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LAND TITLE COMPANY OF SKAGIT COUNTY

T-49524

REAL ESTATE CONTRACT

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THIS REAL ESTATE CONTRACT, made and entered into this 3rd day of September, 1980, between SEATTLE-FIRST NATIONAL BANK as Ancillary Trustee of the Stokely-Van Camp, Inc. Profit Sharing and Retirement Trust for Salaried Employees as evidenced by Agreement dated February 20, 1953, as amended, herein called the "Seller," and SKAGIT INVESTORS, a general partnership composed of partners Peter J. Marinkovich, Richard P. Sassara, Ralph S. Jones, Arthur B. Kalberg, Harold P. Hansen, Reidar Tynes and Severin Hjelle, herein called the "Purchaser,"

W I T N E S S E T H:

The Seller agrees to sell to the Purchaser and the Purchaser agrees to purchase from the Seller the real estate, with the appurtenances, located in Skagit County, State of Washington and described in attached Exhibit A, which is incorporated herein by this reference.

The terms and conditions of this contract are as follows:

1. The purchase price is One Million and No/100 Dollars (\$1,000,000.00) of which Two Hundred Fifty Thousand and No/100 Dollars (\$250,000.00) have been paid, the receipt

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SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax
PAID

SEP - 4 1980

Amount Paid \$ 10,000.
Ruth Wylie, Co. Treas.
By K. G. Deputy

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of which is hereby acknowledged, and the balance of the purchase price shall be paid: Nine Thousand Five Hundred Six and 30/100 Dollars (\$9,506.30), or more, at Purchaser's option, on or before the 3rd day of October, 1980, and Nine Thousand Five Hundred Six and 30/100 Dollars (\$9,506.30), or more, at Purchaser's option, on or before the 3rd day of each of the next succeeding forty-seven (47) calendar months. Purchaser is to pay the balance of the purchase price and all unpaid interest thereon on or before the 3rd day of October, 1984. The Purchaser further agrees to pay interest on the diminishing balance of said purchase price at the rate of nine percent (9%) per annum from the 3rd day of September, 1980, which interest shall be deducted from each installment payment and the balance of each payment applied in reduction of principal.

2. All payments to be made hereunder shall be made at Seattle-First National Bank, Main Office Branch, or at such other place as the Seller may direct in writing.

3. As referred to in this contract, "date of closing" shall be September 3, 1980.

4. The Seller makes no warranty as to the merchantability, fitness or condition of any improvements, fixtures or equipment on the described real estate; and this sale is made on an as is, where is basis. Seller has no obligation to repair, replace or maintain such improvements, fixtures

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and equipment; and Purchaser shall maintain the real estate and such improvements, fixtures and equipment in good order and condition, reasonable wear and tear and damage caused by insured casualty excepted.

5. The Purchaser assumes and agrees to pay before delinquency all taxes and assessments that may as between grantor and grantee hereafter become a lien on said real estate.

6. The Purchaser agrees, until the purchase price is fully paid, to keep the buildings now and hereafter placed on said real estate insured to the actual cash value thereof against loss or damage by both fire and windstorm by a company acceptable to the Seller and for Seller's benefit, as its interest may appear. Purchaser also shall maintain public liability insurance providing at least One Million Dollars (\$1,000,000.00) in coverage for personal injury, death and property damage with the Seller named as an additional insured. Purchaser shall deliver certificates with respect to all such insurance to Seller.

7. The Purchaser agrees that full inspection has been made and that neither Seller nor his assigns shall be held to have any covenant respecting the condition of any improvements thereon, nor shall the Purchaser or Seller or the

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assigns either be held to any covenant or agreement for alterations, improvements or repairs unless the covenant or agreement relied on is contained herein or is in writing and attached to and made a part of this contract.

8. The Purchaser assumes all hazards of damage to or destruction of any improvements now on said real estate or hereafter placed thereon, and of the taking of said real estate or any part thereof for public use; and agrees that no such damage, destruction or taking shall constitute a failure of consideration. In case any part of said real estate is taken for public use, the portion of the condemnation award remaining after payment of reasonable expenses of procuring the same shall be paid to the Seller and applied as payment on the purchase price herein unless the Seller elects to allow the Purchaser to apply all or a portion of such condemnation award to the rebuilding or restoration of any improvements damaged by such taking. In case of damage or destruction from a peril insured against, the proceeds of such insurance remaining after payment of the reasonable expenses of procuring the same shall be devoted to the restoration or rebuilding of such improvements within a reasonable time, unless Purchaser elects such proceeds shall be paid to the Seller for application on the purchase price herein.

