



200706290197

Skagit County Auditor

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COVER SHEET

RETURN TO:

Patrick M. Hayden
Attorney at Law
P. O. Box 454
Sedro-Woolley, WA 98284

DOCUMENT TITLE(S) (or transactions contained herein):

1. ASSUMPTION AGREEMENT AND NOTE MODIFICATION

REFERENCE NUMBERS(S) OF DOCUMENTS ASSIGNED OR RELEASED:

FIRST AMERICAN TITLE CO.

1. Skagit County AF No. 200406110109 (Deed of Trust)

91041-2

GRANTOR(S) (Last name, first name and initials):

- 1. Bennett, Michael
- 2. Bennett, Carolyn

Duplicate
ORIGINAL

GRANTEE(S) (Last name, first name and initials):

- 1. Guffie, Doyle
- 2. Guffie, Mary

LEGAL DESCRIPTION (Abbreviated: i.e., lot, block, plat or quarter, quarter, section, township and range).

Ptn. Lot 6 "Plate No. 2 Sedro Home acreage" (aka Tracts, "A", "C", and "D" of Short Plat SW - 02-83)

ASSESSOR'S PARCEL/TAX I.D. NUMBER: P77152, P77154 and P77155

After recording return to:

Patrick M. Hayden
Law Office
PO Box 454
Sedro-Woolley, WA 98284

ASSUMPTION AGREEMENT AND NOTE MODIFICATION

This ASSUMPTION AGREEMENT AND NOTE MODIFICATION (the "Agreement") dated below between Michael Bennett and Carolyn Bennett, husband and wife, whose address is 1125 Orchard Ave, Snohomish, WA 98290 ("Bennett"), and Doyle Guffie and Mary Guffie, husband and wife, whose address is 7674 Alpine Lane, Sedro-Woolley, WA 98284 ("Guffie").

WITNESSETH:

THAT, WHEREAS, Ryan Ostrom and Sheila Ostrom, husband and wife ("Ostrom") are the original makers of that certain Promissory Note (the "Note") dated June 8, 2004, in the original principal sum of Five Hundred Seventy Thousand and no/100ths Dollars (\$570,000.00) made to the order of Doyle Guffie and Mary Guffie, husband and wife; and

WHEREAS, Guffie was and is the original holder of the interest of beneficiary in that certain Deed of Trust executed June 8, 2004 by Ostrom, recorded on June 11, 2004, in Auditor's File No. 200406110109, in the records of Skagit County, Washington (the "Deed of Trust") securing the Note and encumbering, that certain real property described in the Deed of Trust as follows, originally owned by Guffie and sold to Ostrom and described as follows:

Tracts "A", "C" and "D", Sedro-Woolley Short Plat No. 0283, approved March 8, 1983 and recorded March 9, 1983 in Volume 6 of Short Plats, page 51, under



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Auditor's File No. 83090021; being located in Lot 6 "PLATE NO. 2, SEDRO HOME ACREAGE, SKAGIT CO, WASH.", as per plat recorded in Volume 3 of Plats, page 60, records of Skagit County, Washington; Situated in Skagit County, Washington.

WHEREAS, Ostrom filed bankruptcy in US Bankruptcy Court for the Western District of Washington, Case No. 06-14138, and an order was entered in that case dated June 8, 2007, authorizing the Trustee to sell the real property described above to Bennett free and clear of all liens except the above-referenced note and deed of trust, which Bennett shall pay at closing or assume;

WHEREAS, by instrument to be recorded concurrently herewith in the records of Skagit County, Washington, the Bankruptcy Trustee has or will execute a deed conveying all right, title and interest in said real property to Bennett, subject to the obligations set forth in this agreement and assumed by Bennett;

WHEREAS, Bennett is willing to assume the obligations of Ostrom under the Note and Deed of Trust and Guffie is willing to accept Bennett as the principal obligor under the Note and Deed of Trust upon modification of the Note and otherwise on the terms set forth herein.

