



200311130085

Skagit County Auditor

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AFTER RECORDING RETURN TO:

HORIZON BANK
LOAN ADMINISTRATION
2211 RIMLAND DRIVE STE 230
BELLINGHAM, WA 98226-5699
ATTENTION: VIOLET MARTINSON

WASHINGTON STATE COUNTY AUDITOR'S/RECORDER'S INFORMATION (RCW 65.04):

GRANTOR: NORD NORTHWEST CORPORATION

GRANTEE: HORIZON BANK

LEGAL DESCRIPTION:

ABBREVIATED: LOT B-9, MADDOX CREEK PHASE 3, ALSO KNOWN AS
FUTURE PHASE MADDOX HIGHLANDS CONDO PHASE 1

[FOR THE FULL LEGAL DESCRIPTION SEE THE REFERENCED DEED OF TRUST]

ASSESSOR'S PROPERTY TAX

PARCEL ACCOUNT NUMBER(S): 4773-000-999-0100

REFERENCE NUMBER OF RELATED DOCUMENTS: 200211010003

Loan No. 0150007410

ASSUMPTION AGREEMENT

THIS ASSUMPTION AGREEMENT ("Agreement") is made as of September 22, 2003, by and between:

"Lender"	HORIZON BANK
"Original Nord"	NORD NORTHWEST CORPORATION, UBI #601-588-483
"Defunct Nord"	NORD NORTHWEST CORPORATION, UBI #601-964-122
"Guarantors"	RICHARD G. NORD AND DAWN M. NORD

with respect to the following facts:

A. On or about November 1, 2002, Lender loaned to a corporation named "Nord Northwest Corporation" ("**Borrower**") the principal sum of \$438,000.00 (the "**Loan**"), which Loan is evidenced by a Promissory Note ("**Note**") made by Borrower, and secured by a Construction Deed of Trust made by Borrower, as Grantor, recorded November 1, 2002, in Skagit County, Washington, under recording number 200211010003 ("**Deed of Trust**"), constituting a first-lien encumbrance on the real property, rents, and personal property and fixtures (the "**Property**") described in the Deed of Trust. The Note is guaranteed by Commercial Guaranties dated November 1, 2002 given by the Guarantors, jointly and severally (the "**Guaranty**"). The loan documents described in this paragraph and other documents evidencing and securing the Loan are collectively described as the "**Loan**".

Documents." A legal description of the real property encumbered by the Deed of Trust is attached hereto as Exhibit "A."

B. Original Nord changed its name to Nord, Inc. on June 28, 1999. Defunct Nord was incorporated as Nord Northwest, Inc. on June 28, 1999, but changed its name to Nord Northwest Corporation on July 19, 1999. Defunct Nord was dissolved by Articles of Dissolution filed with the Secretary of State of Washington on May 13, 2002. Original Nord changed its name *back* to Nord Northwest Corporation by Articles of Amendment filed with the Secretary of State of Washington on August 19, 2003.

C. There has been uncertainty as to whether the Loan was intended to be entered into with Original Nord or Defunct Nord. In order to alleviate such uncertainty, Original Nord wishes to assume and be liable for payment and performance of all indebtedness and obligations to Lender evidenced by the Note, Deed of Trust, Guaranty, and other Loan Documents.

NOW, THEREFORE, in consideration of the mutual benefits to be derived herefrom, it is agreed:

1. **Recitals.** The above recitals are true and correct and together with the Loan Documents, are by this reference incorporated into this Agreement as though fully set forth.

2. **Loan Assumption.** Original Nord hereby unconditionally assumes the Note, the Loan Agreement, the Deed of Trust, and the other Loan Documents, and unconditionally agrees to promptly pay, observe and perform as and when due the obligations under all such documents as if Original Nord had originally made and executed the same as borrower and grantor. Original Nord understands and agrees that it shall have full recourse liability for payment of the Loan and that Lender does not have to resort to any collateral or other security before requiring payment from Original Nord.

