84	8,591.76	255.84	255.84	511.68				118.00				702.88				788.80	6,056.61
001-0033624-000	HOOPER BAY FIR	02/17/05	91	In Legal	8/4/2008	148.22	3,581.28	148.22	148.22	296.44				74.80				10.00				68.88	150.46
001-0036006-000	IGUANAS ESPRE	08/11/07	91	In Legal	1/31/2008	388.55	10,263.44	388.55	388.55	777.10				183.30				10.00				10.00	183.30
001-0023566-000	JP MORTGAGE, L	01/13/05	91	In Legal	1/31/2008	450.00	450.00	450.00	450.00	900.00				77.14				20.00				17.50	255.14

EXHIBIT O

Puget Sound Leasing
Security Deposit Analysis - True Lease and Prom Note Accts
01/02/08

UNPAID M I S C F E E S (Before Sales Taxes)

Contract	Lease	Bank Nm	Booking	Date	Delin Status	Contact	Status	Date	Prd/Co-Date	Payment	GBR	Residual	Past \$1	Past \$1	Past \$1	Total	Prd Dis	Chgs	New Infrim Rent	Prop Tax	Ext Fees	Coll Fees	Doo Fees	NSF Fees	Inn	TOTAL	
001-001501-001	7 SEAS ENTERPR	First Sound Bank	11/28/07	09/06/08	181	In Legal	09/06/08	04/07/08	136.44	7,572.08	1.00	136.44	136.44	136.44	866.78	778.64	95.18	37.89								133.17	
001-002073-000	ACCESS INDUSTS	Wells Fargo Equip F	10/24/05	07/01/08	181	In Legal	07/01/08	07/01/08	905.11	31,878.85	1.00	905.11	905.11	905.11	9,335.77	8,145.99	995.81										995.81
001-002085-000	ATACOMA	Wells Fargo Equip F	08/10/07	08/10/08	181	In Legal	08/10/08	10/10/07	954.99	34,379.64	1.00	954.99	954.99	954.99	9,449.99	11,469.88	974.85										974.85
001-002085-000	AUTOSTAR LEAS	Wells Fargo Equip F	10/06/05	04/04/08	181	In Legal	04/04/08	01/01/08	2,309.78	7,077.20	3,309.78	2,309.78	2,309.78	2,309.78	8,192.35	7,077.20	530.85										819.23
001-002087-000	BAILEYS SAMPLE	Wells Fargo Equip F	08/12/05	08/14/08	181	In Legal	08/14/08	12/15/07	1,248.25	48,603.75	5,198.00	1,248.25	1,248.25	1,248.25	9,970.00	12,482.50	972.41										11,904.88
001-002215-000	BLACKBACK TRU	First Sound Bank	12/07/04	04/18/08	181	In Legal	04/18/08	06/01/08	347.24	7,292.04	1,835.00	347.24	347.24	347.24	1,389.98	2,033.44	831.41										1,172.83
001-002347-000	COFFEE MILL (H	First Sound Bank	06/27/07	08/20/08	181	In Legal	08/20/08	04/01/08	431.15	22,234.40	1,834.70	431.15	431.15	431.15	1,839.20	2,401.50	519.89										2,778.85
001-002348-000	COLONIAL RESTA	Wells Fargo Equip F	03/17/06	08/14/08	181	In Bankrupt	08/14/08	04/01/08	1,078.77	47,465.88	4,351.16	1,078.77	1,078.77	1,078.77	4,312.08	6,472.82	857.87										2,078.34
001-002351-000	CROOKHAM TOW	Wells Fargo Equip F	08/02/05	01/01/08	181	In Legal	01/01/08	01/01/08	1,353.18	43,301.76	6,882.85	1,353.18	1,353.18	1,353.18	5,472.26	12,178.62	841.28										1,877.76
001-002358-000	DA FLOORING, IN	Wells Fargo Equip F	09/17/07	04/01/08	181	In Legal	04/01/08	04/01/08	1,094.39	56,691.82	1.00	1,094.39	1,094.39	1,094.39	3,372.32	5,011.10	838.64										668.84
001-002359-000	DIAMOND PLAYE	Wells Fargo Equip F	09/04/07	01/01/08	181	In Legal	01/01/08	01/01/08	882.19	29,442.27	1.00	882.19	882.19	882.19	6,246.33	8,029.71	713.76										2,289.71
001-001435-001	DIVINE INFRPAT	First Sound Bank	11/08/07	10/14/08	181	In Legal	10/14/08	04/15/08	130.84	3,865.88	318.00	130.84	130.84	130.84	483.36	725.04	96.64										468.57
001-002186-000	DRUMCLA, LLC	Wells Fargo Equip F	09/13/04	08/16/08	181	In Legal	08/16/08	03/16/08	483.17	8,671.64	2,101.23	483.17	483.17	483.17	2,170.33	3,186.87	641.52										2,166.34
001-001636-001	DRY CLEANING S	First Sound Bank	02/07/06	08/16/08	181	In Legal	08/16/08	04/01/08	317.16	18,414.31	1,278.13	317.16	317.16	317.16	970.81	1,604.83	253.78										1,588.72
001-002652-000	ENCHANTED BAL	HSBC Bank	05/28/06	04/01/08	181	In Legal	04/01/08	04/01/08	467.30	18,431.88	1,471.81	467.30	467.30	467.30	1,511.85	2,428.48	561.41										2,001.74
001-002675-000	FUTURE COMME	First Sound Bank	08/05/05	04/01/08	181	In Legal	04/01/08	04/01/08	74.71	373.55	1.00	74.71	74.71	288.44	373.55	100.00											160.00
001-002682-001	FUTURE COMME	First Sound Bank	08/05/05	04/01/08	181	In Legal	04/01/08	04/01/08	130.25	638.50	1.00	130.25	130.25	130.25	67.00	85.50	154.13										164.13
001-002683-000	HARBOR INTER	First Sound Bank	06/05/06	04/01/08	181	In Legal	04/01/08	04/01/08	87.18	3,480.41	380.11	87.18	87.18	87.18	348.78	523.14	50.00										10.03
001-002684-000	J H MENZIES CO	Wells Fargo Equip F	10/17/03	03/16/08	181	In Legal	03/16/08	02/16/08	341.07	11,824.83	1,382.08	341.07	341.07	341.07	2,046.62	2,727.16	341.02										787.38
001-002183-000	JADE BRANTONA	Wells Fargo Equip F	09/18/05	02/15/08	181	In Legal	02/15/08	02/15/08	869.68	28,989.70	2,229.35	869.68	869.68	869.68	2,858.62	3,973.84	607.97										912.31
001-002356-000	JP MORTGAGE, L	Sovereign Bank	01/01/05	08/16/08	181	In Legal	08/16/08	03/01/08	460.00	450.00	450.00	460.00	460.00	460.00	450.00	450.00	77.14	160.70									207.84
001-002357-000	MOBILE PHONE C	HSBC Bank	06/06/06	04/01/08	181	In Legal	04/01/08	04/01/08	540.10	14,612.70	1,912.48	540.10	540.10	540.10	2,180.40	3,240.80	486.09										1,645.16
001-002344-001	MOBILE PHONE C	HSBC Bank	06/06/06	04/01/08	181	In Legal	04/01/08	04/01/08	385.08	9,588.82	1,215.81	385.08	385.08	385.08	1,420.24	2,130.36	319.58										508.84
001-002315-000	NORTHPORT LEN	Sovereign Bank	06/06/05	08/16/08	181	In Rejected	08/16/08	03/01/08	3,823.73	5,698.82	3,823.73	3,823.73	3,823.73	3,823.73	9,437.26	9,437.26	386.06										2,481.74
001-002316-000	PERFECT THING	HSBC Bank	04/28/06	10/01/08	181	In Legal	10/01/08	04/01/08	1,131.38	63,387.28	6,012.78	1,131.38	1,131.38	1,131.38	4,858.52	6,788.28	408.02										1,487.28
001-000006-000	PETER BECKORSH	First Sound Bank	11/02/07	01/01/08	181	In Legal	01/01/08	01/01/08	1,000.00	22,581.22	1.00	1,000.00	1,000.00	1,000.00	7,000.00	6,000.00	10.00										10.00
001-003143-000	PHC MECHANICA	First Sound Bank	08/11/05	10/14/08	181	In Legal	10/14/08	04/15/08	332.45	6,316.55	1.00	332.45	332.45	332.45	1,328.80	1,984.70	365.75										2,188.03
001-000010-000	PILLAR OF GLOR	First Sound Bank	11/02/07	03/24/08	181	In Legal	03/24/08	11/01/07	1,680.89	5,180.89	1.00	1,680.89	1,680.89	1,680.89	1,319.20	1,978.80	362.78										2,150.87
001-002119-000	QUALITY FOOD E	First Sound Bank	12/27/04	10/16/08	181	In Rejected	10/16/08	02/01/08	2,819.30	2,819.30	2,819.30	2,819.30	2,819.30	2,819.30	121.87	121.87	439.02										10.00
001-001332-001	RILEY CHECK RE	First Sound Bank	11/02/07	04/01/08	181	In Legal	04/01/08	04/01/08	211.55	8,981.16	1.00	211.55	211.55	211.55	840.20	1,289.30	105.80										375.58
001-003781-000	ROMOYS PRIZZA A	First Sound Bank	09/17/07	08/18/08	181	In Legal	08/18/08	04/16/08	129.77	3,818.24	369.80	129.77	129.77	129.77	376.22	471.78	94.86										241.62
001-003782-000	TRUDEAUS TOTTA	First Sound Bank	10/08/07	08/15/08	181	In Bankrupt	08/15/08	04/15/08	350.00	16,250.00	1,413.57	350.00	350.00	350.00	1,410.00	2,100.00	350.00										1,059.00
001-002685-000	VALLEY WIDE HO	Wells Fargo Equip F	10/07/05	01/01/08	181	In Legal	01/01/08	01/01/08	1,207.97	45,488.82	1.00	1,207.97	1,207.97	1,207.97	6,485.79	10,871.73	684.00										2,376.13
001-003783-000	WE FR LUCKY PO	First Sound Bank	04/28/07	08/16/08	181	In Legal	08/16/08	04/01/08	798.77	38,310.14	2,878.50	798.77	798.77	798.77	2,980.72	3,788.28	61.16										1,194.37
001-003783-000	WHAT'S YOUR S	Wells Fargo Equip F	10/05/07	08/16/08	181	In Legal	08/16/08	03/16/08	889.63	47,334.65	3,873.81	889.63	889.63	889.63	3,442.32	5,163.78	1,860.00										1,642.84
001-001488-003	WRIGHT-WAY MO	Wells Fargo Equip F	11/29/07	06/20/08	181	In Legal	06/20/08	03/16/08	359.56	15,793.20	1,248.76	359.56	359.56	359.56	1,744.00	2,468.72	315.80										315.80
001-002229-000	ACUTE RENOV E	First Sound Bank	09/10/06	05/01/08	181	In Legal	05/01/08	05/01/08	1,827.19	12,277.50	3,011.16	1,827.19	1,827.19	1,827.19	5,483.37	9,138.58	400.00										2,060.18
001-000465-000	ALL NEW FLUMIR	First Sound Bank	04/28/07	10/16/08	181	In Legal	10/16/08	05/01/08	135.20	3,135.20	407.80	135.20	135.20	135.20	286.00	568.40	148.72										294.08
001-002388-000	ALPHA & OMEGA	First Sound Bank	12/29/06	05/01/08	181	In Legal	05/01/08	05/01/08	415.00	8,616.00	1,285.00	415.00	415.00	415.00	1,075.00	1,803.00	217.87										884.59
001-000164-000	AMERICAN LEGO	First Sound Bank	08/08/07	05/01/08	181	In Legal	05/01/08	05/01/08	338.16	16,818.48	1,919.70	338.16	338.16	338.16	885.96	1,588.28	288.96										748.98
001-000184-000	ANVON BPA	Wells Fargo Equip F	08/29/06	10/02/08	181	In Legal	10/02/08	05/01/08	1,137.50	60,154.68	1,917.80	1,137.50	1,137.50	1,13													

Puget Sound Leasing
 Security Deposit Analysis - True Lease and Prom Note Accts
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DECLARATION OF LOUIS SECORD
 NO. C09-0056 TSZ -- Page 91

U N P A I D M I S C F E E S (Before State Taxes)

