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Document Title:

promissory Note

Reference Number :

Grantor(s):

☐ additional grantor names on page ____

1. Belecarrax, 3.
2. Steve 4.

Grantee(s):

☐ additional grantee names on page ____

1. Backlund, 3.
2. Cynthia 4.

Abbreviated legal description:

☐ full legal on page(s) ____

Lot 2 31-33 BL 1 Fidago to Ana

Assessor Parcel / Tax ID Number:

☐ additional tax parcel number(s) on page ____

P57187

\$15,000.00

PROMISSORY NOTE

\$15,000

Anacortes, Washington
July 15, 2004

FOR VALUE RECEIVED, the undersigned, an individual with an address of 1708 32nd St. Anacortes, WA , ("Maker"), unconditionally promises to pay to the order of B & C Investments, at 14477 Jura Lane Anacortes, WA 98221, or at such other place as may be designated in writing by the holder, the principal sum of \$15,000, together with interest in arrears from the date hereof on the unpaid principal balance, at the rate of 9.00 percent per annum.

Principal and interest shall be payable in 60 equal monthly installments of \$311.38 each, commencing on August 6, 2004 and continuing on the same day of each month thereafter until and including July 6, 2009. The remaining unpaid principal, together with any accrued interest, shall be due and payable in full on July 6, 2009, if not already paid.

All payments under this Note shall be in lawful money of the United States.

In no event shall the interest and other charges in the nature of interest hereunder, if any, exceed the maximum amount of interest permitted by law. Any amount collected in excess of the maximum legal rate shall be applied to reduce the principal balance.

All payments under this Note shall be applied first to late fees and costs, if any, second to interest then due, if any, and the balance to principal.

The Maker agrees to pay to the holder all costs, expenses and reasonable attorney's fees incurred in the collection of sums due hereunder, whether through legal proceedings or otherwise, to the extent permitted by law.

This Note may be prepaid at any time, in whole or in part, without penalty or premium.

If any installment hereunder is not paid within 3 days of the date the same is due, the Maker shall pay to the holder a late charge equal to 5.00 percent of the overdue payment as liquidated damages, and not as a penalty.

After the maturity of this Note, or upon any default, this Note shall bear interest at the rate of 11.00 percent per annum, at the option of the holder.

This Note is secured by a security agreement dated July 15, 2004, and executed by Steve Bedecarrax, with respect to the following property: Land and Building at 1702 32nd St., Anacortes.

At the option of the holder, this entire Note shall become immediately due and payable, without demand or notice, upon the occurrence of any one of the following events:

- (a) failure of the Maker to pay any installment hereunder when due, which shall continue for 20 days;
- (b) any misrepresentation or omission of or on behalf of Maker made to the holder in connection with this loan;
- (c) insolvency or failure of Maker or any guarantor to generally pay its debts as they become due;
- (d) assignment for the benefit of creditors of, or appointment of a receiver or other officer for, all or any part of Maker's or any guarantor's property;
- (e) adjudication of bankruptcy, or filing of a petition under any bankruptcy or debtor's relief law by or against Maker or any guarantor;
- (f) death of Maker or death of any guarantor;
- (g) sale or transfer, whether voluntary or involuntary, of all or any interest in the property which is security for this Note; or
- (h) default under any mortgage, trust deed, security agreement or other instrument securing this Note.

The Maker expressly waives presentment, demand, notice, protest, and



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connection with this Note. No renewal or extension of this Note, nor release of any collateral or party liable hereunder, will release the liability of Maker.

Failure of the holder to exercise any right or option shall not constitute a waiver, nor shall it be a bar to the exercise of any right or option at any future time.

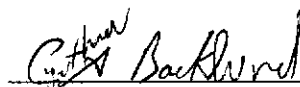
If any provision of this Note shall be invalid or unenforceable, the remaining provisions shall remain in full force and effect.

This Note shall be governed by the laws of Washington.

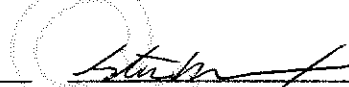
IN WITNESS WHEREOF, this Promissory Note is executed under seal on the day and year first above written.

Executed in the
presence of:

MAKER



(Signature of witness)



Steve Bedecarrax

(Seal)



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