3. **Representations and Warranties.** To induce Lender to enter into this Agreement, Original Nord represents and warrants:

(a) **Binding Agreement.** Such party has full legal power and authority to enter into this Agreement, that all necessary consents and approvals for the execution and performance of this Agreement have been obtained, and when signed and delivered to Lender this Agreement will be the legal binding and enforceable obligation of such party.

(b) **Ownership.** Original Nord is vested in title to all of the Property described in the Deed of Trust or otherwise securing payment of the Loan and, except for the lien of real estate taxes and assessments not yet due, tenants in possession under leases approved by Lender or which are subordinate to the Deed of Trust, and other exceptions to title approved in writing by Lender, there exists no lien, charge or encumbrance against the Property created or arising subsequent to the recording date of the Deed of Trust.

(c) **Tax Identification Number and UBI Certification.** Original Nord certifies that its federal tax identification number is 91-1666237, and that its Washington U.B.I number is 601-588-483.

(d) **Voluntary Agreement.** Such party has read this Agreement, the Loan Documents and all other documents required by Lender in connection with this Agreement, is familiar with their respective terms and conditions, has had the opportunity for advice of counsel of such party's own selection in regard to the terms, meaning and effect of this Agreement, the Loan Documents and all such other documents, and is satisfied with and accepts the same in all respects. Such party further acknowledges having made this Agreement freely and voluntarily, without duress, and in reliance on no promise or representation of Lender or by which Lender is bound not expressly set forth herein.



4. **Release of Defunct Nord.** Lender hereby acquits and releases Defunct Nord from all liability to Lender for payment of principal and interest under the Note, Deed of Trust and the other Loan Documents. Original Nord and the Guarantors acknowledge that such release shall not diminish or have any effect on their respective liability under the Loan Documents

5. **Guarantors.** By signing below, Guarantors acknowledge that their joint and several guaranties of the Note continue undiminished, and each expressly ratifies their respective guaranties.

6. **Notices.** Notwithstanding anything to the contrary in the Loan Documents, any notice to "Borrower" provided for in the Loan Documents shall be given to Original Nord by delivering it or by mailing it by first-class mail or certified mail unless applicable law requires use of another method. The notice shall be directed to the following address or any other address Original Nord designates within the United States of America by written notice to Lender:

P.O. Box 1012
LaConner, WA 98257

Any notice to Lender shall be in writing and shall be given by delivering it or by mailing it by first-class mail directed to the following address or any other address Lender designates by notice to Original Nord:

Horizon Bank
Loan Administration
2211 Rimland Drive Ste 230
Bellingham, WA 98226-5699
Attn: Loan No. 0150007410

Notice given as provided above shall be deemed effective on the next business day following hand delivery and three business days following deposit in the U.S. mail.

7. **General.**

(a) **Entire Agreement.** This Agreement together with the Loan Documents constitutes the entire agreement between Original Nord and Lender with respect to the foregoing assumption of the Loan and shall not be amended except in writing signed by Original Nord and Lender.

(b) **Ratification.** As assumed herein the Loan Documents are ratified and affirmed and shall be and remain in full force and effect.

(c) **Lender's Expenses.** Original Nord shall pay and/or promptly reimburse Lender for all costs and expenses of Lender incurred in connection herewith including, without limitation, recording fees, document preparation charges, and charges of outside legal counsel.

(d) **Governing Law.** This Agreement shall be construed and enforced under the laws of the State of Washington. In any action or proceeding to construe or enforce this Agreement or any of the Loan Documents, the prevailing party shall recover its costs and reasonable attorneys' fees including those incurred in any trial or arbitration proceeding, in any bankruptcy or receivership proceeding, and in any appeal therefrom.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, TO EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.



Made to be effective as of the date first set forth above.

Original Nord:

NORD NORTHWEST CORPORATION

Lender:

HORIZON BANK

By: [Signature]
Richard G. Nord, Sr., President

By: [Signature]
Title: VP, Horizon Bank

Guarantors:

[Signature]
RICHARD G. NORD, SR.