Contract	Lease	Bank	Book	Base	Detail	Contract	Status	Date	PAID-to-Date	Payment	CBR	Residual	Part 31	Part 51	Part 91	Total	PostDue	Chgs	New	Prop	Ext	Col	Doc	NSF	Int	TOTAL
001-0016708-001	BAR II	First Sound Bank	01/10/03	151	In Legal	04/29/03	05/16/03	04/29/03	578.03	578.03	19,074.89	1,410.29	578.03	578.03	1,744.09	2,800.15	-	540.20	481.89	-	-	10.00	-	-	-	684.48
001-0016708-002	BAR II	First Sound Bank	01/21/03	151	In Legal	05/01/03	05/16/03	05/01/03	339.25	339.25	11,102.25	820.00	339.25	339.25	1,014.75	1,811.25	-	236.81	241.88	-	-	10.00	-	-	-	629.89
001-0019318-000	BRADFORD GROV	Wells Fargo Equip F	09/29/06	151	In Legal	10/16/06	05/16/03	05/16/03	2,888.31	2,888.31	43,244.89	1.00	2,888.31	2,888.31	4,688.55	12,085.17	-	1,795.78	-	-	-	2,689.44	-	-	-	4,488.20
001-0026782-000	BUFF TOWN FTH	Wells Fargo Equip F	03/07/07	151	In Legal	04/16/06	05/16/03	04/16/06	655.91	655.91	30,311.87	1.00	655.91	655.91	1,404.55	2,310.37	-	353.54	-	-	-	4,811.57	-	-	60.00	4,925.11
001-0021194-000	CALIFORNIA BAS	Wells Fargo Equip F	06/13/04	151	In Legal	02/29/05	05/16/03	02/29/05	318.53	318.53	1,662.10	1,662.10	318.53	318.53	1,466.72	1,942.85	-	272.02	-	-	165.22	-	-	-	30.00	1,659.30
001-0050074-001	CHILE VERDE LL	First Sound Bank	04/23/07	151	In Legal	03/20/05	05/16/03	03/20/05	245.32	245.32	5,333.00	751.26	245.32	245.32	535.96	1,028.60	-	185.24	-	-	97.79	-	-	-	-	284.63
001-0014383-003	DIRECT WIRELES	First Sound Bank	11/09/07	151	In Legal	09/09/05	05/16/03	09/09/05	302.05	302.05	16,612.74	1,242.00	302.05	302.05	906.14	1,510.24	-	241.67	-	-	80.13	-	-	25.00	-	1,038.00
001-0014383-004	DIRECT WIRELES	First Sound Bank	11/09/07	151	In Legal	09/09/05	05/16/03	09/09/05	302.75	302.75	16,651.25	1,244.88	302.75	302.75	906.25	1,513.75	-	242.24	-	-	145.65	-	-	225.00	-	977.19
001-0037314-001	DORIA ENTERPRI	First Sound Bank	10/19/07	151	In Legal	10/16/05	05/16/03	10/16/05	868.60	868.60	26,058.00	2,355.51	868.60	868.60	2,695.90	4,343.00	-	684.66	-	-	1,457.13	-	-	-	-	1,800.29
001-0031091-000	ENGLEBIE CARK	Wells Fargo Equip F	03/01/08	151	In Legal	09/23/03	05/16/03	09/23/03	536.20	536.20	21,940.30	2,060.00	536.20	536.20	1,669.80	2,681.50	-	479.16	-	-	371.06	-	-	-	-	1,358.27
001-0038833-000	FOR YOUR SCHV	Wells Fargo Equip F	09/01/07	151	In Bank	05/18/05	05/16/03	05/18/05	1,055.08	1,055.08	61,055.15	1.00	1,055.08	1,055.08	2,785.15	5,095.75	-	884.64	-	-	-	102.57	-	-	-	304.90
001-0016500-000	HUCO PROMOTT	First Sound Bank	10/22/08	151	In Legal	06/05/06	05/16/03	06/05/06	736.99	736.99	30,170.79	3,016.00	736.99	736.99	2,171.17	3,645.16	-	204.90	-	-	310.26	-	-	-	-	1,451.30
001-0019757-000	JOHN L SCOTT - J	Wells Fargo Equip F	10/21/05	151	SECURIT	07/09/03	05/16/03	07/09/03	886.52	886.52	29,449.20	4,265.56	886.52	886.52	2,493.26	4,238.20	-	677.67	-	-	310.26	-	-	-	-	689.37
001-0034618-000	MOORE WASHOR	Wells Fargo Equip F	09/04/07	151	In Legal	02/28/03	05/16/03	02/28/03	4,675.00	4,675.00	4,929.92	4,925.00	4,675.00	4,675.00	3,342.81	9,004.52	-	8,826.98	-	-	5,292.80	-	-	-	-	12,189.89
001-0016236-000	PARK MARK INC	Columbia Bank	02/24/03	151	In Legal	02/24/03	05/16/03	02/24/03	607.00	607.00	11,922.87	903.00	607.00	607.00	1,533.87	1,133.87	-	284.28	-	-	288.58	-	-	-	-	764.72
001-0014345-002	PHC MECHANICAL	First Sound Bank	10/23/07	151	In Legal	10/01/05	05/16/03	10/01/05	251.48	251.48	11,922.87	903.00	251.48	251.48	630.71	1,133.87	-	396.06	-	-	-	-	-	-	-	1,089.45
001-0036507-000	RELAX2D INC	Wells Fargo Equip F	08/07/07	151	In Bank	10/14/03	05/16/03	10/14/03	666.77	666.77	24,470.04	2,281.80	666.77	666.77	1,697.31	2,928.85	-	396.06	-	-	349.33	-	-	-	-	1,089.45
001-0032071-000	SOUTHWEST CHV	Wells Fargo Equip F	10/02/06	151	In Legal	02/29/03	05/16/03	02/29/03	1,200.18	1,200.18	49,206.50	5,154.26	1,200.18	1,200.18	3,600.48	6,000.80	-	720.12	-	-	70.27	-	-	-	-	416.64
001-0027104-001	US HOME MORTG	First Sound Bank	12/20/05	151	SECURIT	10/16/03	05/16/03	10/16/03	298.71	298.71	9,341.43	1,211.74	298.71	298.71	719.04	1,330.20	-	326.37	-	-	20.00	-	-	-	-	907.95
001-0022124-000	BANNER MASTER	First Sound Bank	10/09/04	121	In Legal	05/25/03	05/16/03	05/25/03	1,441.35	1,441.35	17,295.20	4,129.94	1,441.35	1,441.35	4,040.85	5,785.49	-	376.56	-	-	297.38	-	-	-	-	1,827.47
001-0001862-000	ARCO CONSTRUC	First Sound Bank	09/17/06	121	In Legal	06/25/03	05/16/03	06/25/03	545.47	545.47	11,795.81	1,782.53	545.47	545.47	1,881.70	3,789.40	-	499.40	-	-	353.15	-	-	-	-	1,449.69
001-0028382-001	C-SHORE INTERN	First Sound Bank	10/15/07	121	In Legal	10/01/03	05/16/03	10/01/03	868.80	868.80	25,947.54	2,335.51	868.80	868.80	2,596.34	3,332.54	-	680.29	-	-	4,349.33	-	-	-	-	5,630.92
001-0035721-000	DORIA ENTERPRI	Wells Fargo Equip F	05/01/07	121	In Legal	08/06/03	05/16/03	08/06/03	489.20	489.20	21,766.36	1,849.50	489.20	489.20	764.37	1,742.71	-	213.91	-	-	2,507.38	-	-	-	-	2,507.38
001-0004758-001	FELICIANO LAWN	First Sound Bank	05/01/07	121	In Bank	08/06/03	05/16/03	08/06/03	489.20	489.20	21,766.36	1,849.50	489.20	489.20	764.37	1,742.71	-	213.91	-	-	137.84	-	-	-	-	137.84
001-0037079-000	GOODWORK CON	Wells Fargo Equip F	10/09/07	121	In Legal	04/25/03	05/16/03	04/25/03	470.80	470.80	24,989.57	1.00	470.80	470.80	499.37	1,439.57	-	310.13	-	-	148.14	-	-	-	-	783.38
001-0028382-001	HEALTH PATHWA	Wells Fargo Equip F	08/06/05	121	In Legal	07/16/03	05/16/03	07/16/03	2,243.44	2,243.44	62,818.32	8,258.00	2,243.44	2,243.44	5,896.34	12,043.44	-	2,014.06	-	-	30.00	-	-	-	-	2,844.06
001-0036161-001	HUGOS PIZZERIA	First Sound Bank	01/10/08	121	In Legal	06/26/03	05/16/03	06/26/03	389.20	389.20	21,886.26	1,849.50	389.20	389.20	949.50	1,427.98	-	311.15	-	-	37.50	-	-	-	-	348.63
001-0017115-001	OSWEGO LUXUR	First Sound Bank	01/10/08	121	In Legal	08/05/03	05/16/03	08/05/03	2,847.80	2,847.80	32,022.50	1.00	2,847.80	2,847.80	5,192.72	8,040.52	-	1,632.00	-	-	302.95	-	-	-	-	5,923.33
001-0018238-001	PARK MARK INC	Wells Fargo Equip F	03/25/04	121	In Legal	10/14/03	05/16/03	10/14/03	766.38	766.38	24,203.32	1,000.00	766.38	766.38	1,512.72	3,225.44	-	0.01	-	-	16,327.00	-	-	-	-	16,327.00
001-0028382-000	R & P HALLING	First Sound Bank	01/18/06	121	In Legal	10/14/03	05/16/03	10/14/03	1,194.15	1,194.15	20,300.65	5,010.44	1,194.15	1,194.15	2,388.20	4,776.80	-	1,981.70	-	-	10.00	-	-	-	-	3,200.61
001-0016708-000	REMAX PREMIER	Wells Fargo Equip F	10/09/04	121	In Legal	07/16/03	05/16/03	07/16/03	949.96	949.96	44,605.82	4,150.00	949.96	949.96	1,988.12	3,160.24	-	379.64	-	-	176.92	-	-	-	-	2,149.03
001-0034412-000	RN TAYLOR TRAV	First Sound Bank	03/13/07	121	In Legal	10/14/03	05/16/03	10/14/03	489.02	489.02	16,905.80	1,676.50	489.02	489.02	988.56	1,476.58	-	460.00	-	-	30.00	-	-	-	-	474.87
001-0032171-000	YOUR HOME MOR	Wells Fargo Equip F	09/13/07	121	In Reposs	10/08/03	05/16/03	10/08/03	684.10	684.10	21,915.30	1,850.00	684.10	684.10	1,952.38	3,100.00	-	464.87	-	-	10.00	-	-	-	-	254.60
001-0016681-001	A & S ENTERPRI	First Sound Bank	03/07/08	81	In Legal	10/14/03	05/16/03	10/14/03	489.18	489.18	11,188.22	1.00	489.18	489.18	1,467.54	1,467.54	-	244.60	-	-	483.25	-	-	-	-	1,457.70
001-0027456-000	AT CLARE CATER	First Sound Bank	11/14/05	91	In Reposs	10/14/03	05/16/03	10/14/03	440.87	440.87	6,814.53	1,397.15	440.87	440.87	1,322.81	1,322.81	-	529.20	-	-	85.00	-	-	-	-	310.38
001-0028198-000	ACTION METAL S	First Sound Bank	10/21/04	91	In Legal	06/21/03	05/16/03	06/21/03	479.39	479.39	4,553.59	1.00	479.39	479.39	1,621.74	1,621.74	-	693.63	-	-	150.72	-	-	-	-	706.68
001-0016871-000	ALLEN HEATING	First Mutual Bank	07/16/04	91	In Legal	10/22/03	05/16/03	10/22/03	1,194.60	1,194.60	703.16	4,194.60	1,194.60	1,194.60	703.16	4,197.76	-	693.63	-	-	10.00	-	-	-	-	376.83
001-0021242-000	AMERICAN ENGL	Bank of the West	12/28/05	91	In Legal	08/12/03	05/16/03	08/12/03	753.89	753.89	23,364.40	3,614.80	753.89	753.89	1,651.00	2,261.00	-	376.83	-	-	-	-	-	-	-	376.83

Puget Sound Leasing
Security Deposit Analysis - True Lease and Prom Note Accts
01/20/08

U N P A I D M I S C F E E S (Before State Taxes)

