

WHEN RECORDED RETURN TO:

NAME: Skagit State Bank

ADDRESS: P.O. Box 36

CITY, STATE, ZIP: Anacortes, WA 98221



200103120158

, Skagit County Auditor

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Island Title Company

ACCOMODATION RECORDING

QA3637

DOCUMENT TITLE(s)

1. ASSUMPTION OF INDEBTEDNESS

REFERENCE NUMBER(s) OF DOCUMENTS ASSIGNED OR RELEASED:

200002030098

GRANTOR(s):

1. FRONTIER INDUSTRIES
2. TERRY & CHARMAINE JOHNSON; MIKE & LORIE JOHNSON
3. SKAGIT STATE BANK

GRANTEE(s):

1. FRONTIER INDUSTRIES
2. TERRY & CHARMAINE JOHNSON; MIKE & LORIE JOHNSON
3. SKAGIT STATE BANK

LEGAL DESCRIPTION

LOTS 8 THROUGH 10, BLOCK 5, HENSLER'S FIRST ADDITION TO THE CITY OF ANACORTES, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 3 OF PLATS, PAGE 46, RECORDS OF SKAGIT COUNTY, WASHINGTON. SITUATE IN THE COUNTY OF SKAGIT, STATE OF WASHINGTON.

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

3794-005-010-0001

The Recorder will rely on the information provided on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

ASSUMPTION OF INDEBTEDNESS

WHEREAS, SKAGIT STATE BANK, a Washington corporation, hereinafter called the Bank, is the present holder and owner of a certain Promissory Note #3629717075 dated February 1, 2000, in principal sum of One Hundred Forty Six Thousand Nine Hundred Forty Seven Dollars and 02/100 (\$146,947.02) executed by Frontier Industries, Inc., ("Existing Borrower"), in favor of said bank. The payment of said note is secured by a Deed of Trust bearing the same date recorded in Volume 3 of Official Records, Page 46 of the records of County Auditor of Skagit County under Auditor's File No. 200002030098 executed by Frontier Industries Inc., ("Existing Borrower").

The encumbered premises is owned by Frontier Industries Inc., and as of this date Terry and Charmaine Johnson and Mike and Lorie Johnson ("New Borrowers") do hereby assume and agree to pay the indebtedness evidenced by the aforesaid Promissory Note and do further agree to perform all of the covenants to be performed by the Borrowers in the aforesaid Promissory Note and Deed of Trust. Said note also secured by Assignment of Rents of even date.

In consideration of reduction of interest rate to 8.5% fixed, aforesaid note due on demand or if no demand then \$1,350.00 beginning 04-01-2001 and continuing monthly thereafter with balance in full due on or before 02-01-2004. There will be a prepayment penalty of 1% of the balance renewed this date if the loan is paid in full before 02-01-2004.

Dated this 7th day of March, 2001.

FRONTIER INDUSTRIES, INC

BY: [Signature]
Mike Johnson, President

BY: [Signature]
Mike Johnson, Individually

BY: Lorie Johnson
Lorie Johnson, Individually

BY: [Signature]
Terry Johnson, Vice President

BY: [Signature]
Terry Johnson, Individually

BY: [Signature]
Charmaine Johnson, Individually



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NOTORIAL ACKNOWLEDGMENT

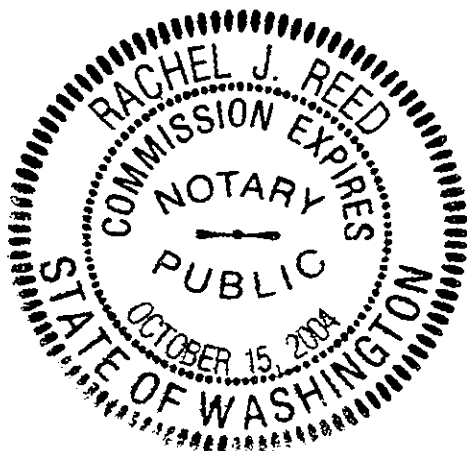
STATE OF WA
County of Skagit

On this 7th day of March, 2000, before me, the undersigned, a Notary Public in and for the State of WA, duly commissioned and sworn, personally appeared Mike Johnson to me known to be the President of Frontier Industries the corporation that executed the foregoing instruments and acknowledged the said instruments to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath state that he is authorized to execute the said instruments.

One (1) Assumption of Indebtedness

that (s)he signed and sealed these said documents as his free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 7th day of March, 2000.



Rachel J. Reed
NOTARY PUBLIC IN AND FOR THE
STATE OF WA
Residing at Carlsbad
My commission expires: 10-15-04



200103120158
, Skagit County Auditor

INDIVIDUAL ACKNOWLEDGMENT

State of Washington)
County of Skagit)

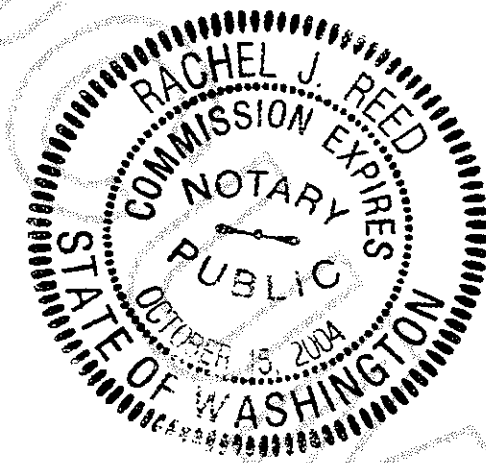
On this 10 day of March, 2001 before me, the undersigned, a Notary Public in and for the State of WA, duly commissioned and sworn, personally appeared Charmaine Johnson to me known to be the individuals described in and who executed the foregoing documents, that they signed and sealed these said documents as their free and voluntary act and deed, for the uses and purposes therein mentioned.