[Signature]
DAWN M. NORD

STATE OF WASHINGTON)

COUNTY OF Skagit)

I certify that I know or have satisfactory evidence that Richard G. Nord, Sr. and Dawn Nord are the persons who appeared before me, and said person acknowledged that (s)he signed this instrument, on oath stated that (s)he was authorized to execute the instrument and acknowledge it as the _____ of HORIZON BANK, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 11-7-03

(seal)

Gail Renevard
(Print Notary Name) Gail Renevard
Notary Public in and for the State of Washington
residing at Mount Vernon
My appointment expires 6-19-07



Made to be effective as of the date first set forth above.

Original Nord:

NORD NORTHWEST CORPORATION

Lender:

HORIZON BANK

By: _____
Richard G. Nord, Sr., President

By: _____
Title: _____

Guarantors:

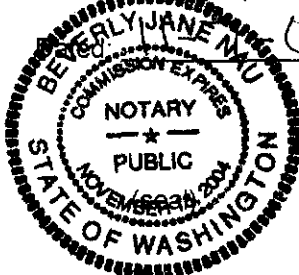
RICHARD G. NORD, SR.

DAWN M. NORD

STATE OF WASHINGTON)

COUNTY OF Whatcom)§

I certify that I know or have satisfactory evidence that Grace Peschke is the person who appeared before me, and said person acknowledged that (s)he signed this instrument, on oath stated that (s)he was authorized to execute the instrument and acknowledge it as the U.P. of HORIZON BANK, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.



Beverly Jane Nau
(Print Notary Name) Beverly Jane Nau
Notary Public in and for the State of Washington
residing at Bellingham
My appointment expires 11-16-04

ASSUMPTION AGREEMENT
Loan No. 0150007410

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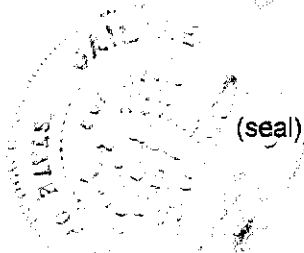
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STATE OF WASHINGTON)

COUNTY OF Skagit)
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I certify that I know or have satisfactory evidence that Richard G. Nord, Sr. is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledge it in his capacity as President of NORD NORTHWEST CORPORATION, a Washington corporation ("Original Nord") to be the free and voluntary act of Original Nord for the uses and purposes mentioned in the instrument.

Dated: 11-7-03



Gail Renouard
(Print Notary Name) Gail Renouard
Notary Public in and for the State of Washington
residing at Mount Vernon
My appointment expires 6-19-07

STATE OF WASHINGTON)

COUNTY OF Skagit)
)S
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I certify that I know or have satisfactory evidence that RICHARD G. NORD, SR. is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: 11-7-03



Gail Renouard
(Print Notary Name) Gail Renouard
Notary Public in and for the State of Washington
residing at Mount Vernon
My appointment expires 6-19-07



STATE OF WASHINGTON

COUNTY OF Skagit

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I certify that I know or have satisfactory evidence that DAWN M. NORD is the person who appeared before me, and said person acknowledged that she signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: 11-17-03

(seal)

Gail Renouard
(Print Notary Name) Gail Renouard
Notary Public in and for the State of Washington
residing at Mount Vernon
My appointment expires 6-19-07

ASSUMPTION AGREEMENT
Loan No. 0150007410

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Assumption Agreement – Nord Northwest Corporation

Legal description

The ("Real Property") located in Skagit County, State of Washington:

Lot B-9, MADDOX CREEK P.U.D., PHASE 3, recorded August 14, 2000, under Auditor's File No. 200008140137, records of Skagit County, Washington.

Also known as Future Phase Tract, MADDOX HIGHLANDS CONDOMINIUM PHASE 1, according to Amended Declaration thereof recorded January 26, 2001, under Auditor's File No. 200101260084 and Survey Map and Plans thereof recorded January 23, 2001, under Auditor's File No. 200101230037, records of Skagit County, Washington.

The Real Property or its address is commonly known as Lot B-9 Maddox Creek, Mount Vernon, WA 98273.

The Real Property tax identification numbers are: 4773-000-999-0100