Contract	Leasee	Bank Name	Booking Date	Contract Status	Status Date	Payable Date	Payment	CBR	Residual	Part 31	Part 81	Part 91	Term Part Due	Late Chgs	New Incent	Prop Rent	Est Fees	Coll Fees	Doc Fees	NSF Fees	Line	TOTAL
001-001560-000	CENTRAL VALLEY	Wells Fargo Equip F	08/01/08	61	SECURIT	10/1/08	2,014.40	78,251.69	0.8140	2,014.40	2,014.40	4,028.80	1,074.75	1,208.64	1,674.75	879.37	728.65	1,976.09	-	-	-	6,470.59
001-003589-000	CHEF DANES	County Bank	08/17/07	61	In Legal	08/15/08	1,026.00	54,739.37	1.00	1,026.00	691.37	1,817.37	1,817.37	855.88	1,016.00	229.37	2,102.77	-	-	-	-	4,780.32
001-001723-001	CHROPRACTIC H	Chatter Bank	01/07/08	61	SECURIT	10/1/08	899.19	37,146.25	1.00	899.19	91.48	769.87	769.87	349.60	532.86	532.86	754.00	6.18	-	-	-	1,894.44
001-001184-000	CITIWIDE FINAN	Chatter Bank	10/17/06	61	SECURIT	10/1/08	739.32	10,974.85	3.9732	739.32	21.37	760.69	760.69	83.93	532.86	228.74	1,882.32	-	-	-	73.11	2,265.10
001-0016476-001	CLAY COUNTY HC	Chatter Bank	02/26/08	61	In Reposs	02/26/08	754.73	42,284.88	1.00	754.73	754.73	1,509.46	1,509.46	357.73	-	-	40.00	-	10.00	-	-	397.73
001-002622-000	CONATAL INVEST	Wells Fargo Equip F	11/09/05	61	In Reposs	09/30/08	369.88	10,310.51	1.00	369.88	369.88	703.35	703.35	70.24	-	-	10.00	-	-	-	-	80.24
001-003747-000	CBI	Chatter Bank	08/17/07	61	In Legal	08/15/08	613.16	13,421.12	2.08320	613.16	78.96	692.12	692.12	1,461.50	-	-	50.00	-	-	-	-	389.45
001-002000-000	CULHARY/EXPR	First Mutual Bank	11/11/04	61	In Bankrupt	08/27/08	1,461.53	20,461.42	3.00000	1,461.53	1,461.53	2,923.06	2,923.06	1,757.00	-	-	50.00	-	-	-	-	1,845.18
001-001871-000	D & D SEWING	Wells Fargo Equip F	09/28/06	61	In Reposs	10/15/08	1,027.08	58,409.88	1.00	1,027.08	1,027.08	2,054.16	2,054.16	401.92	-	-	10.00	-	-	-	-	461.92
001-003986-000	DAYJET CORP	Banker Bank	10/31/07	61	SECURIT	10/1/08	1,027.08	54,437.77	1.00	1,027.08	1,027.08	2,054.16	2,054.16	306.13	-	-	30.00	-	-	-	-	336.13
001-003498-001	DAYJET CORP	Wells Fargo Equip F	11/28/07	61	SECURIT	10/1/08	1,385.12	1,248.44	1.00	1,385.12	1,385.12	2,770.24	2,770.24	550.04	-	-	1,824.81	-	-	-	-	2,478.85
001-001450-000	DS GRADING INC	Wells Fargo Equip F	08/19/08	61	SECURIT	10/1/08	970.20	15,662.90	4.00000	970.20	970.20	1,940.40	1,940.40	458.23	-	-	439.05	-	-	-	-	1,222.81
001-002176-000	DICKERS STU DIC	Wells Fargo Equip F	08/17/04	61	In Legal	10/16/08	1,706.53	65,465.03	1.00	1,706.53	1,706.53	3,413.06	3,413.06	317.04	-	-	384.52	-	-	-	-	2,718.70
001-002981-000	DINNERS READY	Wells Fargo Equip F	08/27/05	61	In Bankrupt	10/1/08	1,582.21	49,888.46	1.00	1,582.21	1,582.21	3,164.42	3,164.42	186.25	-	-	20.00	-	-	-	-	218.25
001-002374-000	DIPPIN DOTS	First Mutual Bank	05/19/04	61	In Bankrupt	10/1/08	390.51	4,256.61	1.76430	390.51	390.51	781.02	781.02	196.25	-	-	153.86	-	-	-	-	263.82
001-002851-000	DYNE INCORPOR	First Mutual Bank	06/28/05	61	In Reposs	09/22/08	716.58	1,427.19	1.00	716.58	716.58	1,433.16	1,433.16	292.54	-	-	30.00	-	-	-	-	642.51
001-003454-000	ECCOMPOSITE	Chatter Bank	04/20/07	61	In Reposs	09/22/08	791.60	32,022.00	1.00	791.60	791.60	1,583.20	1,583.20	439.23	-	-	326.13	-	-	-	-	1,909.78
001-003190-000	EL RIO MARKET	County Bank	08/21/07	61	In Legal	08/15/08	1,484.81	71,786.89	6.20730	1,484.81	1,484.81	2,969.62	2,969.62	645.13	-	-	496.23	-	-	-	-	66.79
001-003189-000	EL RIO MARKET	County Bank	08/21/07	61	In Legal	08/15/08	226.58	7,245.52	1.00	226.58	226.58	453.16	453.16	74.80	-	-	10.00	-	-	-	-	389.20
001-002833-002	FERRARIS PDC C	First Sound Bank	06/13/08	61	In Reposs	09/23/08	324.54	8,598.70	1.00	324.54	324.54	649.08	649.08	43.82	-	-	36.82	-	-	-	-	80.64
001-003736-000	FINISHLINE PUB	First Sound Bank	09/28/07	61	In Legal	08/21/08	2,514.82	63,644.11	1.00	2,514.82	2,514.82	5,029.64	5,029.64	784.44	-	-	10.00	-	-	-	-	754.44
001-003564-001	FIRE CREEK GRIL	Wells Fargo Equip F	08/18/07	61	SECURIT	10/1/08	1,308.30	1,308.30	1.00	1,308.30	1,308.30	2,616.60	2,616.60	158.45	-	-	158.45	-	-	-	-	316.90
001-0014028-000	FLOOR TO CEILN	Columbia Bank	06/25/03	61	In Legal	10/17/08	1,308.30	1,308.30	1.00	1,308.30	1,308.30	2,616.60	2,616.60	158.45	-	-	158.45	-	-	-	-	316.90
001-0034026-000	FLORIDA LINE BO	County Bank	04/28/07	61	In Legal	08/15/08	786.13	18,718.73	1.00	786.13	786.13	1,572.26	1,572.26	208.88	-	-	10.00	-	-	-	-	218.88
001-003190-000	FUSION TV, LLC	Wells Fargo Equip F	09/18/06	61	In Reposs	09/22/08	1,044.89	27,097.14	3.08030	1,044.89	1,044.89	2,089.78	2,089.78	268.88	-	-	1,027.25	-	-	-	-	1,278.21
001-002284-000	GARFIELD GROC	First Mutual Bank	03/17/05	61	SECURIT	10/1/08	246.93	1,851.44	0.9821	246.93	149.33	396.26	396.26	124.45	-	-	10.00	-	-	-	-	890.71
001-002284-000	GARFIELD GROC	First Mutual Bank	03/17/05	61	SECURIT	10/1/08	1,823.79	51,037.99	1.00	1,823.79	1,823.79	3,647.58	3,647.58	332.43	-	-	1,487.74	-	-	-	-	1,573.16
001-002037-000	GEHRELA LATH &	Crescent Bank	03/17/06	61	In Legal	10/1/08	541.82	20,012.06	2.32438	541.82	541.82	1,083.64	1,083.64	455.44	-	-	1,487.74	-	-	-	-	1,573.16
001-003623-000	GRELLA CONSTR	First Mutual Bank	07/22/07	61	In Legal	10/1/08	631.16	18,097.19	2.27858	631.16	553.15	1,184.31	1,184.31	396.99	-	-	24.58	-	-	-	-	186.96
001-002947-000	HOMEWOOD PEE	First Mutual Bank	05/17/06	61	In Reposs	08/29/08	729.30	38,656.08	1.00	729.30	729.30	1,458.60	1,458.60	396.99	-	-	6,050.88	-	-	-	-	1,189.15
001-001824-001	HUNT ELECTRIC	First Sound Bank	11/29/07	61	In Reposs	08/29/08	468.96	5,168.56	1.00	468.96	468.96	937.92	937.92	203.55	-	-	20.00	-	-	-	-	5,144.68
001-000704-000	IMPERIAL VESTE	First Sound Bank	08/17/04	61	In Bankrupt	08/17/08	383.83	6,138.06	1.29300	383.83	383.83	767.66	767.66	146.15	-	-	5,050.88	-	-	-	-	1,938.01
001-000704-000	IMPERIAL VESTE	First Sound Bank	08/17/04	61	In Bankrupt	08/17/08	383.83	6,138.06	1.29300	383.83	383.83	767.66	767.66	146.15	-	-	5,050.88	-	-	-	-	1,938.01
001-002684-000	JD PHOTO COPY	Regal Bank	11/11/05	61	In Legal	09/22/08	885.42	12,133.86	1.00	885.42	885.42	1,770.84	1,770.84	348.16	-	-	20.00	-	-	-	-	1,507.22
001-003147-000	JIMBO'S STEAK A	First Sound Bank	10/22/09	61	In Legal	10/23/08	891.45	21,434.20	1.00	891.45	891.45	1,782.90	1,782.90	348.16	-	-	20.00	-	-	-	-	1,209.05
001-003147-000	JIMBO'S STEAK A	First Sound Bank	10/22/09	61	In Legal	10/23/08	891.45	21,434.20	1.00	891.45	891.45	1,782.90	1,782.90	348.16	-	-	20.00	-	-	-	-	1,209.05
001-003586-000	JIMBO'S TACOS	Stellar Bank	07/18/07	61	In Reposs	09/23/08	870.34	11,344.42	3.16442	870.34	870.34	1,740.68	1,740.68	305.62	-	-	313.20	-	-	-	-	455.15
001-003444-000	JSCO AND ASBOS	Sewalpin Bank	05/26/05	61	In Legal	09/30/08	613.48	11,817.28	2.11600	613.48	613.48	1,226.96	1,226.96	160.00	-	-	16.00	-	-	-	-	218.06
001-002684-000	LAS DELICIAS	Banker Bank	02/29/06	61	In Bankrupt	09/15/08	1,531.72	52,096.12	5.22141	1,531.72	1,531.72	3,063.44	3,063.44	765.85	-	-	4,175.00	-	-	-	-	5,236.81
001-003116-000	LOME STAR PIZZ	First Sound Bank	05/21/07	61	In Reposs	10/09/08	2,075.84	83,914.14	-	2,075.84	880.54	1,195.30	1,195.30	500.84	-	-	-	-	-	-	-	345.06
001-000004-000	LONG JOHN SALV	First Sound Bank	12/06/07	61	In Legal	08/30/08	250.33	1,251.83	837.20	250.33	250.33	500.66	500.66	123.18	-	-	300.00	-	-	-	-	268.09
001-002383-000	MAJESTIC POOLS	First Sound Bank	11/29/09	61	In Legal	08/30/08	1,440.01	47,500.33	6.20427	1,440.01	1,440.01	2,880.02	2,880.02	622.00	-	-	3,000.00	-	-	-	-	1,152.00
001-002883-000	MAKE AND TAKE	HSSB Bank	05/04/08	61	In Legal	08/30/08	1,440.01	47,500.33	6.20427	1,440.01	1,440.01	2,880.02	2,880.02	622.00	-	-	3,000.00	-	-	-	-	1,152.00

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EXHIBIT P

Lou Secord

From: "Jan Gould" <jgould@firstsoundbank.com>
To: <lasecord@msn.com>; "Steve Shaughnessy" <sshughnessy@firstsoundbank.com>; "Don Hirtzel" <dhirtzel@firstsoundbank.com>
Cc: "Doug Blair" <dblair@pugetsoundleasing.com>
Sent: Thursday, October 23, 2008 10:22 AM
Subject: Security deposit forfeiture in October

Month to date, we have taken \$221,742 in income. I think that is adequate for now and let's see how October income looks. We can do more in November or December if need be.

Jan



Jan Gould
CFO/EVP
First Sound Bank
925 Fourth Avenue, Suite 2350
Seattle, WA 98104

Direct 206-436-2002
Fax 206-515-2005
jgould@firstsoundbank.com

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EXHIBIT Q

Puget Sound Leasing, a Division of First Sound Bank
Balance Sheet By Month
(\$ in 000's)

	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
ASSETS												
Lease Receivable	-	-	55,850.3	53,844.7	57,825.1	52,096.3	57,713.3	47,390.4	51,170.5	54,846.6	58,421.7	61,898.4
Allowance for Loan Losses	-	-	(554.6)	(836.9)	(865.9)	(860.1)	(787.2)	(783.8)	(833.8)	(833.8)	(933.8)	(953.8)
Net Leases	-	-	55,295.7	53,007.8	56,959.2	51,236.1	56,926.0	46,606.6	50,336.7	53,962.8	57,487.9	60,944.6
Other Receivables	-	-	2,230.8	2,294.4	2,415.6	2,341.4	2,342.1	4,568.9	4,568.9	4,568.9	4,568.9	4,568.9
Property & Equipment	-	-	4,262.2	4,957.0	5,499.4	5,099.9	5,321.3	2,359.3	2,359.3	2,359.3	2,359.3	2,359.3
Servicing & other assets	-	-	2,023.7	2,127.9	2,090.1	2,588.9	2,484.8	2,619.8	2,619.8	2,619.8	2,619.8	2,619.8
Assets	-	-	63,812.4	62,387.1	66,964.2	61,266.3	67,074.3	56,154.5	59,894.6	63,510.8	67,035.8	70,492.5
LIABILITIES and EQUITY CREDIT												
CD's	-	-	50,334.1	48,598.4	54,543.1	48,579.8	49,833.4	41,201.7	45,007.4	48,669.4	52,160.6	55,566.7
Lease Deposits	-	-	8,466.1	8,858.6	9,101.3	8,294.5	8,449.1	8,337.8	8,337.8	8,337.8	8,337.8	8,337.8
Other	-	-	4,401.2	3,626.7	2,006.4	3,354.9	4,530.1	4,332.9	4,332.9	4,332.9	4,332.9	4,332.9
Total Deposits	-	-	63,201.3	61,083.7	65,650.7	60,229.2	62,812.5	53,872.4	57,678.1	61,340.1	64,831.3	68,237.4
Equity Credit	-	-	611.1	1,142.7	1,124.2	2,052.8	1,971.7	2,282.1	2,206.5	2,170.6	2,204.5	2,255.1
Total Liabilities	-	-	63,812.4	62,226.4	66,774.8	62,282.0	64,784.2	56,154.5	59,884.6	63,510.8	67,035.8	70,492.5
Funding	-	-	50,334.1	48,759.1	54,732.4	47,564.2	52,123.4	41,201.7	45,007.4	48,669.4	52,160.6	55,566.7
Interest	-	-	171.00	156.30	176.64	144.65	159.37	131.22	138.72	155.01	160.77	176.98
	-	-	50,334.1	(1,575.0)	5,973.3	(7,168.2)	4,569.2	(10,921.7)	3,805.7	3,662.0	3,491.2	3,406.1
	-	-	4.00%	3.90%	3.80%	3.70%	3.60%	3.75%	3.75%	3.75%	3.75%	3.75%
	-	-	31	30	31	30	31	31	30	31	30	31
Assumptions												
Volume	-	-	-	-	-	-	-	-	4,000	4,500	5,000	18,500
Sales	-	-	-	-	-	-	-	-	-	-	-	-
Portfolio Rate	-	-	12.24%	12.24%	12.24%	12.24%	12.24%	12.24%	12.24%	12.24%	12.24%	12.24%
Target LLR	-	-	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%
Broker %	-	-	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%
Funding Rate	-	-	4.00%	3.90%	3.80%	3.70%	3.60%	3.75%	3.75%	3.75%	3.75%	3.75%
IDC Rate	-	-	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Income Statement By Month
(\$ in 000's)



