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REAL ESTATE CONTRACT

THIS CONTRACT, made and entered into this 10th day of February, 1982 between H. ERWIN EERKES and MARRILYNN E. EERKES, husband and wife, hereinafter called the "seller" and COMMERCIAL EXCAVATING CO., INC., a Washington corporation, hereinafter called the "purchaser".

WITNESSETH: That the seller agrees to sell to the purchaser and the purchaser agrees to purchase of the seller the following described real estate with appurtenances, in Skagit County, State of Washington:

AN UNDIVIDED 1/3 INTEREST IN THE FOLLOWING DESCRIBED PROPERTY:

That portion of the Southeast 1/4 of the Northeast 1/4 of Section 7, Township 35 North, Range 4 East, W.M., lying Easterly of the C. W. Green County Road.

TOGETHER WITH seller's interest in a permit authorizing the excavation of gravel for the above-described real estate which seller presently holds insofar as said permit relates to the interest being conveyed under this contract.

SUBJECT TO:

1. An easement for transmission line granted to Puget Sound Power & Light Company dated August 9, 1929 and found in Volume 151 of Deeds at page 450.

2. Contract of sale by and between Elmer E. Martin and Mabel W. Martin, husband and wife, as sellers and Earl K. Curry and Katherine A. Curry, husband and wife; and H. Erwin Eerkes and Marrilynn E. Eerkes, husband and wife, as purchasers recorded August 8, 1977 under Auditor's File No. 862187.

The terms and conditions of this contract are as follows: The purchase price is Thirty Thousand Six Hundred Sixty-six and 67/100 (\$30,666.67) Dollars, which shall be paid as follows:

1. Purchaser agrees to assume seller's obligations under the real estate contract attached hereto as Exhibit A insofar as it relates to seller's interest therein. Said contract is with Elmer E. Martin and Mabel W. Martin, husband and wife, as seller and recorded under Skagit County Auditor's File No. 862187. Purchaser understands that the obligations under said contract will be held jointly and severally with the other party who holds a partial interest in said real estate under said contract. The total balance owing under said contract is \$35,000.00. Purchaser assumes and agrees to pay seller's obligation, to-wit, \$11,666.67.

2. In addition to assuming seller's above-mentioned obligation, purchaser agrees to pay seller the sum of Nineteen Thousand (\$19,000.00) Dollars, of which Three Thousand (\$3,000.00) Dollars has been paid, the receipt whereof is hereby acknowledged, and the balance of said purchase price shall be paid as follows:

a. Purchaser shall make monthly payments to seller commencing March 10, 1982 and continuing on the 10th day of each month thereafter of interest payments which have accrued upon the principal sum since the last monthly payment made by purchaser. The purchaser agrees to pay interest on the diminishing balance of said purchase price at a

TWEDE & RODE, INC. P.S.
LAWYERS

816 FAIRHAVEN P. O. BOX 526
BURLINGTON, WASHINGTON 98233
AREA CODE 206 753-0611

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SKAGIT COUNTY TITLE CO.

rate of ten (10) percent per annum from February 10, 1982.

b. On or before December 15 of each year, purchaser shall pay to seller the sum of Two Thousand (\$2,000.00) Dollars, or more at purchaser's option, to be applied toward reduction of the principal amount owing.

All payments to be made hereunder shall be made to seller at their address of 1577 Dunbar Road, Mount Vernon, WA 98273, or at such other place as the seller may direct in writing.

DATE OF CLOSING: As referred to in this contract, "date of closing" shall be February 10th, 1982.

TAXES AND ASSESSMENTS: 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; and if by the terms of this contract the purchaser has assumed payment of any mortgage, contract or other encumbrance, or has assumed payment of or agreed to purchase, subject to any taxes or assessments now a lien on said real estate, the purchaser agrees to pay the same before delinquency.

INSURANCE: 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 in a company acceptable to the seller and for the seller's benefit, as his interest may appear, and to pay all premiums therefor and to deliver all policies and renewals thereof to the seller.

INSPECTION: The purchaser agrees that full inspection of said real estate has been made and that neither the seller nor his assigns shall be held to any covenant respecting the condition of any improvements thereon nor shall the purchaser or seller or the assigns of 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.