NOW, THEREFORE, in consideration of the promises and obligations set forth herein, the mutual premises herein contained and other good and valuable consideration, the legal sufficiency of which are hereby acknowledged, Bennett and Guffie agree as follows:

1. Representations and Warranties. Bennett hereby represents and warrants that it has received and is fully familiar with the terms and conditions of the Note and Deed of Trust being assumed; and makes to Guffie with respect to itself as of the date hereof all the representations and warranties made by Ostrom in the Note and Deed of Trust as if all the references to Ostrom under the Documents were references to Bennett.

2. Assumption. Bennett hereby assumes and agrees to pay and perform, without limitation, the Obligations under the Note and Deed of Trust, and to be bound by all the terms and conditions of the Note and Deed of Trust as if the Documents had originally been executed by Bennett, except as modified herein. Each of the Documents shall remain in full force and effect; and all of the security for the payment and performance of the Obligations shall remain as security therefore, except as modified herein. Nothing contained herein is intended to or shall be construed to release, affect the priority of, or otherwise impair any of the security for the payment and performance of the Note and Deed of Trust. Bennett hereby ratifies and grants Guffie the liens and security interests set forth in the Note and Deed of Trust.

3. Modification of Note. The Note shall be and is hereby modified to provide as follows:

- a. The unpaid principle balance is Five Hundred Sixty Thousand (\$560,000.00).
- b. The note shall bear interest at eight percent (8%) per annum if current, and twelve percent (12%) per annum after maturity or if in default, including failure to pay any installment when due.



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c. Interest shall commence on the date of recording of the Trustee's Deed referred to herein, or June 28, 2007, whichever is sooner.

d. The Note shall be paid monthly as follows: Three Thousand Seven Hundred Thirty Three and 34/100ths Dollars (\$3,733.34) or more on July 28, 2007 and Three Thousand Seven Hundred Thirty Three and 34/100ths Dollars (\$3,733.34) or more on the 28th day of each month until June 28, 2017, when the entire unpaid balance of both principle and interest, if any, shall be due in full.

e. The real property described in the Deed of Trust shall not be sold or conveyed by Bennett during the term of the Note and Deed of Trust without approval by Guffie of the purchaser's credit worthiness, which approval shall not be unreasonably withheld. Violation of this condition shall constitute default.

This modification to the Note shall be deemed to form a part of the Note and is hereby incorporated into the Note to become a part thereof and shall be deemed to supplement and amend the terms and conditions of the Note. This modification to the Note is a revision only and not a notation, and, except as modified above, all other terms and conditions of the Note shall remain in full force and effect.

4. Title Insurance. Bennett shall deliver to Guffie a lender's ALTA policy of title insurance from First American Title Company of Skagit County insuring that the Deed of Trust, as assumed, is in first lien priority and insuring that Guffie is the beneficiary under the Deed of Trust, subject only to those exceptions shown in Schedule "B" of that certain title commitment issued by Chicago Title Insurance Company for Order No. 91041, dated June 20, 2007, as may be acceptable to Guffie.

5. Further Performance. Bennett shall execute and deliver to Guffie such further instruments and do such things as are necessary or desirable, in the reasonable judgment of Guffie, to effect the intent of this Agreement and to secure to Guffie the benefit of all rights and remedies conferred upon Guffie by the terms of this Agreement. In particular, the parties shall execute such forms as are necessary to provide for collection of the Note at the bank of Guffie's choice, in Skagit County, Washington.

6. Contingencies. This Agreement shall not be binding upon Guffie unless and until the following condition have been satisfied:

(a) Bennett has delivered to Guffie or into escrow this ASSUMPTION AGREEMENT AND NOTE MODIFICATION and other items, all of which shall be properly completed and executed and shall otherwise be in form and substance satisfactory to Guffie and the escrow agent, in their reasonable discretion.

(b) The title company is irrevocably committed to issue to Guffie the ALTA Title Policy.

(c) This agreement is recorded with the Skagit County Auditor concurrent with the Trustee's Deed.

Waiver by Guffie of any of the foregoing as a condition to the effectiveness of this Agreement shall not relieve Bennett of the obligation to satisfy such condition as promptly as possible thereafter.



