

RECORD & RETURN TO:
TWEDE & SVAREN, INC., P.S.
P.O. BOX 526
BURLINGTON, WA 98233

14

REAL ESTATE CONTRACT

9512050084

1. **PARTIES AND DATE.** This Contract is entered into on December 5th, 1995, between DONALD BENNETT, a married man wwi PHYLLIS JEAN BENNETT, selling his separate property, as "Seller", and BLAKE JOHNSON and MOLLY JOHNSON, husband and wife, as "Buyer".

2. **SALE AND LEGAL DESCRIPTION.** Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller the following described real estate in Skagit County, State of Washington:

That portion of Tract 7 "Plat of the Burlington Acreage Property" as per plat recorded in Volume 1 of Plats, Page 49, records of Skagit County, described as follows:

Beginning at the Southeast corner of said Tract 7; thence North 0°04'15" West along the East line of said Lot 7, a distance of 102.77 feet to the beginning of a curve to the left having a radius of 25 feet; thence along the arc of the curve through a central angle of 90°28'45" a distance of 39.48 feet; thence South 89°27' West a distance of 49.79 feet; thence South 0°04'15" East a distance of 127.93 feet to the South line of said Tract 7; thence North 89°29'20" East along the South line of said Tract 7, a distance of 75 feet to the point of beginning.

11011
SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax
PAID

DEC 5 1995

Amount Paid \$ 1683.00
By: *[Signature]* Skagit County Treasurer
Deputy

95 DEC -5 P2:54

KATHY HILL
SKAGIT COUNTY AUDITOR

Situate in the County of Skagit, State of Washington.

3. **PERSONAL PROPERTY.** No part of the purchase price is attributed to personal property.

4. **(a) PRICE.** Buyer agrees to pay:

	\$ 110,000.00
Less	(\$ 12,000.00)
Less	(\$ - 0 -)
Results in	\$ 98,000.00

Total Price
Down Payment
Assumed Obligation(s)
Amount financed by Seller.

ORIGINAL

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(b) PAYMENT OF AMOUNT FINANCED BY SELLER. Buyer agrees to pay the sum of **NINETY-EIGHT THOUSAND (\$98,000.00) DOLLARS**, as follows:

Monthly payments of **SEVEN HUNDRED FORTY-EIGHT DOLLARS and 45/100 CENTS (\$748.45)**, commencing on January 15, 1996, and a like payment on the 15th day of each succeeding month until the entire balance, both principal and interest, shall be paid in full. Interest shall accrue at the rate of **8%** per annum on the declining balance.

Payments are applied first to interest and then to principal. Payments shall be made into a Collection Account to be set up at: Skagit State Bank, 301 E. Fairhaven, Burlington, Washington, or at such other place as the Seller may hereafter indicate in writing.

5. FULFILLMENT DEED. Upon payment of all amounts due Seller, Seller agrees to deliver to Buyer a Statutory Warranty Deed 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. Any personal property included in the sale shall be included in the Fulfillment Deed.

6. LATE CHARGES. If any payment on the purchase price is not made within ten (10) days after the date it is due, Buyer agrees to pay a late charge equal to **5%** of the amount of such payment. Such late payment charge shall be in addition to all other remedies available to Seller and the first amounts received from Buyer after such late charges are due shall be applied to the late charges.

7. POSSESSION. Buyer is entitled to possession of the property from and after the date of this Contract.

8. TAXES, ASSESSMENT AND UTILITY LIENS. Buyer agrees to pay by the date due all taxes and assessments becoming a lien against the property after the date of this Contract. Buyer may in good faith contest any such taxes or assessments so long as no forfeiture or sale of the property is threatened as the result of such contest. Buyer agrees to pay when due any utility charges which may become liens superior to Seller's interest under this Contract. If Real Estate Taxes and penalties are assessed against

the property subsequent to date of this Contract because of a change in use prior to the date of this Contract for Open Space, Farm, Agricultural or Timber classifications approved by the County or because of a Senior Citizen's Declaration to Defer Property Taxes filed prior to the date of this Contract, Buyer may demand in writing payment of such taxes and penalties within 30 days. If payment is not made, Buyer may pay and deduct the amount thereof plus 5% penalty from the payments next becoming due Seller under the Contract.

