



200601130026

Skagit County Auditor

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\$25,666.94

01 - 11 -, 2006
Mt. Vernon, Washington**PROMISSORY NOTE**

For value received, IAN FOSTER hereinafter referred to as "Maker", promise to pay to TARIO & ASSOCIATES, P.S., hereinafter referred to as "Holder", or order, the principal sum of TWENTY FIVE THOUSAND SIX HUNDRED SIXTY SIX AND 94/100 (\$25,666.94) in lawful money of the United States of America, payable on the following terms and conditions:

1. **INTEREST**: Interest shall accrue on the unpaid principal balance from the date of this Promissory Note at the rate of twelve percent (12%) per annum and be compounded on the declining principal balance.

2. **PAYMENT OF PRINCIPAL AND INTEREST**: Maker shall pay the balance in full upon the sale of the property located at 705 1st Street, LaConner, Washington, or within six (6) months from the date of the Note.

3. **PAYMENT LOCATION**: Unless the Holder shall otherwise direct in writing, Maker shall pay and make all payments to the Holder at the following address:

Tario & Associates, P.S., 413 South First Street, Mt. Vernon, Washington.

4. **DEFAULT**: If any monthly installment under this Promissory Note is not paid by the Maker when due and remains unpaid after a date specified by a notice to the Maker, the entire principal amount outstanding together with all accrued interest thereon shall at once become due and payable at the option of the note holder. The date specified shall not be less than thirty (30) days from the date such notice is mailed. The note holder may exercise this option to accelerate during any default by the borrower regardless of any prior forbearance.

5. **WAIVER OF DEMAND**: The Maker hereby waives demand, presentment, protest, or notice of any kind and expressly agrees that if this Promissory Note or any payment

due hereunder may be extended, any such extension shall in no way impair the liability of the Maker or constitute a waiver on the part of the Holder of this Promissory Note. The waivers expressed in this paragraph shall also be deemed to be binding on all makers, sureties, guarantors, and endorser hereof.

6. COLLECTION COSTS AND ATTORNEY'S FEES: This note shall bear interest at the maximum legal rate per annum after maturity or after failure to pay any installment as above specified. The Maker promises to pay all costs and fees incurred by the Holder of this Promissory Note in the event payment is not made when due hereunder. Maker further promises that if any suit or action is instituted to collect this Promissory Note or any part hereof, Maker will pay, the costs of collection, reasonable attorney's fees, and costs of litigation in such suit or action, including reasonable attorney's fees and costs incurred in any appeal thereof.

7. VENUE/GOVERNING LAW: At the option of the Holder of this Promissory Note, the venue of any action hereunder will be in Skagit County, Washington. This Promissory Note shall be construed in accordance with the laws of the State of Washington.


8. DUE ON SALE OR TRANSFER: If all or any part of the real property securing the performance of this Promissory Note is sold or transferred without the prior written consent of the Holder, the Holder may, at the Holder's sole option, require immediate payment in full of all sums due under this Promissory Note. Upon exercise of this option, Holder shall give borrower notice of acceleration, which notice shall provide for a period of not less than thirty (30) days from the date the notice is delivered or mailed within which the obligors must pay all sums due under this Promissory Note.

9. SECURITY: This Promissory Note is secured by a Deed of Trust recorded at the time of closing with the Skagit County Auditor's Office, which is executed by the Makers as Grantors with the Holder hereof as the Beneficiary of said Deed of Trust.

10. EXECUTION AS PRINCIPAL: Each person or entity signing this Promissory Note executes the same as and shall be bound as a Maker in principal and not as a surety, guarantor, accommodation party, or mere endorser.

MAKERS:

By:


IAN FOSTER

6619 Storm Lake Rd.
Snohomish, WA 98290



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