ASSUMPTION OF HAZARDS: 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 or such improvements within a reasonable time unless purchaser elects that said proceeds shall be paid to the seller for application on the purchase price herein.

TITLE INSURANCE: The seller has delivered, or agrees to deliver within 15 days of the date of closing, a purchaser's policy of title insurance in standard form; or a commitment therefor, issued by Skagit County Title 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 form;

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

c. Any existing contract or contracts under which seller is purchasing said real estate, and any mortgage or other obligation, which purchaser by this contract, agrees to pay, none of which for the purpose of this paragraph shall be deemed defects in seller's title.

FULFILLMENT DEED: 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 statutory warranty fulfillment 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 through any person other than the seller, and subject to the following: transmission line easement, and real estate contract of sale dated July 5, 1977, recorded August 8, 1977 under Auditor's File No. 862187.

POSSESSION, REPAIR & CHANGES: Unless a different date is provided for herein, 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 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.

FAILURE TO PAY INSURANCE OR OTHER CHARGES: 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 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 right the seller might have by reason of such default.

SELLER'S REMEDIES: Time is of the essence of this contract, and it is agreed that in case the purchaser shall fail to comply with or perform any condition or agreement hereof promptly at the time and in the manner herein required, the seller may elect to declare all the purchaser's rights hereunder terminated, and upon his doing so, all payments made by the purchaser hereunder and all improvements placed upon the real estate shall be forfeited to the seller as liquidated damages, and the seller shall have the right to re-enter and take possession of the real estate, and no waiver by the seller of any default on the part of the purchaser shall be construed as a waiver of any subsequent default.

Service upon purchaser of all demands, notices or other papers with respect to forfeiture and termination of purchaser's rights may be made by United States mail, postage pre-paid, return receipt requested, directed to the purchaser at his address last known to the seller.

COSTS OF ACTION: In the event that it is necessary for either of the parties herein to bring an action to enforce the terms, conditions or covenants of this contract, then the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements. (Chapter 203, Laws of 1977, First Extraordinary Session)

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the date first above written.

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H. Erwin Eerkes
H. ERWIN EERKES

Marrilynn E. Eerkes
MARRILYNN E. EERKES
COMMERCIAL EXCAVATING CO., INC.

By Faustino Cecotti
FAUSTINO CECOTTI, President

STATE OF WASHINGTON)
COUNTY OF SKAGIT)ss.

On this day personally appeared before me H. Erwin Eerkes and Marrilynn E. Eerkes, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 30th day of APRIL, 1982.

M. W. Robinson
Notary Public in and for the State of Washington, residing at MOIST VERNON



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TWEDE & RODE, INC. P.S.
LAWYERS
816 FAIRHAVEN P. O. BOX 326
BURLINGTON, WASHINGTON 98233
AREA CODE 206 755-0611

THIS CONTRACT, made and entered into this

day of June, 1977

between Elmer E. Martin and Dolores W. Martin, husband and wife

hereinafter called the "seller," and Earl A. Curry and Katherine A. Curry, husband and wife, H. Erwin Serkes and Marylyn E. Serkes, husband and wife; and Ramon Johnson and Donna Johnson, husband and wife hereinafter called the "purchaser."

WITNESSETH: That the seller agrees to sell to the purchaser and the purchaser agrees to purchase from the seller the following described real estate, with the appurtenances, in Skagit County, State of Washington:

That portion of the Northeast 1/4 of the Northeast 1/4 of Section 7, Twp. 35 North, Range 4, E1M, W1M, Westerly of the C.W. Green County Rd. Situate in the County of Skagit, State of Washington. Subject to easement for transmission line granted to Puget Sound Power and Light Co., by instrument dated August 3, 1922 filed August 9, 1929 filed August 10, 1929, Vol. 111 of Books, page 450.

In addition to the purchase price stated the purchasers agree to pay \$0.20 a yard for gravel removed, payable each month along with the regular payment. This amount to be applied against the contract balance, until paid.

