



200210220137

Skagit County Auditor

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1707 8th Street
Anacortes, WA 98221-1841
October 17, 2002

PA-101519-E

Land Title Company
2801 Commercial Ave
Suite 2
Anacortes, WA 98221

Ladies and gentlemen:

This is to inform you that the Promissory Note between John Padovan and
James Michael Newbaker has been **paid in full** on **July 16, 2002**.

Sincerely,

John Padovan

Parcel No.: 3795-005-019-0001

Abbreviated Legal: Lots 18, 19 Block 5 Hensler's 2nd Add.

Release of Promissory note recorded June 24, 2002 under Auditor's
File No. 200206240004

INSTALLMENT PROMISSORY NOTE

\$62,500.00

Date: March 31, 2000

For value received, the undersigned Michael Newbaker (the "Borrower"), at 1518 22nd Street, Anacortes, Washington 98221, promises to pay to the order of John Padovan, (the "Lender"), at 1707 8th Street, Anacortes, Washington 98221-1841, (or at such other place as the Lender may designate in writing) the sum of \$62,500.00 with interest from September 01, 2000, on the unpaid principal at the rate of 7.00% per annum.

The unpaid principal and accrued interest shall be payable in monthly installments of \$725.68, beginning on October 01, 2000, and continuing until September 01, 2010, (the "Due Date"), at which time the remaining unpaid principal and interest shall be due in full.

All payments on this Note shall be applied first in payment of accrued interest and any remainder in payment of principal.

If any payment obligation under this Note is not paid when due, the remaining unpaid principal balance and any accrued interest shall become due immediately at the option of the Lender.

The Borrower reserves the right to prepay this Note (in whole or in part) prior to the Due Date with no prepayment penalty.

If any payment obligation under this Note is not paid when due, the Borrower promises to pay all costs of collection, including reasonable attorney fees, whether or not a lawsuit is commenced as part of the collection process.

This Note is secured by a purchase of real estate located at 1518 22nd Street, Anacortes, WA. Legal description: Lots 18 and 19 Block 5 Hensler's 2nd Addition to Anacortes according to plot thereof recorded in Volume 3 of Plots p. 55 Records of Skagit County, , dated April 01, 2000. The Lender is not required to rely on the above security instrument and the assets secured therein for the payment of this Note in the case of default, but may proceed directly against the Borrower.

If any of the following events of default occur, this Note and any other obligations of the Borrower to the Lender, shall become due immediately, without demand or notice:

- 1) the failure of the Borrower to pay the principal and any accrued interest in full on or before the Due Date;
- 2) the death of the Borrower or Lender;



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