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9. The Seller has delivered, or agrees to deliver within fifteen (15) days of the date of closing, a purchaser's policy of title insurance in standard form, or a commitment therefor, issued by Transamerica Title Insurance Company, insuring the Purchaser to the full amount of said purchase price against loss or damage by reason of defect in Seller's title to said real estate as of the date of closing and containing no exceptions other than the following:

a. Printed general exceptions appearing in said policy forms; and

b. Liens or encumbrances which by the terms of this contract the Purchaser is to assume, or as to which the conveyance hereunder is made subject.

10. The Seller agrees, upon receiving full payment of the purchase price and interest in the manner above specified, to execute and deliver to Purchaser a special warranty deed to said real estate, excepting any part thereof hereafter taken for public use, free of encumbrances except any that may attach after date of closing to any person other than Seller.

11. The Purchaser shall be entitled to possession of said real estate on date of closing and to retain possession so long as Purchaser is not in default hereunder. The Purchaser covenants to keep the buildings and other improvements on said real estate in good repair and not to permit

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waste and not to use, or permit the use of, the real estate for any illegal purpose. The Purchaser covenants to pay all service installation or construction charges for water, sewer, electricity, garbage or other utility services furnished to said real estate after the date Purchaser is entitled to possession.

12. In case the Purchaser fails to make any payment herein provided or to maintain insurance, as herein required, the Seller may make such payment or effect such insurance, and any amounts so paid by the Seller, together with interest at the rate of ten percent (10%) per annum thereon from date of payment until repaid, shall be repayable by Purchaser on Seller's demand, all without prejudice to any other rights that Seller may have by reason of such default.

13. Time is of the essence of this contract, and it is agreed that in the case Purchaser shall fail to comply with or perform any condition or agreement hereof or to make any payment required hereunder promptly at the time and in the manner herein required, and if Purchaser does not cure such default within thirty (30) days after receipt of written notice from the Seller demanding the same, Seller may either:

a. Elect to declare all of Purchaser's rights hereunder terminated, and upon its doing so, all payments made by Purchaser hereunder and all improvements placed upon

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the real estate shall be forfeited to the Seller as liquidated damages, and as reasonable value of the Purchaser's use of the premises, and the Seller shall have the right to re-enter and take possession of the real estate; or

b. Seller may elect to declare the entire unpaid balance of the purchase price and interest thereon to be immediately due and payable without further notice to Purchaser and specifically enforce this contract.

No waiver by Seller of any default on the part of Purchaser shall be construed as a waiver of any subsequent default. Service upon Purchaser of all demands, notices or other papers with respect to any default hereunder of forfeiture and termination of Purchaser's rights may be made by United States certified or registered mail, postage prepaid, return receipt requested, directed to the Purchaser in care of R. W. Haman, 3800 Rainier Bank Tower, Seattle, Washington 98101.

14. Upon Seller's election to bring suit to enforce any covenant of this contract, including suit to collect any payment required hereunder, the Purchaser agrees to pay a reasonable sum as attorneys' fees and all costs and expenses in connection with such suit, which sum shall be included in any judgment or decree entered in such suit.

If the Seller shall bring suit to procure an adjudication on the termination of Purchaser's rights hereunder, and

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judgment is so entered, the Purchaser agrees to pay a reasonable sum as attorneys' fees and all costs and expenses in connection with such suit, and also the reasonable cost of searching records to determine the condition of the title at the date such suit is commenced, which sum shall be included in any judgment or decree entered in such suit.

15. Purchaser shall make no structural improvements or alterations to the buildings on the real estate having a cost or value of more than Thirty-Five Thousand and No/100 Dollars (\$35,000.00) without first obtaining the written consent of the Seller, which consent shall not be unreasonably withheld. If consent is required to any such improvement or alteration, Purchaser shall furnish Seller with plans and specifications reflecting such improvements or alterations in form satisfactory to Seller.

