

TICOR TITLE INSURANCE

N-79128/WRG

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REAL ESTATE CONTRACT

This is a Real Estate Contract dated the 6th day of December, 1989, between HELEN NIDEROST, as her separate estate, of 1814 Chilberg Road, Mount Vernon, WA 98273, hereinafter called "Seller," and WASHINGTON BULB COMPANY, INC., a Washington corporation, of 1559 Beaver Marsh Road, Mount Vernon, WA 98273, hereinafter called "Purchaser." The Seller hereby agrees to sell to the Purchaser and the Purchaser hereby agrees to purchase from the Seller the following-described real estate situated in Skagit County, Washington:

Government Lots 1, 2 and that portion of Government Lot 3 lying Easterly of Drainage District No. 15 Ditch as required in Court Action No. 14859, all in Section 4, Township 33 North, Range 3 East, W.M.

EXCEPT that part of Lots 2 and 3 of said Section 4, described as the South 330 feet of Lot 3 of said Section, lying East of the center line of the Pleasant Ridge Road as located on May 19, 1944; and the South 330 feet of Lot 2 of said Section, extending 935 feet East of the Southwest corner of said Lot 2.

The following are the terms and conditions of this Contract:

1. Purchase Price. The purchase price is \$224,000 of which the sum of \$50,000 has been paid. The balance of said purchase price of \$174,000 shall be paid as follows: \$34,800 plus accrued interest on December 6, 1990, and on the same day of each succeeding year until December 6, 1994, at which time said purchase price shall be paid in full. The unpaid principal balance of the contract shall bear interest at the rate of ten percent (10%) per annum commencing on December 6, 1989. Payment shall first be applied to accrued interest and the balance to principal. Said payments are to be made to the credit of Seller at Seller's address set forth above, or to such other place or address as the Seller may direct in writing. At any time during the term of this contract, the Seller or Purchaser shall have the right to require that all subsequent payments of installment amounts be made through an escrow or collection account, the cost of which shall be borne by the requesting party unless otherwise agreed.

Purchaser may not prepay this contract without approval of Seller. Seller, at her option, may demand additional principal payments of up to the entire balance due. Said additional payments shall be due thirty (30) days after receipt by Purchaser of Seller's written demand for additional payments.

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SKAGIT COUNTY WASHINGTON  
Real Estate Excise Tax



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Amount Paid \$ 2,867.20  
By Skagit Co. Treasurer  
Deputy

2. Taxes and Assessments. The Purchaser shall pay before delinquency all real and personal property taxes, all general and special assessments and all other charges of whatsoever kind or nature levied or assessed by any lawful authority upon or against the Property or the use thereof to the extent the same or any installments thereof are attributable to the period following the date of this contract. The prorated portion of said taxes, assessments and charges which are attributable to any period prior to the date of this contract, excluding taxes for such period assessed because of the reclassification of the use of the Property by the Purchaser or any successor of the Purchaser, shall be paid by Seller at closing. Purchaser agrees to execute any and all documents necessary to continue the present special use classification and Purchaser agrees to be responsible for and pay all taxes due on termination of the special use classification.

3. Possession. From and after the date of this Contract, and subject to all the terms and conditions of this Contract, Purchaser shall be entitled to possession of the Property that is the subject matter of this transaction.

4. Utilities. The Purchaser shall pay for the cost of all utilities of any kind or nature furnished to or used or consumed in, on or about the Property on or after the date of this Contract, and Purchaser shall contract for the same solely in its own name.

5. Use and Maintenance of Premises. The Purchaser shall keep and maintain the Property in good repair, and shall not commit or suffer to be committed any waste, damage to or destruction of the Property or any portion thereof. The Purchaser shall not use or commit the use of said Property for any illegal purpose. The Purchaser shall not permit any hazardous or toxic substance, material or waste to be located upon or generated, stored, transported to or from, disposed of or used on the Property or permit the Property to become contaminated with any substance in violation of any applicable federal, state or local law.

6. Compliance with Laws and Restrictions. The Purchaser shall faithfully observe, perform and comply with all laws, ordinances, rules and regulations of every governmental authority affecting the Property and the use thereof and the activities thereon.

