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12/30/2021 11:24 AM Pages: 1 of 8 Fees: \$208.50
Skagit County Auditor

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AMENDED AND RESTATED PROMISSORY NOTE

\$144,000

20003180029

December 20th, 2021
Mt. Vernon, Washington

WHEREAS, Steven and Brianna Owen, a married couple (collectively the "Borrower"), entered into that certain "Real Estate Purchase and Sale Agreement" dated October 31, 2019, pursuant to which Borrower agreed to purchase certain real property identified as parcels P21106 and P21107 in Skagit County, Washington (collectively the "Property") from Michael Hoffman in his capacity as Trustee of the Gordon R. Henderson Revocable Living Trust dated September 24, 2014 (the "Lender"); and

WHEREAS, Lender agreed to finance the sale of the Property to Borrower over a three-year period; and

WHEREAS, the original purchase price for the Property was One Hundred Thousand Dollars, the payment for which was memorialized in a promissory note dated March 12, 2020, between Borrower as Maker and Lender as Holder (the "Original Note"), in the original principal amount of One Hundred Thousand Dollars (\$100,000); and

WHEREAS, the Original Note required Borrower to make monthly installment payments in the amount of One Thousand Dollars (\$1,000) for thirty-six (36) months, with the full balance due on March 17, 2023; and

WHEREAS, on March 16, 2020, Borrower and Lender entered into that certain "Owner/Seller Financing Addendum," pursuant to which they agreed to increase the purchase price for the Property from One Hundred Thousand Dollars (\$100,000) to One Hundred Ninety Thousand Dollars (\$190,000); and

WHEREAS, although they amended the purchase and sale agreement, they did not amend the Original Note to reflect the true amount owed; and

WHEREAS, Borrower has made timely payments totaling Forty-Six Thousand Dollars (\$46,000), leaving an unpaid balance of One Hundred Forty-Four Thousand Dollars (\$144,000); and

WHEREAS, in order to properly memorialize Borrower's repayment obligation, the parties wish to amend and restate the Original Note as provided herein; and

WHEREAS, this Amended and Restated Promissory Note (the "Note") replaces and fully supersedes the Original Note, which is hereby terminated and of no further force or effect; and

WHEREAS, these recitals form a substantive part of this Note and are incorporated into the body of the instrument as if set forth therein.

NOW, THEREFORE, the parties hereto agree as follows:

LOAN. Borrower promises to pay to the order of Lender the principal sum of One Hundred Forty-Four Thousand Dollars (\$144,000), upon the agreements, terms, and conditions provided in this Promissory Note (the "Note").

INTEREST. The amounts owing under this Note shall not bear interest; provided, however, that should the Borrower default on any of the obligations set forth in this Note, all sums owing on the Note shall bear interest at the rate of eighteen percent (18%) per annum or the maximum rate allowed by applicable law, whichever is lower (the "Default Rate").

PAYMENT. Borrower shall, on or before the 17th day of each month, pay principal and interest payments to the Lender in the amount of One Thousand Dollars (\$1,000) per month. On or before the 17th day of March, 2023, the Borrower shall pay all unpaid principal and interest remaining due on the Note, and shall pay any and all costs, expenses, and other charges due and payable on this Note. All payments shall be made in the lawful currency of the United States of America. All payments shall be made to the Lender at the address specified herein for notices or at such other place as the Lender may specify in writing. THIS NOTE REQUIRES A BALLOON PAYMENT AT MATURITY.

LATE CHARGE. Subject to applicable law, if any payment is not made within fifteen (15) days after it becomes due, the Lender may collect a delinquency charge of five percent (5%) of the unpaid amount. Collection of the late payment fee shall not be deemed to be a waiver of the Lender's right to declare a default hereunder. Such late charge represents the reasonable estimate of Lender and Borrower of a fair average compensation for the costs incurred by Lender due to Borrower's failure to make timely payment. Such late charge shall be paid without prejudice to the right of Lender to collect any other amounts required to be paid hereunder, including, without limitation, interest at the Default Rate.