16. Rights of the Purchaser under this contract may not be assigned without the prior written consent of Seller; except that Purchaser may assign its rights under this contract as security for the payment of indebtedness of Purchaser or to an entity affiliated with the Purchaser without any further consent of Seller. No assignment of Purchaser's rights under this contract shall release Purchaser from any liability or obligation to Seller hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the day and year first above written;

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provided that Seattle-First National Bank executes this Real Estate Contract not individually but solely in its capacity as Ancillary Trustee and any decree or judgment or other order entered in connection with any proceedings to enforce this Contract or to recover on account of its breach if against the Seattle-First National Bank, individually, or as Ancillary Trustee, shall only be satisfied out of the property in the trust estate.

Seller:

SEATTLE-FIRST NATIONAL BANK,
as Ancillary Trustee of the
Stokely-Van Camp, Inc. Profit
Sharing and Retirement Trust
for Salaried Employees as
evidenced by Agreement dated
February 20, 1953, as amended

Purchaser:

SKAGIT INVESTORS,
a general partnership

By Peter J. Marinkovich
Peter J. Marinkovich

By Henry Brockhaus Vice President
of Stokely-Van Camp, Inc. VICE PRESIDENT
STATE OF WASHINGTON)

) ss.
COUNTY OF KING)

On this 3rd day of September, 1980, before me,
the undersigned, a Notary Public in and for the State of
Washington, duly commissioned and sworn, personally appeared
J HENRY BROCKHAUS and JAMES E. STOKELY known to me to be an officer of SEATTLE-
FIRST NATIONAL BANK, the corporation that executed the
foregoing instrument, and acknowledged the said instrument
to be the free and voluntary act and deed of said corporation,
for the uses and purposes therein mentioned, and on oath
stated that they were authorized to execute the said instru-
ment and that the seal affixed is the corporate seal of said
corporation.

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WITNESS my hand and official seal hereto affixed the
day and year first above written.

Ellen O. Pfaff
NOTARY PUBLIC in and for the
State of Washington residing
at Bellevue.

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 3rd day of September, 1980, before me,
the undersigned, a Notary Public in and for the State of
Washington, duly commissioned and sworn, personally appeared
Peter J. Marinkovich, known to me to be a general partner of
SKAGIT INVESTORS, a general partnership, the partnership
that executed the foregoing instrument, and acknowledged the
said instrument to be the free and voluntary act and deed of
said partnership, for the uses and purposes therein mentioned,
and on oath stated that he was authorized to execute the
said instrument on behalf of the partnership.

WITNESS my hand and official seal hereto affixed the
day and year first above written.

Ellen O. Pfaff
NOTARY PUBLIC in and for the
State of Washington residing
at Bellevue.

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EXHIBIT A

That portion of the Southeast 1/4 of the Southeast 1/4 and of Government Lot 6 in Section 19, Township 34 North, Range 4 East W.M., described as follows:

Beginning at the intersection of the South line of Snoqualmie Street as shown fronting on Blocks 8 and 9 in "RIVERSIDE ADDITION TO THE TOWN OF MOUNT VERNON", as per plat recorded in Volume 3 of Plats, page 24, records of Skagit County, Washington, produced West, and the Westerly line of First Street as established in the City of Mount Vernon, Washington; thence South 20°00' West along the Westerly line of said First Street 343.34 feet to the true point of beginning; thence South 20°00' West along the Westerly line of said First Street, 290.14 feet to an angle point in said street line; thence South 52°07' West along the Westerly line of First Street, 56.68 feet; thence North 70°00' West 375 feet, more or less, to the bank of the Skagit River; thence Northeasterly along said river bank to a point which bears North 70°00' West from the true point of beginning; thence South 70°00' East 285 feet, more or less, to the true point of beginning.

TOGETHER with a mutual easement for ingress, egress and for the placement of utilities over, under, and along the following described property:

That portion of the Southeast 1/4 of the Southeast 1/4 and of Government Lot 6 in Section 19, Township 34 North, Range 4 East W.M., described as follows:

Beginning at the intersection of the South line of Snoqualmie Street as shown fronting on Blocks 8 and 9 in "RIVERSIDE ADDITION TO THE TOWN OF MOUNT VERNON", produced West and the westerly line of First Street as established in the City of Mount Vernon, Washington; thence South 20° West along the westerly line of said First Street 318.34 feet to the true point of beginning; thence continue South 20° West along said westerly line of First Street 25 feet; thence North 70°00' West 285 feet more or less to the bank of the Skagit River; thence North 20° East along said river bank 25 feet; thence South 70°00' East 285 feet more or less to the true point of beginning.

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