7. Risk of Loss. As of the date of transfer of possession, 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.

8. Condemnation Award. In case any part of the 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 a payment on the purchase price 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.

9. Application of Insurance Proceeds. In case of damage or destruction from a peril insured against, the proceeds from 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 the Purchaser elects that such proceeds be paid to the Seller for application upon the purchase price herein.

10. Fulfillment Deed. The Seller agrees, upon receiving full payment of the purchase price and interest in the manner above specified and when all other terms, conditions and covenants of this Contract have been met, to convey the Property to the Purchaser by statutory warranty fulfillment deed, excepting any part thereof which may hereafter be taken for public use and free of encumbrances except those which may attach after date of closing through any person other than the Seller and except the open space classification recorded under Skagit County Auditor's File No. 762171 and easement in favor of PUD District No. 1 recorded under Skagit County Auditor's File No. 492449.

11. Title Insurance. Seller agrees to deliver to Purchaser within fifteen (15) days of the date of closing, a Purchaser's policy of title insurance in standard form, or commitment therefor, issued by Ticor Title Insurance Company, insuring the Purchaser for the full amount of the 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. Open space classification recorded under Skagit County Auditor's File No. 762171 and easement to PUD District No. 1 recorded under Skagit County Auditor's File No. 492449.

12. Representations and Warranties. This Agreement constitutes the entire contract between the parties. The Purchaser agrees that full inspection of said Property has been made and except as specifically set forth herein, neither the Seller, her assigns nor representatives have made any representations

concerning the condition of the Property or the improvements thereon nor any agreement for alterations, improvements or repairs have been made. Seller shall be responsible and hold Purchaser harmless from any and all liability with reference to hazardous or toxic substance, material or waste located upon or generated, stored, transported to or from, disposed of or used on the Property prior to the effective date of this Contract.

13. Seller's Remedies. Time is of the essence hereof. In the event the Purchaser shall fail to comply with or perform any condition or agreement hereof promptly at the time and in the manner herein required, and shall fail to correct said default within a period of twenty (20) days of the date of mailing of notice thereof as hereinafter provided, the same shall constitute a material breach of this Agreement, and thereupon the Seller may exercise any or all of the following optional remedies, none of which is mutually exclusive:

A. Suit for Delinquencies. The Seller may institute suit for any Installment Amounts or other sums due and payable under this contract as of the date of the judgment, any sums which have been advanced by Seller as of said date pursuant to the provisions of this contract, and any other damages incurred by the Seller which are caused by the Purchaser's failure to comply with any provision or agreement herein; together with interest on all said amounts at the Default Rate from the date each such amount was advanced or due, as the case may be, to and including the date of collection.

B. Acceleration. The Seller may declare the entire unpaid balance of the Purchase Price and all interest then due thereon to be immediately due and payable and institute suit to collect such amounts, together with any sums advanced by the Seller pursuant to the provisions of this contract, and together with interest on all of said sums at the Default Rate from the due date or date of each such advance to and including the date of collection.

C. Forfeiture and Repossession. The Seller may cancel and render void all rights, titles and interests of the Purchaser and its successors in this Contract and in the Property (including all of the Purchaser's then existing rights, interests and estates therein and timber, crops, fixtures and improvements thereon) by giving a Notice of Intent to Forfeit pursuant to RCW 61.30.040-070, and said cancellation and forfeiture shall become effective if the default therein specified has not been fully cured within ninety (90) days thereafter and the Seller records a Declaration of Forfeiture pursuant to RCW 61.30.040-070. The entire balance of such sums due and to become due under this Contract shall be paid from the proceeds of any sale ordered

by a court pursuant to RCW 61.30.120, including interest at the Default Rate to and include the sale date and all expenses incurred by the Seller as a result of such sale. Upon the forfeiture of this Contract the Seller may retain all payments made hereunder by the Purchaser and may take possession of the Property ten (10) days following the date this Contract is forfeited and summarily eject the Purchaser and any person or persons having possession of the said Property by, through or under the Purchaser who were properly given the Notice of Intent to Forfeit and the Declaration of Forfeiture. If the Purchaser or any person or persons claiming by, through or under the Purchaser who were properly given the Notice of Intent to Forfeit and the Declaration of Forfeiture remain in possession of the Property more than ten (10) days after such forfeiture, the Purchaser, or such person or persons, shall be deemed tenants at will of the Seller and the Seller shall be entitled to institute an action for summary possession of the Property, and may recover from the Purchaser or such person or persons in any such proceedings the fair rental value of the Property for the use thereof from and after the date of forfeiture, plus costs, including the Seller's reasonable attorneys' fees. To the extent permitted by applicable statute, the Seller shall have the right to obtain a deficiency against the Purchaser following the forfeiture of this Contract for damages caused by waste to the Property.