PREPAYMENT. The Borrower may prepay any amount owing on this Note without incurring any additional charge. Notwithstanding any prepayment, the Borrower shall continue to make all succeeding installments or other payments as they become due, until this Note is completely paid.

SECURITY. This Note is secured by a deed of trust dated March 12, 2020, recorded under Skagit County Auditor's File No. 202003180029. The parties reaffirm that the deed of trust secures the full sum due under this Note.

DEFAULT. The term "Default" as used herein means any of the following events: (i) the

Borrower at any time fails to pay, when due, any sum owing on this Note; or

(ii) the Borrower breaches or fails to perform any obligation under this Note or any other agreement between the Borrower and the Lender; or

(iii) the Borrower files or is served with any petition for relief under 11 USC §1 et seq. or any similar federal or state statute; or a proceeding is instituted against the Borrower seeking a readjustment of the Borrower's indebtedness; or the Borrower

assigns any of its assets for the benefit of its creditors; or an action is commenced to appoint, or the Borrower consents to the appointment of a receiver or trustee for all or any part of the Borrower's property; or the Borrower admits, in writing, its inability to pay its debts as they become due; or the Borrower becomes insolvent; or a court of competent jurisdiction enters an order approving a petition seeking a reorganization of the Borrower or appointing a receiver, trustee, or other similar official of substantially all of Borrower's assets.

Upon a Default, the Lender shall deliver written notice of the Default to the Borrower. The Borrower shall have the right to cure, within a period of ten (10) days from the time the Borrower receives notice of a Default (the "Cure Period"), any Default.

If the Borrower fails to cure a Default within the Cure Period, all amounts owing on the Note shall, upon Lender's delivery of written notice to Borrower, become immediately due and payable. If the Lender accelerates the amounts due under this Note, the Lender shall have the right to pursue any or all of the remedies provided in this Note, including, but not limited to, the right to bring suit on the Note.

DUE ON SALE. Upon the sale, gift, conveyance, or other transfer of the Property, all sums due under this Note shall immediately be due and payable without prior notice or election from Lender.

REMEDIES. Upon any Event of Default, Lender may declare the entire principal balance and all accrued interest immediately due and payable and exercise any remedies available to Lender at law or in equity. Whether or not Lender exercises such option to accelerate, the entire principal balance, all accrued interest, and all other amounts payable under this Note shall bear interest at the Default Rate. Lender's failure to exercise any right or remedy shall not be a waiver of the right to exercise the same upon any subsequent Event of Default. The foregoing remedies shall be in addition to any other legal and equitable rights and remedies. All rights and remedies granted under this Note shall be deemed cumulative and not exclusive of any other right or remedy available to the Lender.

WAIVERS. Borrower, without affecting their liability hereunder, hereby (a) waives diligence, presentment, protest and demand, (b) waives notice of protest, of demand, of nonpayment, of dishonor and of maturity; and (c) consents to any extension or alteration of the time or terms of payment hereof, any and all renewals, extensions or modifications of the terms hereof, any release of all or any part of any security which may be given for the payment hereof, any acceptance of additional security of any kind, and any release of or resort to any party liable for payment hereof, any of which may be made without notice to any of said parties. Unless and to the extent otherwise limited by the express terms of this Note, this Note is executed with recourse against the assets of the Borrower. No right or obligation under this Note will be deemed to have been waived unless evidenced by a writing signed by the party against whom the waiver is asserted, or by its duly authorized representative.

ATTORNEYS' FEES, COSTS, AND OTHER EXPENSES. Borrower agrees to pay all costs and expenses which the Lender may incur by reason of any Default, including, but not limited to,

reasonable attorneys' fees, expenses, and costs incurred in any action undertaken with respect to this Note, or any appeal of such an action. Any judgment recovered by the Lender shall bear interest at the Default Rate.