The terms and conditions of this contract are as follows: The purchase price is ****Fifty-seven thousand and no/100***** \$57,000.00) Dollars, of which ****Five hundred and no/100***** (\$500.00) Dollars have been paid, the receipt whereof is hereby acknowledged, and the balance of said purchase price shall be paid as follows: ****Five hundred and no/100***** (\$500.00) Dollars, or more at purchaser's option, on or before the 1st day of August, 1977, and ****Five hundred and no/100***** (\$500.00) Dollars, or more at purchaser's option, on or before the 1st day of each succeeding calendar month until the balance of said purchase price shall have been fully paid. The purchaser further agrees to pay interest on the diminishing balance of said purchase price at the rate of 2 percent per annum from the 1st day of July, 1977, which interest shall be deducted from each installment payment and the balance of each payment applied in reduction of principal. All payments to be made hereunder shall be made at _____ or at such other place as the seller may direct in writing.

As referred to in this contract, "date of closing" shall be July 1, 1977

(1) 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; and if by the terms of this contract the purchaser has assumed payment of any mortgage, contract or other encumbrance, or has assumed payment of or agreed to purchase subject to, any taxes or assessments now a lien on said real estate, the purchaser agrees to pay the same before delinquency.

(2) 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 in a company acceptable to the seller and for the seller's benefit, as his interest may appear, and to pay all premiums therefor and to deliver all policies and renewals thereof to the seller.

(3) The purchaser agrees that full inspection of said real estate has been made and that neither the seller nor his assigns shall be held to any covenant respecting the condition of any improvements thereon nor shall the purchaser or seller or the assigns of 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.

(4) 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 expense of procuring the same shall be devoted to the restoration or rebuilding of such improvements within a reasonable time, unless purchaser elects that said proceeds shall be paid to the seller for application on the purchase price herein.

(5) The seller has delivered, or agrees to deliver within 15 days of the date of closing, a purchaser's policy of title insurance in standard form, or a commitment therefor, issued by First American 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:

- Printed general exceptions appearing in said policy form;
- Lien or encumbrances which by the terms of this contract the purchaser is to assume, or as to which the conveyance hereunder is to be made subject; and
- Any existing contract or contracts under which seller is purchasing said real estate, and any mortgage or other obligation, which seller by this contract agrees to pay, none of which for the purpose of this paragraph (5) shall be deemed defects in seller's title.

(6) If seller's title to said real estate is subject to an existing contract or obligation, which seller is to pay, seller agrees to make such payments in accordance with the terms thereof, and upon default, the purchaser shall have the right to make any payments necessary to remove the default, and any payments so made shall be applied to the payments next falling due the seller under this contract.

(7) 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 statutory 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 through any person other than the seller, and subject to the following:

(8) Unless a different date is provided for herein, 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 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.

(9) 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 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 right the seller might have by reason of such default.

(10) Time is of the essence of this contract, and it is agreed that in case the 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, the seller may elect to declare all the purchaser's rights hereunder terminated, and upon his doing so, all payments made by the purchaser hereunder and all improvements placed upon the real estate shall be forfeited to the seller as liquidated damages, and the seller shall have right to re-enter and take possession of the real estate, and no waiver by the seller of any default on the part of the purchaser shall be construed as a waiver of any subsequent default.

Service upon purchaser of all demands, notices or other papers with respect to forfeiture and termination of purchaser's rights may be made by United States Mail, postage pre-paid, if so requested, directed to the purchaser at his address last known to the seller.

(11) 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 attorney's fees and all costs and expenses in connection with such suit, which sums shall be included in any judgment or decree entered in such suit.

If the seller shall bring suit to procure an adjudication of the termination of the purchaser's rights hereunder, and judgment is so entered, the purchaser agrees to pay a reasonable sum as attorney's fees and all costs and expenses in connection with such suit, and also the reasonable cost of searching records to determine the condition of title at the date such suit is commenced, which sums shall be included in any judgment or decree entered in such suit.

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the date first written above.

STATE OF WASHINGTON,

County of King

On this day personally appeared before me Elmer E. Martin and Mabel E. Martin
to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that
they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this

day of July, 1933

Walter J. Carter
Notary Public in and for the State of Washington, My Commission Expires Jan. 29, 1934

residing at

First American Title
INSURANCE COMPANY

Filed for Record at Request of

Name

Address

City and State

8205030012

THIS SPACE RESERVED FOR RECORDER'S USE

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REQUEST OF

13:8 11:37

SKAT
RECORDS

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