	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Total
Interest Income													
Gross Lease Interest	-	-	506.3	499.3	483.7	489.0	426.1	448.4	502.7	540.7	577.7	613.6	2,718.0
FAS 91 Costs Amortization	-	-	-	(14.2)	(42.3)	(43.3)	(65.1)	(49.5)	(95.1)	(97.3)	(99.4)	(101.4)	(607.6)
Lease Amortization	-	-	-	-	-	-	-	-	-	(7.6)	(15.0)	(22.2)	(44.9)
* Document Fee Income	-	-	33.0	43.1	38.7	44.5	41.3	36.8	28.0	28.0	28.0	28.0	349.6
* Interim Lease Income	-	-	104.1	46.0	123.1	132.0	117.6	136.6	90.7	90.7	90.7	90.7	1,021.9
* Late Fees	-	-	0.6	36.2	38.9	13.3	87.0	70.0	70.0	70.0	70.0	70.0	469.7
* Collection fee/Other fees	-	-	61.5	(3.9)	(13.5)	63.6	19.1	-	-	-	-	-	126.8
Total Interest Income	-	-	705.5	606.6	628.6	699.6	552.3	659.3	596.2	624.4	651.9	678.6	4,033.6
Interest Expense	-	-	156.9	160.7	166.4	166.8	155.0	157.0	134.0	147.0	150.0	164.0	1,557.9
Provision for Loan Losses	-	-	620.0	300.0	100.0	(235.0)	-	250.0	140.0	140.0	140.0	140.0	1,595.0
Net Interest Margin	-	-	(71.4)	145.9	362.1	767.8	397.4	252.3	322.2	337.4	361.9	374.6	880.8
Other Income	-	-	86.7	97.7	90.8	89.8	121.3	1.7	67.3	67.3	67.3	67.3	757.2
* Security Deposits Forfeited	-	-	311.9	-	150.0	910.0	(112.4)	304.6	100.0	150.0	150.0	150.0	2,114.1
* Gain on Sale of Portfolio	-	-	934.5	812.3	-	309.0	91.9	623.7	-	-	-	-	2,771.4
* Capitalized Servicer Rights	-	-	121.9	125.9	174.1	-	225.0	-	-	-	-	-	646.9
* Other Income	-	-	68.1	187.5	31.9	48.5	71.9	76.0	100.0	100.0	100.0	100.0	883.9
Total Other Income	-	-	1,523.0	1,223.4	272.6	1,531.4	172.8	1,231.0	267.3	317.3	317.3	317.3	7,173.5
General & Administration Expense	0.0	0.0	456.2	469.1	466.9	435.5	467.2	452.3	460.0	470.0	370.0	365.0	4,412.2
Salaries and Benefits	-	-	(211.4)	(230.8)	(176.5)	(186.2)	(252.8)	(157.2)	(185.5)	(157.5)	(175.0)	(175.0)	(1,907.8)
Fas 91 Compensation Defi	-	-	64.6	63.6	65.4	80.4	74.3	68.5	70.0	70.0	70.0	70.0	696.7
Occupancy	-	-	59.3	64.2	66.4	113.3	76.1	77.6	78.0	78.0	78.0	78.0	788.9
Furniture & Equipment	-	-	0.8	0.4	0.5	4.3	0.4	2.3	2.3	2.3	2.3	2.3	18.0
Computer Processing	-	-	54.5	48.0	64.1	61.7	65.5	111.7	112.0	90.0	75.0	60.0	742.5
Professional Fees	-	-	-	-	2.0	-	4.7	-	-	-	-	-	6.7
Directors fees	-	-	7.0	8.0	7.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	106.0
Marketing	-	-	10.6	15.1	11.0	9.7	7.7	8.6	8.7	8.7	8.7	8.7	97.5
B&O/Excise Tax	-	-	69.1	71.1	75.0	169.6	96.3	82.0	82.0	82.0	82.0	82.0	891.2
Other Employee Related	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization of Intangibles	-	-	-	-	-	-	-	-	-	-	-	-	-
Larasco Payment	-	-	24.3	63.1	71.5	215.6	145.2	122.3	120.0	80.0	80.0	75.0	997.0
Miscellaneous	-	-	535.1	571.9	653.3	915.9	692.0	784.8	759.5	735.5	603.0	578.0	6,828.9
Total G & A Expense	-	-	916.5	797.4	(18.5)	1,383.3	(121.8)	698.5	(170.0)	(80.8)	76.2	113.9	3,594.7
NI before Larasco	-	-	305.5	265.8	454.8	454.8	(40.7)	232.8	(56.7)	(26.9)	25.4	38.0	1,198.0
Net Income Pre Tax	-	-	611.0	531.6	(18.5)	928.6	(81.1)	465.7	(113.4)	(63.9)	50.8	75.9	2,396.7
Income Tax	-	-	203.7	177.2	(6.2)	309.5	(27.0)	155.2	(37.8)	(17.9)	16.9	25.3	798.8
Net Income After Tax	-	-	407.4	354.4	(12.3)	619.1	(54.1)	310.5	(75.6)	(35.9)	33.9	50.6	1,597.9
	611.0	1,142.6	1,124.1	2,052.7	1,971.5	2,437.2	2,323.8	2,270.0	2,320.8	2,396.7			

3/1/08 - 6/30/08
S/D Forfeitures
3/08 311.9
4/08 -
5/08 150.00
6/08 910.00
TOTAL 1,371.900 (+1.4 mm)
www.monitordaily.com

Puget Sound Leasing, a Division of First Sound Bank
Balance Sheet By Month
(\$ in 000's)

ASSETS	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
Lease Receivable	70,626.3	74,216.6	77,707.5	81,101.9	84,402.4	87,611.6	90,732.0	92,945.6	95,918.4	98,808.9	101,619.4	104,352.2
Allowance for Loan Losses	(983.8)	(1,013.8)	(1,043.8)	(1,073.8)	(1,103.8)	(1,133.8)	(1,163.8)	(1,193.8)	(1,223.8)	(1,253.8)	(1,283.8)	(1,313.8)
Net Leases	69,642.4	73,202.7	76,663.7	80,028.1	83,298.6	86,477.8	89,568.2	91,751.8	94,694.5	97,555.0	100,335.6	103,038.4
Other Receivables	4,568.9	4,568.9	4,568.9	4,568.9	4,568.9	4,568.9	4,568.9	4,568.9	4,568.9	4,568.9	4,568.9	4,568.9
Property & Equipment	2,359.3	2,359.3	2,359.3	2,359.3	2,359.3	2,359.3	2,359.3	2,359.3	2,359.3	2,359.3	2,359.3	2,359.3
Servicing & other assets	2,619.8	2,619.8	2,619.8	2,619.8	2,619.8	2,619.8	2,619.8	2,619.8	2,619.8	2,619.8	2,619.8	2,619.8
Assets	79,190.4	82,750.7	86,211.6	89,576.0	92,846.5	96,025.7	99,116.1	101,299.7	104,242.5	107,103.0	109,883.5	112,586.4

CD's	66,519.7	70,080.0	73,541.0	76,905.4	80,175.8	83,355.0	86,445.5	88,629.0	91,571.8	94,432.3	97,212.9	99,915.7
Lease Deposits	8,337.8	8,337.8	8,337.8	8,337.8	8,337.8	8,337.8	8,337.8	8,337.8	8,337.8	8,337.8	8,337.8	8,337.8
Other	4,332.9	4,332.9	4,332.9	4,332.9	4,332.9	4,332.9	4,332.9	4,332.9	4,332.9	4,332.9	4,332.9	4,332.9
Total Deposits	79,190.4	82,750.7	86,211.6	89,576.0	92,846.5	96,025.7	99,116.1	101,299.7	104,242.5	107,103.0	109,883.5	112,586.4

Equity Credit	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
Total Liabilities	79,190.4	82,750.7	86,211.6	89,576.0	92,846.5	96,025.7	99,116.1	101,299.7	104,242.5	107,103.0	109,883.5	112,586.4
Funding	66,519.7	70,080.0	73,541.0	76,905.4	80,175.8	83,355.0	86,445.5	88,629.0	91,571.8	94,432.3	97,212.9	99,915.7
Interest	211.86	201.60	234.22	237.04	255.35	256.92	275.32	282.28	282.24	300.76	299.63	318.22
	3,75%	3,75%	3,75%	3,75%	3,75%	3,75%	3,75%	3,75%	3,75%	3,75%	3,75%	3,75%
	31	28	31	30	31	30	31	31	30	31	30	31

Assumptions	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
Volume	5,083	5,083	5,083	5,083	5,083	5,083	5,083	5,083	5,083	5,083	5,083	5,083
Sales	5,083	5,083	5,083	5,083	5,083	5,083	5,083	5,083	5,083	5,083	5,083	5,083
Portfolio Rate	12.24%	12.24%	12.24%	12.24%	12.24%	12.24%	12.24%	12.24%	12.24%	12.24%	12.24%	12.24%
blended rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Target LLR	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%
Broker %	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%
Funding Rate	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
IDC Rate	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Income Statement By Month
(\$ in 000's)

Interest Income	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
Interest Income	3,155.45	3,155.45	3,155.45	3,155.45	3,155.45	3,155.45	3,155.45	3,155.45	3,155.45	3,155.45	3,155.45	3,155.45

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*Note (Yield on Leases)
Do not include S/D
Compensating balance
That makes RATE ± 14/15 to*

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Puget Sound Leasing Division
 Lease Schedule
 (Dollars in 1000's)

Assumptions:
 Starting balance 50,000,000
 Year 2
 Volume 61,000
 Fas 91 rate 3.50%
 Sales

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
13.40%	13.40%	13.40%	13.40%	13.40%	13.40%	13.40%	13.40%	13.40%	13.40%	13.40%	13.40%	13.40%	13.40%
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
12.24%	12.24%	12.24%	12.24%	12.24%	12.24%	12.24%	12.24%	12.24%	12.24%	12.24%	12.24%	12.24%	12.24%

lease rate - blended
 lease rate - Fas
 blended rate

Leasing Year	1	2	3	4	5	6	7	8	9	10	11	12	Year
Portfolio													
Beginning Balance	-	-	-	-	-	-	-	47,390.4	47,390.4	51,170.5	54,846.6	58,421.7	25,417
Production	-	-	-	-	-	-	-	5,083.33	5,083.33	5,083.33	5,083.33	5,083.33	-
Sales	-	-	-	-	-	-	-	-	-	-	-	-	-
Paydowns/Payoffs	-	-	-	-	-	-	-	1,303.2	1,303.2	1,407.2	1,508.3	1,606.6	7,129
Ending Balance	-	-	-	-	-	-	47,390.4	47,390.4	51,170.5	54,846.6	58,421.7	61,898.4	18,288.1
Amortization %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Average Balance	-	-	-	-	-	-	-	47,390.4	49,280.4	53,008.6	56,634.2	60,160.1	22,206
Interest Income 30 days/360	-	-	-	-	-	-	-	483.4	502.7	540.7	577.7	613.6	2,718
FAS 91	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
Beginning Balance	-	-	-	-	-	-	-	-	3,659.2	3,741.9	3,822.6	3,901.1	-
Additions	-	-	-	-	-	-	-	-	177.92	177.92	177.92	177.92	712
Sales	-	-	-	-	-	-	-	-	-	95.1	99.4	101.4	393
Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	-	-	-	-	-	-	-	3,659.2	3,741.9	3,822.6	3,901.1	3,977.6	318.4
Average Balance	-	-	-	-	-	-	-	1,829.6	3,700.5	3,762.2	3,861.8	3,939.3	1,426
Lease commissions	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%
Beginning Balance	-	-	-	-	-	-	-	-	-	274.5	541.4	800.8	1,053.1
Production	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	-	-	-	-	-	-	-	-	274.5	541.4	800.8	1,053.1	1,053.1
Average Balance	-	-	-	-	-	-	-	-	137.3	407.9	671.1	927.0	179
Average Book Balance	-	-	-	-	-	-	-	-	49,220.0	53,116.2	57,198.8	61,167.1	23,810.9
Income	-	-	-	-	-	-	-	-	483.4	407.5	435.8	463.2	2,279.9
Yield on Portfolio	0.00%	0.00%	0.00%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	11.79%	9.21%	9.14%	9.09%	9.04%	9.58%
LLR	-	-	-	-	-	-	-	-	733.8	783.8	833.8	883.8	933.8
Provision	-	-	-	-	-	-	-	-	140.00	140.00	140.00	140.00	110.00

First Sound Bank (includes FSL Division)
 Income Statement By Month
 For the Year Ended December 31, 2008
 (\$ in 000's)

