

2/9/89

8909190002

ISLAND TITLE COMPANY
SA-8007

1 of 3
SEP 10 1989

REAL ESTATE CONTRACT

THIS AGREEMENT, made and entered into this 26th day of JUNE, 1989, by and between Kenneth E. Brostrom and Micaela H. Brostrom, his wife, hereinafter called the Seller, residing in the City of Mercer Island, Washington, and Brian P. Srb and Linda Peck Srb, his wife, hereinafter called the Purchaser, residing in the City of Bothell, Washington,

WITNESSETH, that the Seller agrees to sell to the Purchaser and the Purchaser agrees to purchase the following described real estate, with appurtenances thereon, to wit:

- (A) Lot 131, "Skyline No. 18", according to the plat as recorded in Volume 9 of Plats, Pages 110 and 110, Records of Skagit County, Washington; and
- (B) An undivided 0.5549 percentage interest in the land lying within the plat of "Skyline No. 18", as recorded in Volume 9 of the Plats, Pages 110 and 111, Records of said County, except that portion thereof lying within Lots 1 to 151, inclusive, of said Plat.

4361
SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax

SEP 18 1989

Amount Paid 354.61
By *Ku*

The terms and conditions of this contract are as follows:

The total purchase price is Twenty-one Thousand Dollars (\$21,000.00) of which the sum of Three Thousand Dollars (\$3,000.00) has this day been paid by Purchaser, the receipt whereof is hereby acknowledged by Seller, and the balance of Eighteen Thousand Dollars (\$18,000.00) to be paid in the amounts and at the times stated as follows: Three Hundred Dollars (\$300.00) or more at purchaser's option, on or before the first day of August 1989, and the first of each succeeding calendar month thereafter until the balance of said purchase price shall have been fully paid. Purchaser may make larger payments at anytime, or pay the contract in full, without penalty. The Purchaser further agrees to pay interest on the diminishing balance of said purchase price at the rate of 11.5% per annum from the First day of July 1989, which interest shall be deducted from each installment payment and the balance of each payment applied in reduction of principal. Interest is not precomputed and shall be calculated on the day a payment is received. In case the Purchaser fails to make any payment(s) on or before the due date, that payment(s) shall bear interest at the rate of 1 5% per month which penalty interest shall be paid prior to any further reduction of principal. This provision is without prejudice to any other right the Seller may have by reason of such default and the Seller reserves all rights. All payments to be made hereunder shall be made at 7821 S. E. 71st Street, Mercer Island, Washington 98040, or at such other place as the Seller may direct in writing.

The Date of Closing of this Contract shall be July 1, 1989.

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(1) Purchaser agrees to pay all taxes, assessments and other encumbrances legally levied against said property subsequent to this date, before the same shall become delinquent.

(2) 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.

(3) 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.

(4) The Seller agrees, on full payment of the purchase price and interest in the manner hereinbefore specified, to execute and deliver to Purchaser a Warranty Deed to the real estate, excepting any part which may hereafter be condemned, free and clear of encumbrances, except those mentioned herein and any that may accrue hereafter through any person other than the Seller.

(5) It is agreed that the Purchaser shall have possession of said real estate on the Date of Closing provided that all the terms and conditions of this agreement are fully complied with, and to retain possession so long as Purchaser is not in default hereunder. The Purchaser covenants 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.

(6) In case the Purchaser fails to make any payment herein provided, the Seller may make such payment, and any amounts so paid by the Seller, together with interest at the rate of 1.5% per month 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.

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(7) 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 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 or 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 prepaid, return receipt requested, directed to the Purchaser at his address last known to the Seller.

(8) 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 or 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 signed this instrument in duplicate the day and year first above written.

[Signature]
Purchaser

[Signature]
STATE OF WASHINGTON.

County of King

I, the undersigned, a Notary Public in and for the State, do hereby certify that on this 26th day of June, 1989, personally appeared before me Kenneth E. Brostrom and Micaela H. Brostrom, to me known to be the individuals described as Seller and who executed the within instrument, and acknowledged that they signed the same as their free and voluntary act and deed for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first written.

Notary Public in and for the State of Washington, residing at Kirkland, Washington