One (1) Assumption of Indebtedness

GIVEN under my hand and official seal this 10 day of March, 2001.

Rachel J. Reed
NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON

Residing at Anacortes
My commission expires on 10-15-04.



200103120158
Skagit County Auditor

INDIVIDUAL ACKNOWLEDGMENT

State of Washington)

County of Skagit

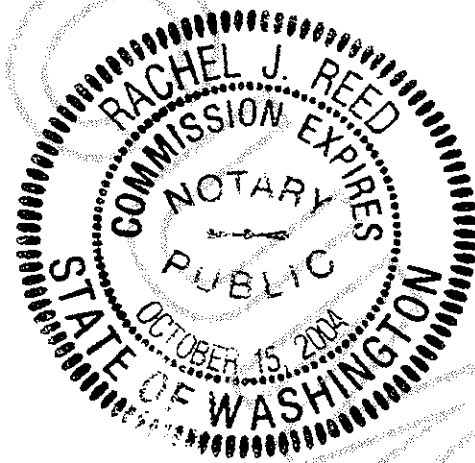
On this 7th day of March, 2001 before me, the undersigned, a Notary Public in and for the State of WA, duly commissioned and sworn, personally appeared Mike Samson, to me known to be the individuals described in and who executed the foregoing documents, that they signed and sealed these said documents as their free and voluntary act and deed, for the uses and purposes therein mentioned.

One (1) Assumption of Indebtedness

GIVEN under my hand and official seal this 7th day of March, 2001.

Rachel J. Reed
NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON

Residing at Anacortes
My commission expires on 10-15-04.



200103120158
, Skagit County Auditor

INDIVIDUAL ACKNOWLEDGMENT

State of Washington)
County of Skagit

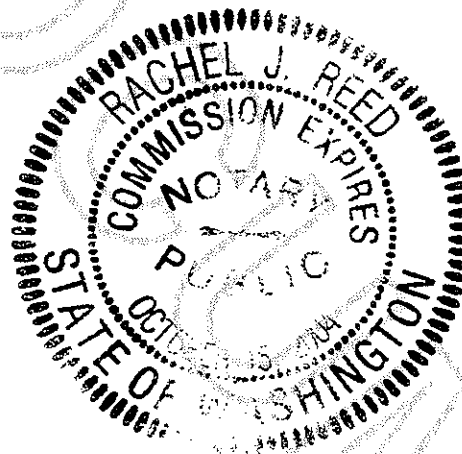
On this 7th day of March, 2001 before me, the undersigned, a Notary Public in and for the State of wa, duly commissioned and sworn, personally appeared Terry Johnson to me known to be the individuals described in and who executed the foregoing documents, that they signed and sealed these said documents as their free and voluntary act and deed, for the uses and purposes therein mentioned.

One (1) Assumption of Indebtedness

GIVEN under my hand and official seal this 7th day of March, 2001.

Rachel J. Reed
NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON

Residing at Circa Vista
My commission expires on 10-15-04.



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INDIVIDUAL ACKNOWLEDGMENT

State of Washington)
County of Skagit)

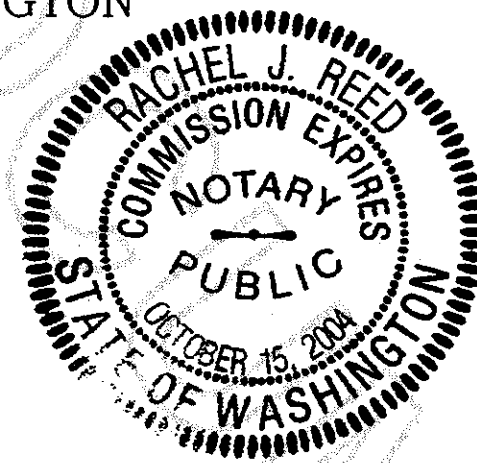
On this 7th day of March, 2001 before me, the undersigned, a Notary Public in and for the State of WA, duly commissioned and sworn, personally appeared Lorie Johnson, to me known to be the individuals described in and who executed the foregoing documents, that they signed and sealed these said documents as their free and voluntary act and deed, for the uses and purposes therein mentioned.

One (1) Assumption of Indebtedness

GIVEN under my hand and official seal this 7th day of March, 2000.

Rachel J. Reed
NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON

Residing at Anacortes
My commission expires on 10-15-04.



200103120158
, Skagit County Auditor

NOTORIAL ACKNOWLEDGMENT

STATE OF WA
County of Skagit

On this 7th day of MARCH, 2000, before me, the undersigned, a Notary Public in and for the State of WA, duly commissioned and sworn, personally appeared Terry Johnson to me known to be the Vice President Frontier Industries the corporation that executed the foregoing instruments and acknowledged the said instruments to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath state that he is authorized to execute the said instruments.

One (1) Assumption of Indebtedness

that (s)he signed and sealed these said documents as his free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 7th day of MARCH, 2000.



Rachel J. Reed
NOTARY PUBLIC IN AND FOR THE
STATE OF WA
Residing at Cinnacortes
My commission expires: 10-15-04



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Skagit County Auditor