TRANSFER; OBLIGATIONS BINDING ON SUCCESSORS. The Borrower may not transfer any of its rights, duties, or obligations under this Note without the prior written consent of the Lender. This Note, and the duties set forth in the Note, shall bind the Borrower and its successors and assigns. All rights and powers established in this Note shall benefit the Lender and its successors and assigns.

NOTICES. Any notice, consent, or other communication required or permitted under this Note shall be in writing and shall be deemed to have been duly given or made either (a) when delivered personally to the party to whom it is directed (or any officer or agent of such party), or (b) three days after being deposited in the United States' certified or registered mail, postage prepaid, return receipt requested, and properly addressed to the party. A communication will be deemed to be properly addressed if sent to the following addresses:

To Lender:

Michael Hoffman, Trustee
PO Box 1723
Burnsville, NC 28714

To Borrower:

Steven and Brianna Owen
13814 Bayview Rd.
Mount Vernon, WA 98273

The Borrower or the Lender may at any time during the term of this Note change the address to which notices and other communications must be sent by providing written notice of a new address within the United States to the other party. Any change of address will be effective ten (10) days after notice is given.

GOVERNING LAW. This Note will be construed and the rights, duties, and obligations of the parties will be determined in accordance with the laws of the State of Washington.

VENUE. The Borrower agrees that any action on this Note must be brought in a court of appropriate jurisdiction in Skagit County, Washington.

HEADINGS. Headings used in this Note have been included for convenience and ease of reference only, and will not in any manner influence the construction or interpretation of any provision of this Note.

ENTIRE AGREEMENT. This Note represents the entire understanding of the parties with respect to the subject matter of the Note. There are no other prior or contemporaneous agreements, either written or oral between the parties with respect to this subject. This Note expressly supersedes the Original Note, which is hereby terminated and of no further force or effect.

WAIVER. No right or obligation under this Note will be deemed to have been waived unless evidenced by a writing signed by the party against whom the waiver is asserted, or by its duly authorized representative. Any waiver will be effective only with respect to the specific instance

PROMISSORY NOTE

involved, and will not impair or limit the right of the waiving party to insist upon strict performance of the right or obligation in any other instance, in any other respect, or at any other time.

SEVERABILITY. The parties intend that this Note be enforced to the greatest extent permitted by applicable law. Therefore, if any provision of this Note, on its face or as applied to any person or circumstance, is or becomes unenforceable to any extent, the remainder of this Note and the application of that provision to other persons, circumstances, or extent, will not be impaired.

REFERENCES. Except as otherwise specifically indicated, all references in this Note to numbered or lettered sections or subsections refer to sections or subsections of this Note. All references to this Note include any subsequent amendments to the Note.

MAXIMUM INTEREST. Notwithstanding any other provisions of this Note, any interest, fees, or charges payable by reason of the indebtedness evidenced by this Note shall not exceed the maximum permitted by law.

BUSINESS PURPOSE. The parties hereto affirm that this note represents a debt incurred in the course of business, or otherwise related to a business purpose.

WAIVER OF JURY TRIAL. Borrower and Lender hereby jointly and severally waive any and all right to trial by jury in any action or proceeding relating to note, the obligations thereunder, any collateral securing the obligations, or any transaction arising therefrom or connected thereto. Borrower and Lender each represents to the other that this waiver is knowingly, willingly, and voluntarily given.

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

SIGNATURES ON FOLLOWING PAGE

BORROWER:

CS

Steven Owen

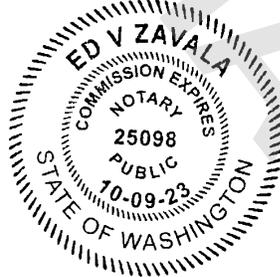
Brianna

Brianna Owen

STATE OF WASHINGTON }
COUNTY OF SKAGOT } §

This record was acknowledged before me on the date specified below by Steven Owen and Brianna Owen.

{Stamp}



Ed V. Zavala

(Signature) NOTARY PUBLIC

Date: 12/20/2021

My commission expires: 10/09/2023