D. Judicial Foreclosure. To the extent permitted by any applicable statute, the Seller may judicially foreclose this Contract as a mortgage, and in connection therewith may accelerate all the debt due under this Contract. The Seller may, but shall not be required to, waive any right to a deficiency judgment in his foreclosure complaint. The Purchaser at any foreclosure sale may (but shall not be obligated to), during any redemption period, make such repairs and alterations to the Property as may be reasonably necessary for the proper operation, use, preservation and protection thereof; pay any taxes and assessments due during such period; insure the Property against loss by casualty; and pay utility bills, liens not extinguished by the foreclosure and other amounts relating to the Property to the extent due during such redemption period, and all of such expenses and payments, together with interest thereon from the date paid to reimbursement at the rate provided by statute for any other redemption amounts, shall be included in the amount required to be paid by a person to redeem the Property.

E. Specific Performance. The Seller may institute suit to specifically enforce any of the Purchaser's covenants hereunder, and the same may include redress by mandatory or prohibitive injunction.

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**F. Default Rate of Interest.** In the event of a default by Purchaser, and until such time as the Purchaser shall cure such default, the unpaid balance on said Contract shall bear interest at the rate of twelve percent (12%) per annum.

**14. Costs and Attorney's Fees.** If either party shall be in default under this Contract, the nondefaulting party shall have the right, at the defaulting party's expense, to retain an attorney or collection agency to make any demand, enforce any remedy, or otherwise protect or enforce its rights under this Contract. The defaulting party hereby promises to pay all costs and expenses so incurred by the nondefaulting party, including, without limitation, collection agency charges; expenses of preparing, serving, mailing, posting, publishing and recording any notices; title search expenses; and reasonable attorneys' costs and fees, and the failure of the defaulting party to promptly pay the same shall itself constitute a further and additional default. In the event either party hereto institutes, defends or is involved with any action to enforce the provisions of this contract, the prevailing party in such action shall be entitled to reimbursement by the losing party for its court costs and reasonable attorneys' costs and fees, including such costs and fees that are incurred in connection with any forfeiture; foreclosure; public sale; action for specific performance; injunction, damages, waste, deficiency judgment, unlawful detainer, or to contest the reasonableness of any person's costs or attorneys' fees; and in any mediation, arbitration, bankruptcy, probate, appeal, or other proceeding. All reimbursements required by this paragraph shall be due and payable on demand, may be offset against any sum owed to the party so liable in order of maturity, and shall bear interest at the Default Rate from the date of demand to the including the date of collection or the due date of any sum against which the same is offset.

**15. Notices.** Subject to the requirements of any applicable statute, any notices required or permitted by law or under this Contract shall be in writing and shall be personally delivered or sent by first class certified or registered mail, return receipt requested, with postage prepaid, to the parties' addresses set forth on the first page of this Contract. Either party may change such address for notice and, if payments are not made to an escrow or collection account, the Seller may change the address for payment, by designating the same to the other party hereto in the manner herein and above set forth. All notices which are so addressed and paid for shall be deemed effective when personally delivered or, if mailed, on the day after the date of the deposit thereof in the United States mail and irrespective of actual receipt of such notice by the addressee.

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16. Time of Performance. Time is specifically declared to be of the essence of this Contract and of all acts required to be done and performed by the parties hereto, including, but not limited to, the proper tender of each of the sums required by the terms hereof to be paid.

17. Definitions. As used herein the term "Property" means all of the estate, right, title and interest currently held and hereafter acquired by the Seller in and to the Real Property and Personal Property described herein and the rights, easements, privileges and appurtenances thereunto belonging or appertaining or held and enjoyed therewith, together with all timber and crops thereon and any repairs, improvements, replacements and additions thereto whether made, erected or constructed by the Seller or the Purchaser prior or subsequent to the date hereof.