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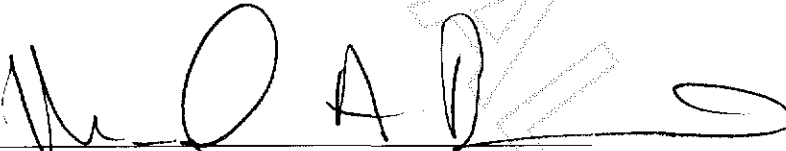
7. Governing Law. Bennett and Guffie hereby agree that this Agreement shall be interpreted, construed and enforced according to the laws of the State of Washington.

8. Successors and Assigns. This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective representatives, successors and assigns.

9. Amendments in Writing. This Agreement, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Bennett or Guffie, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

10. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF, parties have executed this Agreement this ____ day of June, 2007.



Michael Bennett

Carolyn Bennett

Doyle Guffie

Mary Guffie



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State of Washington)
) ss.
County of Skagit)

On this day personally appeared before me Michael Bennett and Carolyn Bennett, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 28th day of June, 2007.



Cheryl Olson
Notary Public in and for the State of
Washington, residing at Scard Doolley
My Commission Expires: 6-20-10
Print Name Cheryl Olson

State of Washington)
) ss.
County of _____)

On this day personally appeared before me Doyle Guffie and Mary Guffie, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this _____ day of _____, 2007.

Notary Public in and for the State of
Washington, residing at _____
My Commission Expires: _____
Print Name _____



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7. Governing Law. Bennett and Guffie hereby agree that this Agreement shall be interpreted, construed and enforced according to the laws of the State of Washington.

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IN WITNESS WHEREOF, parties have executed this Agreement this 28th day of June, 2007.

Michael Bennett

Carolyn Bennett
Carolyn Bennett



Doyle Guffie

Mary Guffie



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Skagit County Auditor

State of Washington)
) ss.
County of Snohomish)

On this day personally appeared before me ^{CB} ~~Michael Bennett~~ and Carolyn Bennett, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 28th day of June, 2007.



Jennifer S Stafford
Notary Public in and for the State of
Washington, residing at 903 2nd St Snohomish
My Commission Expires June 15 2010
Print Name Jennifer S Stafford

State of Washington)
) ss.
County of _____)

On this day personally appeared before me Doyle Guffie and Mary Guffie, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this _____ day of _____, 2007.

Notary Public in and for the State of
Washington, residing at _____
My Commission Expires: _____
Print Name _____



7. Governing Law. Bennett and Guffie hereby agree that this Agreement shall be interpreted, construed and enforced according to the laws of the State of Washington.

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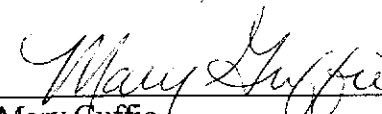
IN WITNESS WHEREOF, parties have executed this Agreement this 26 day of June, 2007.

Michael Bennett

Carolyn Bennett



Doyle Guffie



Mary Guffie



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State of Washington)
) ss.
County of _____)

On this day personally appeared before me Michael Bennett and Carolyn Bennett, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

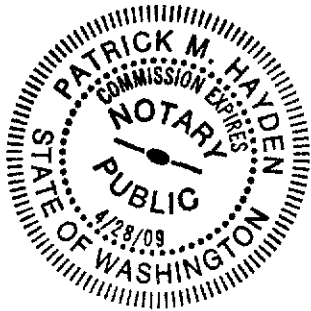
Given under my hand and official seal this _____ day of _____, 2007.

Notary Public in and for the State of
Washington, residing at _____
My Commission Expires: _____
Print Name _____

State of Washington)
) ss.
County of Skagit)

On this day personally appeared before me Doyle Guffie and Mary Guffie, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 26 day of June, 2007.



Patrick M. Hayden
Notary Public in and for the State of
Washington, residing at Salvo-Woolley
My Commission Expires: 4-28-09
Print Name Patrick M. Hayden



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Skagit County Auditor