	Actual Jan-08	Actual Feb-08	Actual Mar-08	Actual Apr-08	Actual May-08	Actual Jun-08	Actual Jul-08	Actual Aug-08	Actual Sep-08	Budget Oct-08	Budget Nov-08	Budget Dec-08	Total
Interest Income	507.3	428.0	376.5	358.4	336.8	316.7	316.5	328.4	327.2	305.1	297.4	309.5	4,207.7
Commercial Loans	361.2	321.0	364.6	373.1	373.1	379.1	409.9	428.9	414.6	412.4	398.1	412.4	4,639.3
Real Estate Loans	85.3	70.2	95.1	110.5	135.5	133.1	139.4	157.2	145.1	159.3	181.7	179.6	1,572.0
ABL			608.3	499.3	483.7	489.0	426.1	448.4	338.0	418.3	484.4	470.6	4,644.1
Leasing	7.0	6.1	6.0	5.3	5.5	7.8	7.8	9.1	9.3	8.7	8.8	10.0	91.1
Personal Loans	72.0	50.2	37.2	27.6	29.4	35.4	53.0	36.4	43.2	43.1	35.3	44.8	507.6
Fed Funds Sold	13.0	13.2	13.2	13.0	11.6	9.9	8.9	12.3	9.5	13.6	13.1	13.4	145.6
Investment Securities	4.0	(7.0)	81.5	108.3	147.7	218.2	143.8	230.5	88.0	112.0	182.0	162.0	1,451.0
Loan Fees	1,049.8	881.7	1,570.4	1,456.5	1,523.3	1,888.9	1,606.1	1,851.2	1,374.9	1,472.4	1,541.7	1,602.3	17,268.3
Total Interest Income	21.0	14.0	16.8	8.3	8.0	7.7	8.6	8.6	6.5	6.4	6.4	6.7	119.1
Interest Expense	168.0	116.0	112.0	86.0	78.2	73.9	82.1	87.1	88.5	53.1	52.8	88.3	1,085.8
Interest Bearing Deposits	214.0	195.4	302.9	315.8	337.1	358.0	359.9	346.8	312.8	321.0	313.8	327.6	3,704.1
Money Market Accounts	403.0	325.4	431.7	410.1	423.3	439.5	449.5	442.5	407.8	380.5	372.8	422.7	4,909.0
Time Certificates	7.0	-	29.2	35.4	33.9	26.5	28.9	29.1	28.3	17.8	17.2	17.8	271.1
Total Interest Expense	40.0	40.0	660.0	390.0	180.0	280.0	-	330.0	361.0	250.0	250.0	250.0	3,021.4
Provision for Loan Losses	599.8	516.3	449.5	670.0	888.1	942.7	1,027.6	849.6	577.8	824.1	901.7	911.9	9,066.8
Net Interest Margin	10.4	17.2	14.3	11.1	12.1	16.4	18.2	17.3	24.2	17.0	17.0	17.0	192.2
Other Income	3.3	4.2	475.5	280.0	278.2	1,054.7	87.8	387.5	168.2	261.1	261.2	261.4	3,533.1
Bank Service Charges			1,056.4	936.2	-	483.1	91.9	848.7	81.9*	-	-	-	3,500.2
Other Transaction Fees	13.7	21.4	1,546.2	1,239.3	290.3	1,054.2	188.0	1,263.5	274.3	278.1	278.2	278.4	7,225.6
Gain/Loss on Sale of Securities													
Total Other Income	286.0	294.0	757.8	786.9	791.3	817.5	804.1	838.2	770.5	790.5	730.0	730.0	8,366.8
General & Administration Expense	22.0	10.0	112.4	112.0	37.0	26.0	43.0	18.0	20.0	10.0	10.0	10.0	10.0
Salaries and Benefits	(46.0)	(59.0)	(247.3)	(259.5)	(220.8)	(231.5)	(287.8)	(188.9)	(187.2)	(208.8)	(208.8)	(208.8)	(2,348.3)
Incentive	44.0	45.0	107.9	111.9	106.7	124.5	118.5	112.3	115.4	112.0	112.0	112.0	1,222.2
Fas 91 Compensation Deferral	25.0	21.0	76.0	81.2	93.9	170.3	97.9	99.7	91.0	95.0	95.0	95.0	1,041.0
Occupancy	16.0	14.6	17.9	17.0	20.5	19.9	19.1	17.3	16.8	20.0	20.0	20.0	219.1
Furniture and Equipment	21.0	25.0	84.5	71.1	88.8	85.9	98.8	137.2	115.8	110.0	60.0	60.0	958.1
Computer Processing	7.0	7.0	8.0	8.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	118.0
Professional/Regulatory Fees	2.0	7.0	8.2	18.0	14.8	10.9	9.2	28.7	15.9	8.0	8.0	8.0	138.7
Directors Fees	20.0	19.8	22.0	26.0	27.0	32.0	32.0	32.0	26.0	26.0	26.0	26.0	314.8
Marketing	7.0	10.0	305.9	265.7	-	454.9	(40.7)	232.8	(174.0)	-	19.5	19.5	248.5
B & O/Excise Taxes			70.0	71.1	75.1	169.6	96.3	82.0	80.2	80.2	95.0	95.0	1,044.6
Other Employee Related Expense:	32.0	42.7	58.6	102.2	107.2	256.8	192.5	170.7	171.1	171.1	105.0	105.0	934.5
Payment to Larasco	436.0	437.1	1,414.6	1,406.8	1,176.7	1,970.2	1,212.1	1,616.8	1,106.5	1,281.1	1,084.8	1,084.8	15,148.9
Intangibles													
Other Expenses													
Total G & A Expense	177.5	100.6	561.1	602.6	0.7	428.8	13.5	487.3	(254.4)	(188.3)	95.2	105.5	2,977.5
Net Income Before IT	60.0	20.0	193.0	167.5	-	151.8	4.7	176.1	(86.0)	(86.6)	33.3	36.9	201.3
Income Taxes	117.5	80.6	388.1	335.1	0.7	276.0	8.8	312.2	(189.4)	(103.2)	61.9	68.6	1,735.7
Net Income After IT Exp	118	198	588	921	922	1,197	1,208	1,518	1,349	1,248	1,307	1,376	13,764.9
Cumulative Net Income													
Income By Quarter			666.2			610.7			151.6				27.2
Pre Tax			859.2			830.0			246.4				41.8
Net Income Increase by Qtr			104.2			24.5			(458.1)				(124.4)

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First Sound Bank (includes FSL Division)
 Balance Sheet By Month
 For the Year ended December 31, 2008
 (\$ in 000's)

	Actual Jan-08	Actual Feb-08	Actual Mar-08	Actual Apr-08	Actual May-08	Actual Jun-08	Actual Jul-08	Actual Aug-08	Actual Sep-08	Budget Oct-08	Budget Nov-08	Budget Dec-08
ASSETS												
Cash and Cash Equivalents												
Cash & Due from Banks	4,107.8	14,066.7	8,163.3	5,516.6	4,714.4	8,567.2	5,733.3	5,806.1	7,660.4	6,491.7	6,246.8	6,049.3
Short Term Investments	20,244.9	48,229.1	17,432.7	20,365.3	20,978.8	25,204.7	24,829.1	30,473.5	20,201.6	22,000.0	22,000.0	26,000.0
Total Cash & Cash Equiv.	24,352.7	62,295.8	25,596.0	25,881.9	25,693.2	33,771.9	30,562.4	36,279.6	27,862.1	28,491.7	28,246.8	32,049.3
Investment Securities												
	4,085.4	4,070.8	4,308.6	4,262.5	3,580.3	3,616.1	3,666.7	3,636.7	3,628.4	3,760.0	3,725.0	3,700.0
Loans												
Commercial	81,374.9	80,472.4	75,929.4	65,542.8	69,966.0	68,473.2	66,287.9	70,265.0	69,698.8	70,138.8	70,638.8	71,138.8
Real Estate	57,529.1	61,561.8	61,506.2	69,482.1	70,934.5	71,027.2	74,059.1	76,532.6	75,869.5	75,869.5	75,869.5	75,869.5
ABL	9,425.3	10,537.9	15,504.0	15,465.3	18,224.5	18,727.7	21,144.1	21,024.7	20,002.4	21,002.4	22,002.4	23,002.4
Leasing			55,084.2	52,506.7	55,832.1	50,240.3	55,142.7	45,485.2	48,805.9	46,000.0	48,000.0	46,000.0
Personal	1,267.9	1,256.0	1,251.4	1,245.5	1,445.5	1,883.6	2,194.0	2,375.2	2,220.4	2,320.4	2,420.4	2,520.4
Gross Loans	149,617.2	153,828.2	209,276.2	204,242.4	216,402.8	210,332.0	218,827.8	216,692.5	214,637.0	215,331.1	218,961.1	218,631.1
Allowance for Loan Losses	(1,627.0)	(1,667.0)	(2,261.6)	(2,323.9)	(2,432.9)	(2,942.0)	(2,869.2)	(2,834.8)	(3,043.4)	(2,864.8)	(2,869.8)	(2,834.8)
Deferred Loan Fees	(35.0)	(37.4)	703.0	1,278.1	1,956.9	1,817.8	2,542.9	1,826.2	3,593.0	1,800.0	1,800.0	1,800.0
Net Loans	147,955.2	152,123.8	207,717.6	203,196.6	215,926.8	209,207.8	218,501.5	214,675.9	215,076.7	214,266.3	217,871.3	217,496.3
Premises & Equipment												
Receivables	852.7	835.4	3,051.4	3,098.6	3,242.4	3,160.5	3,195.1	3,202.0	3,239.3	3,229.3	3,219.3	3,209.3
Intangibles		526.3	4,409.2	4,761.7	4,761.7	5,232.5	5,216.4	4,916.4	4,432.8	4,432.8	4,432.8	4,432.8
Other Assets	962.8	437.8	1,425.3	1,821.2	1,912.2	1,090.5	1,366.0	1,133.3	890.6	890.6	890.6	890.6
Total Assets	178,298.8	220,289.9	264,963.1	261,548.8	264,087.3	265,476.1	271,228.6	273,062.2	264,270.2	264,181.0	267,626.1	270,918.6
LIABILITIES												
Deposits												
Non Interest Bearing Deposits	23,095.6	24,346.3	30,054.3	30,088.6	28,427.9	32,490.6	29,983.7	32,050.9	31,746.0	32,196.0	32,646.0	33,066.0
Interest Bearing cking/Savings	8,460.7	14,553.8	6,594.9	7,520.0	7,350.1	7,373.0	7,877.8	8,895.0	5,991.3	6,131.3	6,281.3	6,431.3
Money Market Accounts	63,992.1	66,096.0	48,896.3	47,761.8	51,464.4	49,366.5	54,833.5	55,831.6	56,204.1	57,494.1	58,784.1	60,074.1
Time Certificates	50,334.2	83,223.0	97,657.3	101,931.0	111,028.6	114,945.3	115,984.7	113,637.3	107,428.3	108,538.3	109,648.3	110,758.3
Total Deposits	145,882.6	168,219.1	183,202.8	187,301.4	198,269.0	204,167.3	209,879.7	210,414.8	201,368.7	204,359.7	207,359.7	210,359.7
Total Borrowings			22,239.7	15,000.0	17,809.4	13,500.0	13,500.0	13,500.0	16,700.0	13,500.0	13,500.0	13,500.0
Other Liabilities	1,550.6	1,149.9	11,895.1	11,269.1	10,004.1	9,490.5	11,255.5	10,402.1	7,606.0	7,856.0	8,106.0	8,356.0
Total Liabilities	147,433.2	169,369.0	217,337.6	213,570.5	226,082.5	227,167.8	232,635.2	234,316.9	225,666.8	225,715.7	228,966.7	232,215.7
STOCKHOLDERS EQUITY												
Common Stock & Paid-in-Capital	31,604.3	31,663.7	37,971.8	37,996.0	38,205.2	38,246.2	38,313.1	38,354.1	38,382.1	38,326.5	38,359.9	38,396.8
Prior Period Earnings	(958.9)	(841.2)	(760.1)	(370.5)	(205.3)	(207.1)	70.4	79.1	391.4	221.9	118.7	180.6
Current Period Earnings	117.7	80.4	389.6	336.1	0.7	277.5	8.7	312.3	(168.5)	(103.2)	61.9	105.5
Gain/Loss on Marketable Securities	12.6	18.0	24.2	17.8	4.2	1.8	1.2	(0.2)	0.3	20.0	20.0	20.0
Total Stockholders Equity	30,775.7	30,920.8	37,525.5	37,978.4	38,004.8	38,318.4	38,399.4	38,604.4	38,604.4	38,466.2	38,560.4	38,702.8
Total Liabilities & Equity	178,298.8	220,289.9	264,963.1	261,548.8	264,087.3	265,476.2	271,228.6	273,062.2	264,270.2	264,181.0	267,626.1	270,918.6

First Sound Bank
Liquidity and Dependency Ratio Calculations
As of September 30, 2008

	9/30/08	06/30/08
	Amount	Totals
SHORT TERM INVESTMENTS (Due in One Yr or Less)		
1. Fed Funds Sold Balances	16,944,970	22,766,860
2. Other Money Market Investments or IB accounts	3,138,204	2,309,503
3. TOTAL SHORT TERM INVESTMENTS		
OTHER MARKETABLE SECURITIES (Due in Over One Yr)		
4. US and Agency Securities (Market Value)	1,310,188	1,316,375
5. Other Investment Quality Securities (Market Value)	1,566,763	1,692,152
6. Other Marketable Securities		
7. TOTAL OTHER MARKETABLE SECURITIES	2,876,951	3,008,527
ADJUST:		
8. Cash and Noninterest bearing Depository Balances	7,078,895	7,970,009
9. Reserve Requirements Being Met by Above	0	0
10. Pledged Investment/held for sale	(2,876,951)	(3,008,527)
11. Approved Lines of Credit/FHLB borrowing limit	33,828,277	20,594,900
12. SBA Loans (guaranteed portions)		
13. NET CASH, SHORT TERM, AND MARKETABLE ASSETS	60,990,346	53,847,272
Line 3+7+8-9-10+12+13		
POTENTIALLY VOLATILE LIABILITIES		
14. Total Public/Brokered Deposits	76,685,036	91,395,660
15. Other Time Deposits (\$100 & Over)	29,739,356	22,515,017
16. Designated Short Term Deposits	0	0
17. Fed Funds Purchased and Repos	0	0
18. Other Borrowings and Debt Due in One Year	16,700,000	13,500,000
19. TOTAL POTENTIALLY VOLATILE LIABILITIES	123,124,392	127,410,677
OTHER DEPOSITS		
20. All Other Deposits Not Listed Above	94,910,456	90,256,423
21. TOTAL OTHER DEPOSITS	94,910,456	90,256,423
22. TOTAL DEPOSITS AND SHORT TERM LIABILITIES	218,034,848	217,667,100
23. LESS: Item 10 Above	0	0
24. NET DEPOSITS AND SHORT TERM LIABILITIES	218,034,848	217,667,100
LIQUIDITY RATIO - Line 13 divided by line 24	28.0%	24.6%
LONG TERM ASSETS FUNDED WITH POTENTIALLY VOLATILE LIABILITIES (AD)		
25. Net Potentially Volatile Liabilities (Assets) line 19 minus line 3	103,041,218	102,334,314
26. Less Leasing Division funding	46,058,868	48,579,814
27. Net Bank Volatile Funding	56,982,350	53,754,501
28. Total Earning Assets minus line 3 (St Term Inv and Leasing Assets)	183,184,495	179,700,185
DEPENDENCY RATIO Line 25 Divided by Line 26	31.1%	29.9%
Target Liquidity Ratio (should be more than target)	20%	20%
Target Dependency Ratio (should be less than target)	40%	40%

