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JERRY McINTURFF  
SKAGIT COUNTY AUDITOR

'94 JAN 18 AM 11:20

FILED FOR RECORD AT REQUEST OF

H. I. MORGAN

9401180090

WHEN RECORDED RETURN TO

H. I. MORGAN  
1017 W. SCENIC HTS. RD.  
OAK HARBOR, WA 98277

THIS SPACE PROVIDED FOR RECORDS USE FILED  
← REQUEST OF

253/254  
SKAGIT COUNTY WASHINGTON  
Real Estate Excise Tax  
PAID

JAN 18 1994

Amount Paid \$ 825.48  
Skagit County Treasurer  
By: *[Signature]* Deputy

### REAL ESTATE CONTRACT

THIS CONTRACT, made and entered into this 18<sup>th</sup> day of January, 1994,

between Hubert L. Morgan and Beatrice E. Morgan, husband and wife, hereinafter called the "Seller" and  
John W. Morgan and Charlotte A. Morgan, husband and wife, hereinafter called the "Buyer",

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

Lot 2 of SKAGIT COUNTY SHORT PLAT NO. 4-89 as approved March 6, 1989, and recorded March 13, 1989, in Volume 8 of Short Plans, page 115, under Auditor's File No. 8903130001, Records of Skagit County, Washington, being a portion of Government Lot 4, Section 2, Township 33 North, Range 4 East of the Willamette Meridian

TOGETHER WITH that certain tract of land conveyed to the Seller by Quit Claim Deed dated June 21, 1991, and recorded under Auditor's File No. 9401030078, Records of Skagit County, Washington, and

EXCEPT that certain tract of land conveyed to the Buyer by Quit Claim Deed dated June 3, 1991, and recorded under Auditor's File No. 9401030077, Records of Skagit County, Washington.

TOGETHER WITH all improvements on the property, including one Concord Mobile Home, manufactured in 1980, 24 feet wide by 44 feet long, Serial Number 2900115341.

ALL SUBJECT TO easements, reservations, restrictions, covenants and conditions of record affecting or pertaining to the property.

The terms and conditions of this contract are as follows: The purchase price is Fifty Three Thousand Nine Hundred Fifty Two and 76/100 (\$53,952.76) Dollars, of which One Thousand (\$1,000.00) Dollars have been paid, the receipt whereof is hereby acknowledged, and the balance of said purchase price shall be paid as follows: Five Hundred Sixty One and 65/100 (\$561.65) Dollars, or more, at the buyer's option, on or before the first day of February, 1994, interest from January 1, 1994 at the rate of 5.00% per annum on the declining balance thereof, and a like amount or more on or before the first day of each and every month thereafter until paid in full.

Payments are applied first to interest and then to principal. Payments shall be made at 1017 W. Scenic Hts. Rd., Oak Harbor, WA 98277 or such other place as the Seller may hereafter indicate in writing.

Timely payments are expected to be made but Seller agrees that no action to initiate foreclosure proceedings will be taken unless Buyer fails to make 3 or more payments in any calendar year. NOTWITHSTANDING THE ABOVE, THE ENTIRE BALANCE OF PRINCIPAL AND INTEREST IS DUE IN FULL NOT LATER THAN FEBRUARY 1, 2004.

Seller agrees that the Buyer will not be required to carry insurance on the improvements but Buyer also agrees to maintain the premises in as good or better condition than they are at the date of closing and to assume all responsibility for any loss or destruction that may occur, including condemnation of any part of the property. Any such loss shall not relieve the Buyer from any of Buyer's obligations pursuant to this contract.

Buyer agrees to assume responsibility for payment of all utilities, taxes, assessments, levies and any other charges that may result in a lien being placed on the property. If Buyer fails to pay taxes or assessments, levies or utility charges constituting liens prior to Seller's interest under this Contract, Seller may pay such items and Buyer shall forthwith pay Seller the amount thereof plus a late charge of 5% of the amount thereof plus any costs and attorneys fees incurred in connection with making such payment.

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**DEFAULT.** If the Buyer fails to observe or perform any term, covenant or condition of this Contract, Seller may:

(a) **Suit for Installments.** Sue for any delinquent periodic payment; or

(b) **Specific Performance.** Sue for specific performance of any of Buyer's obligations pursuant to this Contract; or

(c) **Forfeit Buyer's Interest.** Forfeit this contract pursuant to Ch. 61.30.RCW, as it is presently enacted and may hereafter be amended. The effect of such forfeiture includes: (i) all right, title and interest in the property of the Buyer and all persons claiming through the Buyer shall be terminated; (ii) the Buyer's rights under the Contract shall be cancelled; (iii) all sums previously paid under the Contract shall belong to and be retained by the Seller or other person to whom paid and entitled thereto; (iv) all improvements made to and unharvested crops on the property shall belong to the Seller; and (v) Buyer shall be required to surrender possession of the property, improvements, and unharvested crops to the Seller 10 days after the forfeiture.

