



201407020017

Recording Requested By,
And After Recording, Return To:
WELLS FARGO BANK,
NATIONAL ASSOCIATION
145 Thomas Langston Road
Winterville, North Carolina 28590
MAC D1644-018
Attn: CLS LDCMR

Skagit County Auditor \$75.00
7/2/2014 Page 1 of 4 10:30AM

ASSUMPTION AGREEMENT
(DEED OF TRUST)

73840-2

GUARDIAN NORTHWEST TITLE CO.

Grantor (Borrower): JERRY L. SMITH
Grantee (Transferee): 101 NORTH HILL, LLC
Grantee (Bank): WELLS FARGO BANK, NATIONAL ASSOCIATION
Grantee (Trustee): FIRST AMERICAN TITLE INSURANCE COMPANY
Reference No. of Deed of Trust: 200305190202

THIS ASSUMPTION AGREEMENT (this "Agreement") is entered into as of June 24, 2014, by and among JERRY L. SMITH (individually and collectively the "Borrower"), 101 NORTH HILL, LLC ("Transferee"), and WELLS FARGO BANK, NATIONAL ASSOCIATION ("Bank").

RECITALS

WHEREAS, Borrower obtained a loan from Bank evidenced by, and subject to the terms of, that certain promissory note dated as of May 19, 2003, in the original principal amount of \$4,700,000.00 (the "Note"), which Note is secured by a deed of trust dated as of May 19, 2003, executed by Borrower, as Trustor, to FIRST AMERICAN TITLE INSURANCE COMPANY, as Trustee, for the benefit of Bank, as Beneficiary, and recorded on May 19, 2003, under Auditor's No. 200305190202 of the records of Skagit County, Washington, as modified on July 10, 2006 and July 5, 2011, under Auditor's File Nos. 200607100171, 200607100172 and 201107050093 ("Deed of Trust");

WHEREAS, title to the real property encumbered by the Deed of Trust (the "Property") is being or has been transferred by Borrower to Transferee; and

WHEREAS, Borrower and Transferee have requested that Bank consent to said transfer and permit the assumption by Transferee of the obligations of Borrower to Bank under the Note and the Deed of Trust, and Bank has agreed to said transfer and assumption on the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the mutual covenants and promises of the parties contained herein, the parties agree as follows:

1. ASSUMPTION. Transferee hereby assumes and will pay when due all sums now due and owing or to become due or owing under, and will hereafter faithfully perform and be bound by all terms and conditions of, the Note, the Deed of Trust and each other contract, instrument and document evidencing obligations of Borrower to Bank in connection with the Note and/or the Deed of Trust (collectively, the "Loan Documents") as if it was the original party thereto. As of the date hereof, the outstanding principal balance of the Note is \$5,093,559.25.

2. **RELEASE OF BORROWER.** Borrower is hereby released from all liability under the Loan Documents, and from any obligations accruing thereunder.

3. **ADDITIONAL DOCUMENTATION.** In addition to this Agreement and any other contract, instrument or document required hereunder, Borrower and Transferee shall deliver or cause to be delivered to Bank any additional agreements or documentation required by Bank, in form and substance satisfactory to Bank, including without limitation, evidence of insurance coverage on the Property, UCC financing statements or amendments, and policies of title insurance or endorsements to existing title policies insuring the continued validity and priority of Bank's lien on the Property subject only to such exceptions as Bank shall approve in its discretion. Borrower and Transferee shall pay or reimburse Bank immediately upon demand for all costs and expenses incurred by Bank in connection with any of the foregoing.

4. **REPRESENTATIONS OF BORROWER AND TRANSFEREE.** Borrower and Transferee each represents and warrants to Bank that (a) it has obtained all consents and approvals necessary or required for the transfer of Property and the assumption of all the obligations as set forth herein, (b) there exists no default as defined in any of the Loan Documents, nor any condition, act or event which with the giving of notice or the passage of time or both would constitute any such default, and (c) there are no claims, defenses (legal or equitable), counterclaims, set-offs and/or other rights or remedies whatsoever that either now may have, claim or assert against Bank that would in any way alter, reduce or extinguish any obligations to Bank under any of the Loan Documents. Transferee further represents and warrants to Bank that it has personal knowledge of all terms and conditions of each of the Loan Documents, and agrees that Bank shall have no duty to provide any information to Transferee regarding said terms and conditions prior to execution of this Agreement. All representations and warranties herein shall be deemed made as of the date hereof and as of the date on which all Conditions Precedent set forth below have been satisfied.