First Sound Bank
 Deposit Account Listing
 As of September 30, 2008

Type	9/30/2008		6/30/2008		Change	
	#	\$	# of Total	\$	# of Total	%
Personal Checking IB	169	3,210,429.77	1.6%	5,721,697.16	9	2.9%
Personal MMDA	145	4,049,448.41	2.0%	3,740,547.71	-1	1.9%
Business Checking Non IB	741	32,720,098.57	16.3%	37,620,252.14	5	18.9%
Business Checking IB	30	1,767,656.00	0.9%	1,651,311.93	-1	0.8%
Business MMDA	161	52,154,691.91	25.9%	45,627,880.07	-6	22.9%
COD Personal	72	7,686,119.31	3.8%	6,731,624.24	18	3.4%
COD Business	89	23,057,147.33	11.5%	16,817,998.15	14	8.5%
COD Public	13	25,076,191.87	12.5%	17,622,000.00	11	8.9%
COD Brokered	20	51,608,843.93	25.6%	63,407,666.69	5	31.9%
Total	1,440	201,330,627.10	100%	198,940,978.09	54	100%

Type	9/30/2008		12/31/2007		Change	
	#	\$	# of Total	\$	# of Total	%
Personal Checking IB	169	3,210,429.77	1.6%	7,538,031.81	16	5.1%
Personal MMDA	145	4,049,448.41	2.0%	7,266,105.51	-2	4.9%
Business Checking Non IB	741	32,720,098.57	16.3%	24,414,390.03	67	16.6%
Business Checking IB	30	1,767,656.00	0.9%	1,257,223.53	1	0.9%
Business MMDA	161	52,154,691.91	25.9%	55,711,898.78	-21	37.8%
COD Personal	72	7,686,119.31	3.8%	2,687,154.38	25	1.8%
COD Business	89	23,057,147.33	11.5%	5,852,005.19	60	4.0%
COD Public	13	25,076,191.87	12.5%	11,150,000.00	11	7.6%
COD Brokered	20	51,608,843.93	25.6%	31,582,898.86	5	21.4%
Total	1,440	201,330,627.10	100%	147,459,708.09	162	100%

Difference in deposits from balance sheet is the net of the overdrafts and the treasury tax deposits

First Sound Bank
Investment Listing
As of September 30, 2008

Type	Purchase	Maturity	Rate	Yield	Par	Book	Mark to Market	Comments
FF Sold PCBB	9/30/2008	10/1/2008	2.115%	1.856%	12,600,000	12,600,000	12,600,000	
FF Sold Key Bank	9/30/2008	10/1/2008	1.937%	1.937%	210,857	210,857	210,857	
FF Sold U. S. Bank	9/30/2008	10/1/2008	1.900%	1.900%	4,134,112	4,134,112	4,134,112	
FHLB	9/30/2008	10/1/2008	1.300%	1.753%	3,138,204	3,138,204	3,138,204	
United Commercial Bank	8/25/2008	8/25/2009	3.920%	4.000%	118,470	118,470	118,470	Collateral-Lease LC
Total Short Term Investments					20,201,644	20,201,644	20,201,644	
FHLB 4 1/4 yr	8/2/2004	11/14/2008	3.625%	3.903%	500,000.00	499,785.15	500,312.50	Collateral-public deposits
FNMA 5 yr	8/3/2004	6/15/2009	6.375%	4.022%	400,000.00	405,938.04	408,750.00	Collateral-public deposits
FNMA 5 yr	5/29/2008	5/29/2013	4.350%	4.294%	400,000.00	400,927.93	401,125.00	Collateral-public deposits
FHLMC Gold 5 yr	8/10/2004	7/1/2009	4.000%	3.976%	580,742.13	510,398.06	508,630.12	Collateral-borrowing
FN 7 yr	8/24/2004	7/1/2011	4.000%	4.103%	630,226.10	602,381.95	607,727.97	Collateral-borrowing
FGB	8/17/2004	8/1/2014	4.000%	3.974%	493,230.68	457,012.88	450,405.20	Collateral-borrowing
FHLB Stock					751,500.00	751,500.00	751,500.00	Required as % of borrowings
Total Investment Securities				2.729%	3,755,699	3,627,944	3,628,451	
LC Matured & Renewed								
United Commercial Bank	8/25/2007	8/25/2008	4.930%	5.050%	128,379	128,379	128,379	Collateral-Lease LC

EXHIBIT R

Puget Sound Leasing

A Division of First Sound Bank
Effective 10-2-08 thru 12-31-08 Funded by January 31, 2009

Revised 10-2-08

Equipment Cost	Security Deposits	24 Mos	36 Mos	48 Mos	60 Mos
----------------	-------------------	--------	--------	--------	--------

● 10% PUT RESIDUAL

\$3,000-\$14,999	2	.0430	.0312	.0252	.0216
\$15,000 - \$49,999	2	.0420	.0302	.0241	.0205
\$50,000 - \$74,999	2	.0419	.0301	.0240	.0204
Over \$75,000	2	.0418	.0300	.0239	.0203

● \$1.00 RESIDUAL

\$3,000-\$14,999	2	.0465	.0334	.0268	.0227
\$15,000 - \$49,999	2	.0457	.0325	.0258	.0217
\$50,000 - \$74,999	2	.0456	.0324	.0257	.0215
Over \$75,000	2	.0455	.0323	.0256	.0214

*Base rates with no commission calculated
 *Maximum broker commission: 15% up to \$99,999.99 / 10% \$100,000.00 and over
 *Application only to \$100,000 *Commercial transactions only
 *Document fees per attached schedule include 1 express mailing. Each extra express \$25.00
 *All terms require payments as security deposit
 *Additional security deposits may be required based on credit quality
 *Partial/Pre-funding - An additional \$100.00 doc fee applies
 *Call for special program rates
 *Base doc fee \$175.00

RATES SUBJECT TO CHANGE WITHOUT NOTICE

Puget Sound Leasing
 A Division of First Sound Bank
 Phone: (425) 392-6402 or (800) 325-3273
 Fax: (425) 392-6427 or (888) 745-3273

EXHIBIT S

AGREEMENT TO CLARIFY OPERATING PROCEDURES

This AGREEMENT TO CLARIFY OPERATING PROCEDURES (the "Clarifying Agreement") is entered into between LARASCO, INC. (formerly Puget Sound Leasing Company, Inc.) a Washington corporation ("Seller") and its sole shareholders, LOUIS A. SECORD, JR. and RICHARD A. SECORD (collectively "Shareholders"); and FIRST SOUND BANK, a Washington state-chartered bank ("Buyer") to clarify operating procedures relating to the Asset Purchase Agreement (the "Agreement") entered into between the parties and effective on March 1, 2008 (the "Effective Date"). The parties agree as follows:

1. Goodwill.

The Agreement provides (Section 3.2) that "Seller will work with Buyer to minimize the amount of goodwill generated in this transaction so that the goodwill will not exceed \$6,000,000 or such other figure which may be agreed to by the Buyer, based on the valuation of Equipment Leases, Pending Equipment Leases and Other Purchased Assets."

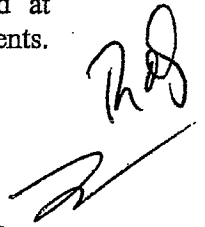
The parties have agreed to a goodwill figure of \$6,500,000. To reduce the difference between the price paid by Buyer and the value of the assets acquired by Buyer to \$6,500,000, Seller agrees to pay Buyer \$480,000. This shall be paid by an allocation to the Buyer of the portion of recoveries (80%) otherwise due Seller at June 30, 2008 on delinquent contracts through collection action or repossession and sale of equipment. If Seller's share of these recoveries exceeds \$480,000 any additional amount shall be applied in reduction of any balance on the Promissory Note which is discussed hereafter. If Seller's share of the recoveries is less than \$480,000, Seller agrees to make a cash payment to Buyer for the balance.

The \$480,000 required to be paid to Buyer in satisfaction of the Goodwill overpayment shall be paid as soon as practicable after agreement is reached on the amount of Seller's portion of the recoveries referenced above, and in no event later than September 30, 2008.

2. Sold Portfolio/Leases in Default on Effective Date.

For the purposes of this Agreement, the "Sold Portfolio" means the lease contracts sold to investors by Seller prior to the Effective Date. The term "Leases in Default" means any purchased portfolio leases that were over sixty (60) days past due on the Effective Date.

Seller is responsible for payment to investors of all losses in the Sold Portfolio and on Leases in Default. At June 30, 2008, the losses in the Sold Portfolio are estimated at \$1,550,000 and on the Leases in Default, are estimated at \$535,000. These figures are subject to appropriate accounting adjustments.



Buyer has reimbursed investors for these losses and shall continue to reimburse investors for such losses on lease contracts sold.

The parties agree that even though the leases sold are sold on a "non-recourse basis" it is in the best interest of the parties that Buyer continues the practice adopted and implemented by Seller of reimbursing investors for any losses in portfolios they purchase.

3. Reimbursement to Buyer for Payment to Investors of Losses in Sold Portfolio and on Leases in Default.

- (a) Buyer shall be reimbursed by Seller for payments made to investors by Buyer for losses in the Sold Portfolio and Leases in Default in the manner set forth hereafter.
- (b) Upon execution of this Agreement the amount owed Seller under Section 3.1(d) of the Agreement is \$700,000, which shall be immediately applied to reduce the obligation of the Seller set forth in paragraph 2 of this Clarifying Agreement. The balance owed Buyer by Seller under the terms of this Clarifying Agreement shall be charged to the Line of Credit, the terms of which are set forth hereafter.
- (c) Future reimbursement to investors for all additional losses relating to the Sold Portfolio and the Leases in Default, if any, shall be charged to the Line of Credit.

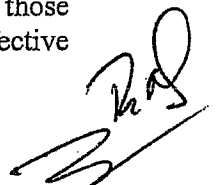
4. Credit Accommodation.

Upon execution of this Clarifying Agreement, First Sound Bank will provide to Seller a Line of Credit for \$2,000,000, which will mature annually, and accrue interest at the prime rate charged by First Sound Bank as that rate may adjust from time to time. The Line of Credit shall be secured by an assignment of the "Contingent Payments" due Seller under terms of the Agreement (Section 3.1(d)). Interest shall be paid quarterly and a minimum of 50% of the Contingent Payment due Seller shall be applied to the balance on the Line of Credit quarterly. The terms and conditions of the Line of Credit shall be subject to standard underwriting procedures of First Sound Bank and shall be in compliance with Regulation O.

5. Sharing of Recovery Revenue.

Revenue generated from sale of repossessed equipment and collection efforts shall be allocated 80% to Seller and 20% to Buyer.

The foregoing notwithstanding, recoveries on lease contracts not "of record" at the Effective Date shall belong to Seller. Lease contracts "of record" are those lease contracts for which Buyer assumed the servicing rights at the Effective



Date. A list of the lease contracts of record at the Effective Date is attached hereto as an exhibit.

6. Amendment to Section 3.1(d) of the Agreement.

The last sentence of this Section is deleted in its entirety and replaced with the following:

If the annual pre-tax income does not exceed \$1,000,000, any payments deferred will be allocated to reduce any balance owed on the Promissory Note executed in conjunction with the Plan for Resolving Issues Related to Asset Purchase Agreement and Seller shall reimburse Buyer any payment made during such calendar year within thirty (30) days of written notice from Seller that the \$1,000,000 threshold was not met.

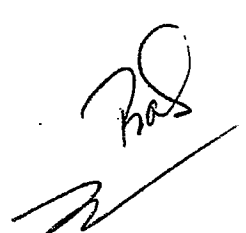
7. Independent Legal Counsel

Seller and its principals, Louis A. Secord, Jr. and Richard A. Secord acknowledge that Keller Rohrback L.L.P. has represented Buyer in this transaction and Seller and its principals have been encouraged to retain their own legal counsel regarding this Clarifying Agreement.

8. Effect on Agreement.

To the extent provisions of this Clarifying Agreement are contrary to provisions in the Agreement, the provisions of this Clarifying Agreement shall control. In all other aspects, the terms and conditions of the Agreement shall remain in full force and effect.

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IN WITNESS WHEREOF, the parties hereto have executed this Clarifying Agreement on the _____ day of _____, 2008.

BUYER:

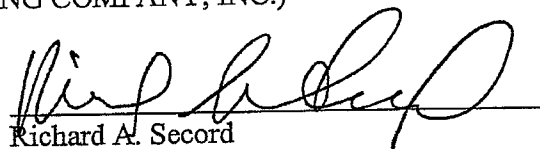
FIRST SOUND BANK

By: _____
Name: Donald L. Hirtzel
Title: Chairman and CEO

By: _____
Name: Steven M. Shaughnessy
Title: President and COO

SELLER:

LARASCO, INC. (formerly PUGET SOUND LEASING COMPANY, INC.)