(d) **Acceleration of Balance Due.** Give Buyer written notice demanding payment of said delinquencies and payment of a late charge of 5% of the amount of such delinquent payments and payment of Seller's reasonable attorney's fees and costs incurred for services in preparing and sending such Notice and stating that if payment pursuant to said Notice is not received within thirty (30) days after the date said Notice is either deposited in the mail addressed to the Buyer or personally delivered to the Buyer, the entire balance owing, including interest, will become immediately due and payable. Seller may thereupon institute suit for payment of such balance, interest, late charge and reasonable attorneys' fees and costs.

**RECEIVER.** If Seller has instituted any proceedings specified in the above paragraph titled **DEFAULT** and Buyer is receiving rental or other income from the property, Buyer agrees that the appointment of a receiver for the property is necessary to protect Seller's interest.

**BUYER'S REMEDY FOR SELLER'S DEFAULT.** If Seller fails to observe or perform any term, covenant or condition of this Contract, Buyer may, after 30 days' written notice to Seller, institute suit for damages or specific performance unless the breaches designated in said notice are cured.

**NON-WAIVER.** Failure of either party to insist upon strict performance of the other party's obligations hereunder shall not be construed as a waiver of strict performance thereafter of all of the other party's obligations hereunder and shall not prejudice any remedies as provided herein.

**ATTORNEYS' FEES AND COSTS.** In the event of any breach of this Contract, the party responsible for the breach agrees to pay reasonable attorneys' fees and costs, including costs of service of notices and title searches, incurred by the other party. The prevailing party in any suit instituted arising out of this Contract and in any forfeiture proceedings arising out of this Contract shall be entitled to receive reasonable attorneys' fees and costs incurred in such suit or proceedings.

**NOTICES.** Notices shall be either personally served or shall be sent certified mail, return receipt requested and by regular first class mail to Buyer at 2024 Criddle Lane, Mt. Vernon, WA 98273, and to Seller at 1017 W. Scenic Hts. Rd., Oak Harbor, WA 98277, or such other addresses as either party may specify in writing to the other party. Notices shall be deemed given when served or mailed. Notice to Seller shall also be sent to any institution receiving payments of the Contract.

**TIME FOR PERFORMANCE.** Time is of the essence in performance of any obligations pursuant to this Contract.

**SUCCESSORS AND ASSIGNS.** Subject to any restrictions against assignment, the provisions of this Contract shall be binding on the heirs, successors and assigns of the Seller and the Buyer.

If the Buyer's title to the property, or any portion thereof, is conveyed to another party, the Seller reserves the right to: (a) following any required notice, declare the entire remaining balance of the Purchase Price and all accrued and unpaid interest thereon immediately due and payable, or (b) adjust the interest rate on this contract, effective as of the date of the transfer. If Seller does not exercise either option within 30 days of receipt of written notice of the sale and transferee, the above rights to the options shall be deemed waived.

Upon payment of all amounts due Seller, Seller agrees to deliver to Buyer a Statutory Warranty Deed and title to the mobile home on the property in fulfillment of this Contract. The covenants of warranty in said deed shall not apply to any encumbrances assumed by Buyer or to defects in title arising subsequent to the date of this Contract by, through or under persons other than the Seller herein.

This Contract constitutes the entire agreement of the parties and supersedes all prior agreements and understandings, written or oral. This Contract may be amended only in writing executed by Seller and Buyer.

IN WITNESS WHEREOF the parties have signed and sealed this Contract the day and year first above written.

SELLER

BUYER

Beatrice E. Morgan  
Hubert L. Morgan

John W. Morgan  
Charlotte A. Morgan

STATE OF WASHINGTON }

ss.

COUNTY OF ISLAND }

On this day personally appeared before me Hubert L. Morgan and Beatrice E. Morgan, husband and wife, and John W. Morgan and Charlotte A. Morgan, husband and wife, 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 14<sup>th</sup> day of January, 1994.

[Signature]  
Notary Public in and for the State of Washington,

residing at [Address]

My Commission expires 5-5-96