18. Successors. Subject to the restrictions contained herein, the rights and obligations of the Seller and the Purchaser shall inure to the benefit of and be binding upon their respective estates, heirs, executors, administrators, successors, successors in trust and assigns; provided, however, no person to whom this contract is pledged or assigned for security purposes by either party hereto shall, in the absence of an express, written assumption by such party, be liable for the performance of any covenant herein. Any assignee of any interest in this Contract, or any holder of any interest in the Property, shall have the right to cure any default in the manner permitted and between the time periods required of the defaulting party, but except as otherwise required by law, no notices in addition to those provided for in this contract need be given.

19. Applicable Law. This Contract shall be governed and interpreted in accordance with the laws and State of Washington and the venue of any action brought to interpret or enforce any provision of this Contract shall be laid in the county in which the Real Property is situated. All sums herein referred to shall be calculated by and payable in the lawful currency of the United States.

20. First Right of Refusal. The Seller further covenants and agrees that in the event the lease with Tom Shane on the property described on Exhibit "A", a copy of which is attached hereto and incorporated herein by reference, is terminated, and/or if Seller proposes to sell or lease the Property described on Exhibit "A", ~~to someone other than Tom Shane,~~ then the Purchaser shall have the first right of refusal on any sale or lease of said Property. Seller shall notify Purchaser in writing of Seller's intent to sell or lease said Property and provide Purchaser with the name and address of the proposed buyer or lessee and the terms and conditions of the proposed sale or lease. Purchaser shall have thirty (30) days after receipt of the above information within which to exercise its first right of

*w.d.c.wc.  
y.R.  
JMM*



SUBSCRIBED AND SWORN to before me by HELEN NIDEROST on this 6th day of December, 1989.

William H. Handsted  
NOTARY PUBLIC in and for the State of Washington, residing at Mount Vernon  
My commission expires: 12-10-89

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF SKAGIT )

On this day personally appeared before me LEO ROOZEN, to me known to be the President of WASHINGTON BULB COMPANY, INC., the corporation that executed the within and foregoing instrument, and acknowledged to me the said instrument was the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument for and on its behalf.

SUBSCRIBED AND SWORN to before me by LEO ROOZEN on this \_\_\_\_\_ day of December, 1989.

NOTARY PUBLIC in and for the State of Washington, residing at \_\_\_\_\_  
My commission expires: \_\_\_\_\_

STATE OF WASHINGTON  
COUNTY OF SKAGIT } ss

On this 6TH day of DECEMBER, 19 89, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared LEO ROOZEN

and HELEN M. ROOZEN to me known to be the TREAS./ Secretary, respectively, of WASHINGTON BULB COMPANY, INC. 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 ARE authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above written. William H. Handsted  
Notary Public in and for the State of Washington, residing at MOUNT VERNON  
12-10-89  
My appointment expires on \_\_\_\_\_

## EXHIBIT "A"

- (A) Government Lot 3, Section 3, Township 33 North, Range 3 East, W.M., Except Ditch Right of Way.
- (B) The North Half of the North Half of the North Half of the Southeast Quarter of Section 33, Township 34 North, Range 3 East, W.M., Except County Road and Except Ditch Right of Way.
- (C) The South Half of the North Half of the North Half of the Southeast Quarter of Section 33, Township 34 North, Range 3 East, W.M., Except County Road and Except Ditch Right of Way.
- (D) The Southwest Quarter of the Northwest Quarter of Section 34, Township 34 North, Range 3 East, W.M., Except Road.
- (E) The Southeast Quarter of the Northwest Quarter of Section 34, Township 34 North, Range 3 East, W.M.
- (F) The North Half of the Southwest Quarter of Section 34, Township 34 North, Range 3 East, W.M., Except Road.
- (G) The East Half of the Southeast Quarter of the Southwest Quarter of Section 34, Township 34 North, Range 3 East, W.M.
- (H) The West Half of the Southeast Quarter of the Southwest Quarter of Section 34, Township 34 North, Range 3 East, W.M.

RECORDED  
REQUEST OF

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DEC-7

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JERRY MCINTURFF  
SKAGS COUNTY AUDITOR

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