By: 
Name: Richard A. Secord
Title: President

SHAREHOLDERS AND DIRECTORS OF SELLER:



Louis A. Secord, Jr., Individually

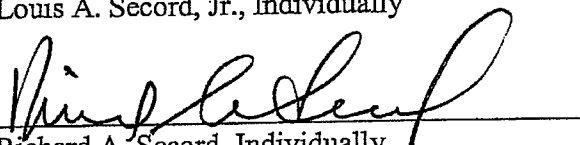

Richard A. Secord, Individually

EXHIBIT T

**First Sound Bank
Calculation of Larasco Earnout
For the Period ended September 30, 2008**

	Month To Date PSL	Year To Date PSL
Interest Income		
Leasing	338.0	3,190.8
Loan Fees	76.2	1,071.2
Total Interest Income	414.2	4,262.0
Interest Expense		
Intercompany Borrowing	121.7	1,084.5
Net Interest Income before LLP	292.5	3,177.4
Provision for Loan Losses	281.0	1,316.0
Net Interest Income	11.5	1,861.4
Other Income		
Other Transaction Fees	161.9	2,702.0
Gain on Sales of Leases	81.9	3,500.2
Total Other Income	243.8	6,202.2
General & Administration Expense		
Salaries and Benefits	449.9	3,186.0
Incentives	0.0	10.9
Fas 91 Compensation Deferral	(151.5)	(1,366.3)
Occupancy	71.6	488.3
Furniture and Equipment	76.7	533.6
Computer Processing	1.2	10.0
Professional/Regulatory Fees	90.2	495.6
Directors Fees	0.0	0.0
Marketing	2.1	9.1
B&O/Excise Taxes	6.0	64.0
Other Employee Related Exps	14.5	77.2
Amortization of Intangibles	90.2	653.5
Miscellaneous Expenses	127.6	769.3
Total G & A Expense	778.5	4,931.2
Net Income Before Payout	(523.2)	3,132.4
Payout @ 33%	(174.4)	1,044.0
Net Income After Payout	(348.8)	2,088.3
LARASCO Payments		
Paid Year to Date		1,026,064
Accrued July	(40,663)	(40,663)
Accrued August	232,831	232,831
Accrued September	(174,394)	(174,394)
Total	17,775	1,043,839

EXHIBIT U



First Sound Bank

For Immediate Release

Contact:
Don L. Hirtzel, Chairman and CEO
Steven M. Shaughnessy, President and COO
Jan Gould, Executive Vice President and CFO
(206) 515-2004

First Sound Bank Reports Loss for 2008 - Capital Position Remains Strong -

SEATTLE, February 6, 2009 – First Sound Bank (OTCBB: FSWA) today reported a loss of \$3.2 million in the fourth quarter of 2008, compared to earnings of \$460 thousand in the fourth quarter of the previous year. For the year, the bank lost \$1.8 million – compared to \$1.6 million in net income in 2007. The losses incurred in 2008 resulted primarily from adding \$5.3 million to the loan loss provision (\$3.0 million of which was added in the fourth quarter). This compares to a provision of \$535 thousand for 2007. The bank's loan loss reserve, which comprised 2.4 percent of total loans, was up from 1.1 percent in 2007 and is considered prudent in light of the deteriorating local economy – as well as weakening noted in the bank's real estate construction and small-ticket leasing portfolios.

Assets at year-end stood at \$275.7 million, a 50.3 percent increase from \$183.4 million in December 2007. Loans ended the year at \$219.3 million, up 52.8 percent from \$143.5 million the previous year, while deposits increased 38.6 percent – from \$147.3 million to \$204.2 million. At year-end, 3.8 percent of the bank's total assets were non-performing assets – 88.5 percent of which were in real estate construction and 11.5 percent in small-ticket leasing. Non interest-bearing deposits, which account for 16.8 percent of total deposits, rose significantly – from \$24.3 million to \$34.2 million, an increase of 41.1 percent.

– more –

Page Two

First Sound Bank Reports Loss

The bank's net interest margin of 4.16 percent in the fourth quarter of 2008 was down from 4.42 percent a year ago – a 26 basis-point decrease that is attributed to generally eroding margins experienced throughout the industry.

On December 23, 2008, First Sound Bank received \$7.4 million in capital as a participant in the U.S. Treasury Department's Capital Purchase Program ("CPP"). Under the terms of the transaction, the bank issued 7,400 shares of Series A, Fixed-Rate Cumulative Perpetual Preferred Stock and a warrant to purchase 114,080 shares of the bank's common stock at an exercise price of \$9.73 per share. The bank's intention in electing to participate in the CPP was to add capital that would allow First Sound Bank to increase its lending to businesses and consumers in its market area.

With \$43 million in capital – and a Tier 1 capital ratio of 14.8 percent that is well above the regulatory 10 percent minimum – First Sound Bank remains one of the better-capitalized banks in the Northwest. The book value of the bank's common stock at year-end was \$10.09 per share, compared to \$10.54 a year ago.

First Sound Bank has a well-diversified loan portfolio with 34.9 percent of loans in commercial and industrial (including asset-based lending), 17.0 percent in real estate construction, 20.9 percent in other real estate, 26.2 percent in small-ticket leasing, and 1.0 percent in consumer loans.

First Sound Bank is in litigation with the former owners of Puget Sound Leasing Co., Inc. – as well as various investor banks that have done business with the leasing company's former owners and First Sound Bank – over issues regarding the asset acquisition of Puget Sound Leasing. Details regarding litigation issues may be found in First Sound Bank news releases issued on January 2, 2009 and January 12, 2009. Given year-end events relating to the leasing division, management has retained third-party assistance to assess the value of the leasing transaction as it relates to goodwill.

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Page Three

First Sound Bank Reports Loss

“First Sound Bank was well-capitalized prior to its participation in the U.S. Treasury Department’s Capital Purchase Program, and the program has allowed us to further strengthen our balance sheet so that we can continue to take advantage of growth opportunities in the market,” said First Sound Bank Chairman and CEO Don Hirtzel.

First Sound Bank was founded in July 2004. With \$276 million in assets, the bank and its dedicated 83-person staff serve clients from its downtown Seattle office and its leasing company in Bellevue.

For a more detailed financial analysis, contact
jgould@firstsoundbank.com

First Sound Bank Reports Loss for 2008

Certain statements in this press release, including statements regarding the anticipated development and expansion of First Sound Bank’s business, and the intent, belief or current expectations of the company, its directors or its officers, are “forward-looking” statements (as such term is defined in the Private Securities Litigation Reform Act of 1995). Because such statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements.

About First Sound Bank

Seattle-based First Sound Bank offers customized banking for small- to medium-sized businesses, organizations, not-for-profits and professionals in the Puget Sound region. Founded by a team of veteran local banking executives, it is committed to delivering personalized service, convenient access and competitive rates to support the needs of the business community. The bank offers online banking at www.firstsoundbank.com plus an expansive banking network in the western U.S., as well as ATM banking throughout the country and abroad. On March 1, 2008, First Sound Bank purchased a majority of the assets of Puget Sound Leasing Company, Inc. – a small ticket, business-to-business leasing company – and established Puget Sound Leasing as a division of First Sound Bank.

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EXHIBIT V

EMPLOYMENT AGREEMENT

LOUIS A. SECORD, JR.

THIS EMPLOYMENT AGREEMENT ("Agreement") is made this 29th day of February, 2008, by and between FIRST SOUND BANK, a Washington State chartered commercial bank (the "Bank") and LOUIS A. SECORD, JR. ("Secord"). The Bank and Secord are sometimes collectively referred to herein as "the Parties."

RECITALS

WHEREAS, Secord currently serves as the President and Chief Executive Officer of Puget Sound Leasing Company, Inc. ("Puget Sound"); and

WHEREAS, the Bank is acquiring substantially all of the assets of Puget Sound and wishes to retain the services of Secord following the closing of the transaction;

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Term. Secord's term of employment ("Term") under this Agreement shall commence on the day following the Closing of the acquisition by the Bank of substantially all of the assets of Puget Sound under the terms set forth in the Asset Purchase Agreement between Puget Sound Leasing Company, Inc., a Washington corporation and its Shareholders and First Sound Bank dated September 24, 2007, and shall continue for a period of five (5) years unless earlier terminated in accordance with paragraph 9 hereof.

2. Duties. Secord is hired by the Bank to serve as President of the "Puget Sound Leasing division" of the Bank ("PSL"). Secord shall report directly to the Chief Executive Officer of the Bank and shall be responsible for the overall operation and conduct of PSL, pursuant to the general guidelines and directions established from time to time by the Bank. Further, within the last two years of the Term of this Agreement, Secord will work with Bank's senior management to select, hire and train his successor to serve as the principal executive officer of PSL. The Board of Directors of the Bank shall appoint Secord to serve as a member of the Board of Directors of Bank and nominate and recommend him for election to the Board by Shareholders as long as he is employed as the President of PSL.

3. Exclusive Services and Best Efforts. Secord shall render services solely on behalf of the Bank, and in no event shall he render services directly to a customer of the Bank for the individual gain of Secord, without the Bank's prior written consent. Secord shall devote his full time, attention and energies, during regular business hours, to the business of the Bank. Secord further agrees that he shall perform any and all duties to the best of his abilities. In addition to any other responsibilities which the Bank may from time to time require him to perform, Secord shall:

(a) Use his diligent efforts to promote the business and further the goals of the Bank;

(b) Conduct his business and regulate his habits so as to maintain and increase the goodwill and reputation of both the Bank and its business and to abide by all codes of ethics and other professional duties which are binding upon or applicable to general good business practices;

(c) Not render to others, during his employment with the Bank, services of any kind or promote, participate or engage in any other business activity which would interfere with the performance of his duties under this Agreement, including, without limitation, providing consulting services or otherwise engaging in business with any person or entity which directly or indirectly competes with the Bank, unless he first obtains the Bank's prior written consent to engage in such outside activities.

Although Secord is required to devote his entire time, attention and energies to the business of the Bank and cannot, during the term of this Agreement, be engaged in any other business activity which interferes with his duties hereunder, whether or not such business activity is pursued for gain, profit or other pecuniary advantage, this shall not be construed as preventing Secord from investing his assets in such manner as will not require any services on his part in the operation of the affairs of the companies in which such investments are made, or in making other investments which do not interfere with his duties under this Agreement. Further, it is understood that following the Closing, Secord shall have some continued duties related to the former Puget Sound Leasing Company, Inc. and shall be permitted to spend up to five (5) hours per week addressing and such issues without any reduction in his Compensation. If Secord's time commitment to the former Puget Sound Leasing Company, Inc. exceeds five (5) hours per week an appropriate adjustment will be made in his Salary, after discussing the same with Secord.

4. Compensation. The Bank shall pay Secord, as compensation for his full-time services during the Term, the following:

(a) Salary. Secord will receive an annual salary of \$500,000 ("Salary"), payable in monthly or more frequent installments in accordance with the Bank's regular payroll schedule. Secord will receive no additional compensation for serving as a member of the Board of Directors of the Bank.

(b) Benefits. During the Term, Secord shall be entitled to participate in the pension, employee benefit and similar plans and programs (including any retirement, 401(k), health and welfare benefit plans, but excluding any bonus, incentive pay, stock option, stock purchase or other equity incentive plans) of the Bank and PSL on substantially the same terms and conditions as similarly situated employees of the Bank, subject to any eligibility requirements applicable to such plans and programs. For purposes of determining eligibility to participate in such plans and the vesting related calculations of benefits under such plans (but not for the accrual of benefits) the Bank shall give effect to years of service with Puget Sound Leasing Company, Inc. as if such service were with the Bank.

5. Business Expenses. The Bank will pay or reimburse Secord for reasonable and necessary business expenses incurred by Secord, which are directly related to the performance of

his duties of employment, including travel, professional memberships and professional development, subject to documentation by Secord and approval of the Chairman of the Bank.

6. Automobile. Secord shall provide his own automobile, and the Bank shall provide him an automobile allowance of \$700 per month for use of such automobile incident to his duties as President of PSL. The automobile allowance may be increased from time to time as deemed appropriate by the Board.

7. Vacation. Secord shall be entitled to eight (8) weeks vacation each year, during which time his compensation shall be paid in full. Secord shall not take any such vacation during a time when to do so would be detrimental to PSL or the Bank's business. Vacation days may not be accrued beyond the current year without approval of the Board of Directors.

8. Working Facilities. Secord shall be furnished with such working facilities as are reasonably required by Secord to perform his duties as President of PSL, which working facilities shall include, but not be limited to, an office and secretarial and staff support.

9. Termination. This Agreement may be terminated by the Bank upon written notice to Secord, and by Secord upon 90 days written notice to the Bank. If Secord resigns from the Bank, except for Good Reason as defined in paragraph 9(a), he will receive only his compensation, benefits earned and expenses reimbursable through the date this Agreement is terminated. If Secord's employment is terminated by the Bank or by Secord for Good Reason, he shall receive the compensation provided hereafter.

(a) Termination Without Cause/For Good Reason. If Secord's employment is terminated by the Bank, except for cause as provided in paragraph 9(b), or by Secord for Good Reason, prior to expiration of the Term, Secord shall be entitled to receive a severance benefit equal to the balance of the Salary that would be due him under this Agreement if it had not been terminated. Such payment shall, at the option of the Bank, be made in a lump sum or in accordance with the Bank's regular payroll schedule and shall be paid or payments commenced as soon as practicable, but not less than six (6) months, after the date that Secord's entitlement to such payment arose. For purposes of this Agreement, "Good Reason" means any one or more of the following: Reduction of Secord's Salary during the Term of this Agreement without Secord's consent (other than as part of an overall program applied uniformly to all members of senior management of the Bank); the assignment to Secord without his consent of any duties materially inconsistent with Secord's position as of the date of this Agreement; or a relocation or transfer of Secord's principal place of employment that would require Secord to commute on a regular basis more than 30 miles each way from PSL's main office as of the date of this Agreement.

(b) Termination for Cause. The compensation payable on termination as provided in paragraph 9(a) shall not be payable in the event Secord's employment is terminated for cause. Termination shall be determined to be for cause only in the event: (i) Secord is convicted of a felony or crime involving moral turpitude, or charged with a felony or crime involving moral turpitude if the Board, in its sole discretion, determines that the adverse publicity/notoriety stemming from such charge will make it difficult for Secord to perform his duties and/or the Bank to carry on its normal business activities; or (ii) Secord fails or refuses, after written request, to comply with any material policies adopted by the Board; (iii) Secord is

terminated for fraud, embezzlement, or willful misconduct (including, but not limited to, violation of the Bank's anti-discrimination and harassment policies); or (iv) Secord is removed from office by the Board in order to comply with a requirement, request or recommendation from the Director of Banking for the State of Washington or the Federal Deposit Insurance Corporation ("FDIC").

