



200411300091

Skagit County Auditor

11/30/2004 Page

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2 12:39PM

**WHEN RECORDED RETURN TO:**

Horizon Resources  
c/o James Kenton, Grooms, Compliance Officer  
PO Box 5807  
Knoxville TN 37928

**MORTGAGE (STATUTORY FORM)**

THE MORTGAGORS, Harold Harker and Joann Harker, husband and wife, Mortgage to Horizon Resources, PO Box 5807, Knoxville TN 37928, to secure payment of the sum of Seven Hundred Thousand Dollars (\$700,000.00), according to the terms of that certain promissory note bearing even date herewith, the following described real estate, situated in the County of Skagit, State of Washington;

Lots 1 Through 3, inclusive, and the East 5 feet of Lot 4, Block 1321, NORTHERN PACIFIC ADDITION TO ANACORTES, as per plat recorded in Volume 2 of Plats, page 9, records of Skagit County, Washington; also known as Lot 4, Rock Ridge Survey, recorded in Volume 21 of Surveys, page 85, records of Skagit County, Washington. Situate in the City of Anacortes, County of Skagit, State of Washington.

SUBJECT TO: Matters disclosed by record of Survey, filed under Auditors File No. 9812030124; Covenants, conditions and restrictions contained in said Plat, dated October 22, 1998, recorded October 22, 1998, under Auditors File No. 9810220058.

Further description includes Assessors Tax Parcel Numbers: P113936/3809-323-004-0100, and Abbreviated Legal: Lots 1-3 and ptn of 4, Blk 1321, N.P. Add. To Anac.

And the mortgagors promise and agree to pay before delinquency all taxes, special assessments and other public charges levied, assessed or charged against said described premises, and to keep all improvements on said described premises insured against loss or damage by fire in the sum of Four Hundred Twenty Five Thousand Dollars, (\$425,000.00) for the benefit of the Mortgagee and to deliver all policies and renewals to the mortgagee.

In case the mortgagors shall fail to pay any installment of principal or interest secured hereby when due, or to keep or perform any covenant or agreement aforesaid, then the whole indebtedness hereby secured shall forthwith become due and payable, at the election of the mortgagee.

DATED November 29, 2004

Harold Harker Harold Harker

Joann Harker Joann Harker

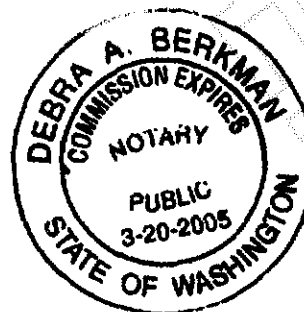
STATE OF WASHINGTON }  
COUNTY OF SKAGIT }

On this Twenty Ninth day of November, 2004, I, a Notary Public for the State of Washington, witnessed that those known to me to be the above signatories, Harold Harker and Joann Harker did personally appear before me and upon declaration, did execute and affix the above signatures hereto.

WITNESS my hand and official seal.

My commission expires 3-20-05

Debra A. Berkman



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Skagit County Auditor