5. **BANK CONSENT.** Bank hereby consents to the transfer of the Property to Transferee and acknowledges that said transfer does not constitute a default under the Loan Documents. Borrower and Transferee each acknowledges that Bank's consent to the transfer and assumption set forth herein shall not be deemed to be a consent by Bank to any further or subsequent assumption by any party of any of the obligations of Transferee to Bank under any of the Loan Documents, or to the sale or other transfer of all or any portion of or interest in the Property.

6. **CONTINUING VALIDITY OF LOAN DOCUMENTS.** All terms and conditions of the Loan Documents not expressly modified herein remain in full force and effect, as assumed by Transferee, without waiver or amendment.

7. **NOTICES.** Any notices required to be sent to Transferee under the Deed of Trust shall be sent to the address set forth below Transferee's signature.

8. **CONDITIONS PRECEDENT.** As conditions precedent to the effectiveness of this Agreement, each of the following conditions shall have been fulfilled to Bank's satisfaction.

(a) the recording of the transfer of title to the Property from Borrower to Transferee; and

(b) the execution and delivery to Bank of this Agreement and each other contract, instrument and document required hereunder.

9. **HEADINGS.** The headings used herein are for descriptive purposes only and shall not be deemed a part of the provisions hereof.

10. **GOVERNING LAW.** This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.



201407020017

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

BANK:

WELLS FARGO BANK
NATIONAL ASSOCIATION

By: [Signature]
Name: Robert Lampson
Title: Vice President

TRANSFeree:

101 NORTH HILL, LLC

By: [Signature]
Name: Jerry L. Smith
Title: Member
Address: 12484 Reservation Road
Anacortes, Washington 98221

BORROWER:
JERRY L. SMITH

[Signature]
Jerry L. Smith

OBTAIN NOTARY ACKNOWLEDGMENTS

CORPORATE ACKNOWLEDGMENT

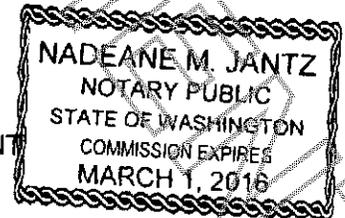
STATE OF WASHINGTON)
County of Skagit) SS.

I certify that I know or have satisfactory evidence that Robert Lampson is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she is authorized to execute the instrument and acknowledged it as the Vice President of WELLS FARGO BANK, NATIONAL ASSOCIATION to the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED: June 24, 2014

Name (typed or printed): Nadeane M Jantz
NOTARY PUBLIC in and for the State of Washington
Residing at: ARLINGTON WASH
My appointment expires: 3-1-16

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

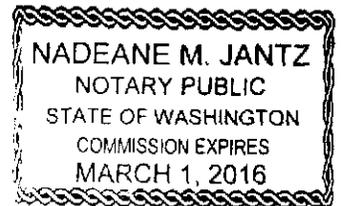


STATE OF WASHINGTON)
) SS.
County of Skagit)

I certify that I know or have satisfactory evidence that Jerry L. Smith is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she is authorized to execute the instrument and acknowledged it as the Member of 101 NORTH HILL, LLC to the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED: June 24 2014

Name (typed or printed): Nadeane M Jantz
NOTARY PUBLIC in and for the State of Washington
Residing at: ARLINGTON WASH
My appointment expires: 3-1-16



INDIVIDUAL ACKNOWLEDGMENT

STATE OF WASHINGTON)
) SS.
County of Skagit)

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

DATED: June 24, 2014

Name (typed or printed): Nadeane M Jantz
NOTARY PUBLIC in and for the State of Washington
Residing at: ARLINGTON WASH
My appointment expires: 3-1-16