(c) Death or Disability. This Agreement will terminate immediately upon Secord's death. If Secord is unable to perform his duties and obligations under this Agreement for an aggregate period of ninety (90) days as a result of a physical or mental disability and cannot continue to perform his duties with reasonable accommodation, the Board may terminate this Agreement. If termination occurs due to Secord's death, his estate will be entitled to receive only the compensation, benefits earned, and expenses reimbursable through the date this Agreement is terminated. If termination occurs due to Secord's disability, he shall continue to receive his Salary until payments under the Bank's long-term disability plan commence, or in the event the Bank has no long-term disability plan on the date of disability, Secord's salary shall continue for a period of six (6) months. For purposes of this paragraph, "disability" shall be determined using the definition of that term in the Bank's long-term disability plan in effect at the time of the disability, or if no such plan is then in effect, the definition of "disability" found in Internal Revenue Code Section 22(e), as may be amended from time to time, shall apply.

10. Change of Control. If Secord remains in the employment of the Bank through the date of closing of a Change of Control of the Bank, as that term is hereinafter defined, and Secord leaves the employment of the Bank, whether voluntarily or involuntarily, within twelve (12) months after such Change of Control, Secord shall receive an amount equal to two (2) times his W-2 income (excluding any gains on sale of Bank stock) before salary deferrals over the twelve (12) month period prior to the Change of Control. "Change of Control" as used herein will be deemed to have occurred when there is a Change in the Ownership of the Bank or a Change in the Ownership of a Substantial Portion of the Assets of the Bank, as defined below:

(a) Change in the Ownership of the Bank. For the purposes of this Agreement, a Change in the Ownership of the Bank shall be deemed to occur when any one person, or more than one person acting as a group, acquires ownership of the Bank stock that, together with stock held by such person or group, constitutes more than fifty percent (50%) of the total fair market value or total voting power of the Bank. A Change in Ownership of the Bank will not occur when any one person, or more than one person acting as a group, owning more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Bank acquires additional stock. For the purposes of this section, an increase in the percentage of stock owned by any one person, or more than one person if acting as a group, as a result of a transaction in which the Bank acquires its stock in exchange for property will be treated as an acquisition of stock.

(b) Change in the Ownership of a Substantial Portion of the Assets of the Bank. For the purposes of this Agreement, a Change in the Ownership of a Substantial Portion of the Assets of the Bank shall be deemed to occur on the date that any one person, or more than one person acting as a group, acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such person or persons) assets from the corporation that have a total gross fair market value equal to or more than forty percent (40%) of

the total gross fair market value of all of the assets of the Bank immediately prior to such acquisition or acquisitions. For the purpose of this section, gross fair market value means the value of the assets of the Bank or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. A Change in the Ownership of a Substantial Portion of the Assets of the Bank shall not be deemed to occur where the assets transferred by the Bank are transferred to (1) a shareholder of the corporation (immediately before the asset transfer) in exchange for or with respect to its stock; (2) an entity fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly, by the Bank; (3) a person, or more than one person acting as a group, that owns directly or indirectly, fifty percent (50%) or more of the total value or voting power of all the outstanding stock of The Bank; or (4) an entity, at least fifty percent (50%) of the total value or voting power of which is owned, directly or indirectly, by a person or more than one persons acting as a group, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all the outstanding stock of The Bank.

11. Confidentiality. Secord acknowledges that he will have access to certain proprietary and confidential information of the Bank and its clients. Secord will not, after signing this Agreement, including during and after its Term, use for his own purposes or disclose to any other person or entity any confidential information concerning the Bank or its business operations or customers, unless: (i) the Bank consents to the use or disclosure of said confidential information, (ii) the use or disclosure is consistent with Secord's duties under this Agreement, or (iii) disclosure is required by law or court order.

12. Competition Restriction. During the Term and for twenty-four (24) months thereafter (the "Restriction Period"), Secord shall not (i) directly or indirectly, establish, finance, own, manage, operate, engage in or otherwise participate in the conduct of any business, in the states of Washington, Oregon and Idaho that is the same or substantially similar to PSL; provided, however, that the prohibition set forth in this paragraph 12 shall not in any manner limit or prohibit activities of Secord relating to assets not purchased by the Bank ("Excluded Assets"); (ii) directly or indirectly solicit, encourage or attempt to solicit or encourage any of the employees, agents, independent contractors, brokers, consultants or representatives of the Bank to terminate his, her or its relationship with the Bank; (iii) directly or indirectly solicit, encourage or attempt to solicit or encourage any of the employees, agents, independent contractors, brokers, consultants or representatives of the Bank to become employees, agents, representatives, consultants or independent contractors of any other entity; (iv) directly or indirectly solicit or attempt to solicit any broker, customer, vendor or distributor of the Bank with respect to any product or service being furnished, made, sold or leased by the Bank; or (v) persuade or seek to persuade any customer, broker or vendor of the Bank to cease to do business or to reduce the amount of business which any customer, broker or vendor has customarily done with the Bank or is contemplating doing work with the Bank.

13. No Solicitation. During the Term and for twenty-four (24) months thereafter, he will not, directly or indirectly, solicit or attempt to solicit: (i) any employees of the Bank to leave their employment, or (ii) any customers of the Bank to remove their business from the Bank to participate in any manner in a competing business ("Competing Business"). "Competing Business" means any leasing company that competes with or will compete with the Bank in

Washington, Oregon or Idaho, or financial institution or trust company that competes with or will compete with the Bank in King, Snohomish or Pierce County.

14. Return of Bank Property. If and when Secord ceases, for any reason, to be employed by the Bank, Secord must return to the Bank all keys, pass cards, identification cards and any other property of the Bank. At the same time, Secord also must return to the Bank all originals and copies (whether in hard copy, electronic or other form) of any documents, drawings, notes, memoranda, designs, devices, diskettes, tapes, manuals, and specifications which constitute proprietary information or material of the Bank. The obligations in this paragraph include the return of documents and other materials which may be in Secord's desk at work, in Secord's car or place of residence, or in any other location under Secord's control.

15. Enforcement of Confidentiality and Non-Competition Covenants. The Bank and Secord stipulate that, in light of all of the facts and circumstances of the relationship between them, the covenants referred to in paragraphs 11, 12, 13 or 14 above, including, without limitation, their scope, duration and geographic extent, are fair and reasonably necessary for the protection of the Bank's confidential information, goodwill and other protectable interests. If a court of competent jurisdiction should decline to enforce any of those covenants and agreements, Secord and the Bank request the court to reform these provisions to restrict Secord's use of confidential information and Secord's ability to compete with the Bank, to the maximum extent, in time, scope of activities, and geography, as the court finds enforceable.

Secord acknowledges that the Bank will suffer immediate and irreparable harm that will not be compensable by damages alone, if Secord repudiates or breaches any of the provisions in paragraphs 11, 12, 13 or 14 above or threatens or attempts to do so. For this reason, under these circumstances, the Bank, in addition to and without limitation of any other rights, remedies or damages available to it at law or in equity, will be entitled to obtain temporary, preliminary and permanent injunctions in order to prevent or restrain the breach, and the Bank will not be required to post a bond as a condition for the granting of this relief.

16. Adequate Consideration. Secord specifically acknowledges the receipt of adequate consideration for the covenants contained in paragraphs 11, 12, 13 or 14 above and that the Bank is entitled to require him to comply with these paragraphs. These paragraphs will survive termination of this Agreement. Secord represents that if his employment is terminated, whether voluntarily or involuntarily, he has the experience and capabilities sufficient to enable him to obtain employment in areas which do not violate this Agreement and that the Bank's enforcement of a remedy by way of injunction will not prevent Secord from earning a livelihood.

17. No Employee Contract Rights. Nothing contained in this Agreement shall be construed to abrogate, limit or affect the powers, rights and privileges of the Board to remove Secord as President of PSL, with or without the cause.

18. Regulatory Agencies. The Parties fully acknowledge and recognize that the Bank and Secord (insofar as he conducts the Bank's business) are regulated and governed by the Division of Banks for the State of Washington and the FDIC. In the event the Division of Banks, the FDIC or any other governmental agency with authority to regulate the Bank objects to, and requires modification of, any of the terms of this Agreement, the Parties agree that they shall

abide by and modify the terms of this Agreement to comply with any and all requirements of that governmental agency.

19. Dispute Resolution. The Parties agree to attempt to resolve all disputes arising out of this Agreement by mediation. Any party desiring mediation may begin the process by giving the other party a written Request to Mediate, describing the issues involved and inviting the other party to join with the calling party to name a mutually agreeable mediator and a timeframe for the mediation meeting. The Parties and mediator may adopt any procedural format that seems appropriate for the particular dispute. The contents of all discussions during the mediation shall be confidential and non-discoverable in subsequent arbitration or litigation, if any. If the Parties can, through the mediation process, resolve the dispute(s), the agreement reached by the Parties shall be reduced to writing, signed by the Parties, and the dispute shall be at an end.

If the result of the mediation is a recognition that the dispute cannot be successfully mediated, or if either party believes mediation would be unproductive or too slow, then either party may seek to resolve the dispute in accordance with the procedures established by Judicial Arbitration and Mediation Services, Inc.

The award rendered by the arbitrator (whether through Judicial Arbitration and Mediation Services, Inc. or otherwise) shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

The arbitrator shall allocate the costs charged by Judicial Arbitration and Mediation Services, Inc., or other arbitrator as the case may be, for the arbitration between the Parties in a manner which the arbitrator considers equitable. It is agreed that the arbitrator shall award to the prevailing or substantially prevailing party all fees incurred by such party with regard to such arbitration, including reasonable legal and accounting fees. If the arbitrator determines that there is no prevailing or substantially prevailing party, the legal and accounting fees shall be the responsibility of each party.

20. Passivity Commitment. Secord agrees that as long as he is employed by Bank and/or a member of its Board of Directors, he will not serve as a member of the Board of Directors or employee of Puget Sound Leasing, or any successor thereof.

21. Governing Law. All proceedings will be held at a place designated by the arbitrator in King County, Washington. The arbitrator, in rendering a decision as to any state law claims, will apply Washington law.

22. Exception to Arbitration. Notwithstanding the above, if Secord violates paragraphs 11, 12, 13 or 14 above, the Bank will have the right to initiate the court proceedings described in paragraph 15 above, in lieu of an arbitration proceeding. The Bank may initiate these proceedings wherever appropriate within Washington state, but Secord will consent to venue and jurisdiction in King County, Washington.

23. Key Man Insurance. The Bank may at its election and for its benefit, insure Secord against disability or death (up to \$1,000,000 coverage) and Secord shall submit to such

reasonable physical examination and supply such information as may be reasonably requested by the Bank in connection therewith.

24. Waiver of Breach. A waiver by the Bank or Secord of a breach of any provision of this Agreement by the other party shall not operate or be construed as a waiver of any subsequent breach by the other party.

25. Succession. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, legal representatives, successors, and permitted assigns. This Agreement may not be assigned or delegated by either Party without the consent of the other Party.

26. Execution of Release. Any change of control payment to Secord under paragraph 10 hereof shall be conditioned upon receipt by the Bank of an executed release of all claims against the Bank, satisfactory to the Bank and its counsel.

27. Notice. Any notice to be delivered under this Agreement shall be given in writing and delivered personally or by certified mail, postage prepaid, addressed to the Bank or to Secord at their last known address.

28. Independent Legal Counsel. Secord acknowledges that he has had the opportunity to review and consult with his own personal legal counsel regarding this Agreement.

29. Non-Waiver. No delay or failure by either party to exercise any right under this Agreement, and no partial single exercise of that right, shall constitute a waiver of that or any other right.

30. Severability. If any provision of this Agreement shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions shall continue to be fully effective.

31. Entire Agreement. This Agreement represents the entire agreement of the Parties. This Agreement supersedes any prior oral or written agreement between the Parties on the subject matter hereof. This Agreement may be superseded by another written agreement entered into between Secord and the Bank on mutually agreeable terms, provided such agreement expressly by its terms supersedes this Agreement.

32. Binding Effect. It is agreed that all covenants, terms and conditions of this Agreement shall extend, apply to and firmly bind the heirs, executors, administrators, assigns and successors in interest of the respective parties hereto as fully as the respective parties themselves are bound.

33. Capitalized Terms. Capitalized Terms used herein and not defined herein shall have the meaning set forth in the Asset Purchase Agreement between Puget Sound Leasing Co., Inc., a Washington Corporation and Its Shareholders and First Sound Bank, a Washington Bank, dated as of September 24, 2007.

34. Compliance with Internal Revenue Code Section 409A. Where required, the provisions of this Agreement are intended to comply with the requirements of Section 409A of the Internal Revenue Code. Notwithstanding any other provision of this Agreement, this Agreement shall be interpreted and administered in accordance with the requirements of Section 409A of the Internal Revenue Code.

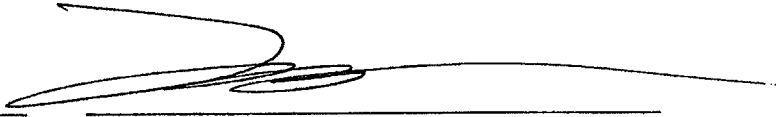
IN WITNESS WHEREOF, the Parties have signed this Agreement on the day and year first above written.

FIRST SOUND BANK

By: 

Name: DONALD L. HIRTZEL

Title: Chairman and CEO



LOUIS A. SECORD, JR.