200001260027 Kathy Hill, Skagit County Auditor 1/26/2000 Page 1 of 3 10:31:48AM

MORTGAGE

Tax Parcel Number P76776
Tax Account Number 4166-024-005-0007

DAVID & MERRILLANN HUTCHINSON 3406 W. LK. SAMMAMISH PKWY, N.E. REDMOND, WA 98052-5907 425-885-9105

The Mortgagors, Brian Conlin and Kim Hutchinson;
Hereby mortgage to David C. Hutchinson and Merrillann
Hutchinson, hereinafter called the mortgagees, the following
described real property, situated in SKAGIT County, State of
Washington, and all interest or estate therein that the
mortgagors may hereafter acquire, together with the income,
rents and profits therefrom, to-wit:

Lots 4 and 5, Block 24, REPLAT OF JUNCTION ADDITION TO SEDRO WOOLEY, according to the plat thereof recorded in Volume 3 of Plats, page 48, records of Skagit County, Washington.

Situated in Skagit County, Washington.

together with all plumbing, lighting, air conditioning and heating(including oil and gas burners) apparatus and equipment nor or hereafter installed in said premises, all of which, as between the parties hereto, shall be considered part of the realty, to secure the payment of ----Fourteen Thousand nine hundred ninety three Dollars (\$14,993) plus interest and amounts that may be subsequently agreed to by mortgagors and mortgagees, according to the terms of one or more promissory notes now or hereafter executed by the mortgagors and to secure the payment of such additional money as may be loaned hereafter by the mortgagees to the mortgagors for the purpose of repairing, renovating, altering, adding to or improving the mortgaged property, or any part thereof. If the mortgage indebtedness is evidenced by more than one note, the mortgagees may credit payments received by them upon any of said notes, or part of any payment on one note and part on another, as the mortgagees may elect.

The mortgagors covenant with the mortgagees as follows: That they are the owners in fee simple of all the above described real estate, and that the same is unencumbered; That the property mortgaged hereby is not used principally of primarily for agricultural or farming purposed; that they will, during the continuance of this mortgage, permit no waste of the premised, will complete all buildings, structures or improvements being built or about to be built thereon, will keep the property in good order and repair, will not move or alter any of the structures on the mortgaged property without the written consent of the mortgagees, will pay before delinquent all lawful taxes and assessments upon the mortgage property and upon this mortgage or upon the money or debt secured hereby, and will keep the property free and clear of all other encumbrances impairing the mortgagees' security, and will keep the buildings on the mortgaged property continuously insured for at least One Hundred Thousand and No/100 Dollars (\$100,000.00) by some responsible insurance company or companies satisfactory to the mortgagee against loss by fire with extended coverage endorsements, and against other hazards and casualties in such amounts and for such periods as may be required by the mortgage, and cause all insurance policies to be endorsed and delivered to the mortgagees.

Should the mortgagors fail to keep any of the foregoing covenants, then the mortgagees may perform them, without waiving any other right or remedy herein given for any such breach; and all expenditures in that behalf shall be secured by this mortgage and bear interest at the rate of seven per cent (7%) per annum and be repayable by the mortgagor on demand.

In case of default in the payment of any installment of said debt, or of a breach of any of the covenants herein contained, then the entire debt hereby secured shall, at the mortgagees' option, become immediately due without notice, and this mortgage may be foreclosed.

The mortgagors shall pay the mortgagees a reasonable sum as attorney's fees in any suit that may be lawfully brought for the foreclosure of this mortgage and in any suit which the mortgagees to protect the lien hereof, is obliged to prosecute or defend; and shall pay such reasonable cost of searching records and abstracting the same as may necessarily be incurred in foreclosing this mortgage or protecting the same; which sums shall be secured hereby and may be included in the decree of foreclosure. Upon bringing action to foreclose this mortgage or at any time while such proceeding is pending, the mortgagees, without notice, may apply for and secure the appointment of a receiver for the mortgaged property or any part thereof, and the income, rents and profits therefrom.

Page 2 of

200001260027 Kathy Hill, Skagit County Auditor, 1/26/2000 Page 2 of 3 10:31:48AM Dated at Woodin ville, Washington,

1999

State of Washington

County of King ss.

This is to certify, that on this day of god NA.D., 1999 before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally came BRIAN CONLIN and KIM HUTCHINSON to me known to be the individuals described in and who executed the within instrument, and acknowledged to me that they signed and sealed the same as their free and voluntary act and deed for the uses and purposes therein mentioned.

Witness my hand and official seal the day and year in

this certificate first above written.

Notary Public in and for the State of Washington residing

at 6 moderable, County of

Page 3 of 3

Kathy Hill, Skagit County Auditor 1/26/2000 Page 3 of 3 10:31:48AM