9. INSURANCE. Buyer agrees to keep all buildings now or hereafter erected on the property described herein continuously insured under fire and extended coverage policies in an amount not less than the balances owed on obligations assumed by Buyer plus the balance due Seller, or full insurable value, whichever is lower. All policies shall be held by the Seller and be in such companies as the Seller may approve and have loss payable first to any holders of underlying encumbrances, then to Seller as their interests may appear and then to Buyer. Buyer may, within 30 days after loss, negotiate a contract to substantially restore the premises to their condition before the loss. If the insurance proceeds are sufficient to pay the contract price for restoration or if the Buyer deposits in escrow any deficiency with instructions to apply the funds on the restoration contract, the property shall be restored unless the underlying encumbrances provide otherwise. Otherwise the amount collected under any insurance policy shall be applied upon any amounts due hereunder in such order as the Seller shall determine. In the event of forfeiture, all rights of Buyer in insurance policies then in force shall pass to Seller.

10. NONPAYMENT OF TAXES AND UTILITIES CONSTITUTING LIENS. If Buyer fails to pay taxes or assessments, 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 attorney's fees incurred in connection with making such payment.

11. CONDITION OF PROPERTY. Buyer accepts the property in its present condition and acknowledges that Seller, his agents and subagents have made no representation or warranty concerning the physical condition of the property or the uses to which it may be put other than as set forth herein. Buyer agrees to maintain the property in such condition as complies with all applicable laws.

12. RISK OF LOSS. Buyer shall bear the risk of loss for destruction or condemnation of the property. Any such loss shall not relieve Buyer from any of Buyer's obligations pursuant to this Contract.

13. WASTE. Buyer shall keep the property in good repair and shall not commit or suffer waste or willful damage to or destruction of the property. Buyer shall not remove commercial timber without the written consent of Seller.

14. AGRICULTURAL USE. If this property is to be used principally for agricultural purposes, Buyer agrees to conduct farm and livestock operations in accordance with good husbandry practices. In the event a forfeiture action is instituted, Buyer consents to Seller's entry on the premises to take any reasonable action to conserve soil, crops, trees and livestock.

15. CONDEMNATION. Seller and Buyer may each appear as owners of an interest in the property in any action concerning condemnation of any part of the property. Buyer may within thirty (30) days after condemnation and removal of improvements, negotiate a contract to substantially restore the premises to their condition before the removal. If the condemnation proceeds are sufficient to pay the contract price for restoration or if the Buyer deposits in escrow any deficiency with instructions to apply the funds on the restoration contract, the property shall be restored unless underlying encumbrances provide otherwise. Otherwise, proceeds of the award shall be applied in payment of the balance due on the purchase price, as Seller may direct.

16. DEFAULT. If 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 ten (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 attorney's fees and costs.

17. **RECEIVER.** If Seller has instituted any proceedings specified in Paragraph 15 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.

18. **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 thirty (30) days written notice to Seller, institute suit for damages or specific performance unless the breaches designated in said notice are cured.

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19. 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.

20. ATTORNEY'S FEES AND COSTS. In the event of any breach of this Contract, the party responsible for the breach agrees to pay reasonable attorney's 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 attorney's fees and costs incurred in such suit or proceedings.

21. 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: 1115 Peacock Lane, Burlington, Washington, 98233, and to Seller at: 934 So. Burlington Blvd. #177, Burlington, Washington, 98233, 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 on the Contract.

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

23. 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.

24. DUE ON SALE. If Buyer, without written consent of Seller, (a) conveys, (b) sells, (c) leases, (d) assigns, (e) contracts to convey, sell, lease or assign, (f) grants an option to buy the property, (g) permits a forfeiture or foreclosure or trustee or sheriff's sale of any of the Buyer's interest in the property or this Contract, Seller may at any time thereafter either raise the interest rate on the balance of the purchase price or declare the entire balance of the purchase price due and payable. A lease of less than three (3) years (including options for renewals), a transfer to a spouse or child of Buyer, a transfer incident to a marriage dissolution or condemnation, and a transfer

by inheritance will not enable Seller to take any action pursuant to this Paragraph; provided the transferee other than a condemnor agrees in writing that the provisions of this paragraph apply to any subsequent transaction involving the property entered into by the transferee.

IN WITNESS WHEREOF the parties hereto have executed this agreement this 5th day of December, 1995.


DONALD BENNETT - Seller


PHYLLIS JEAN BENNETT
(Wife of Seller)

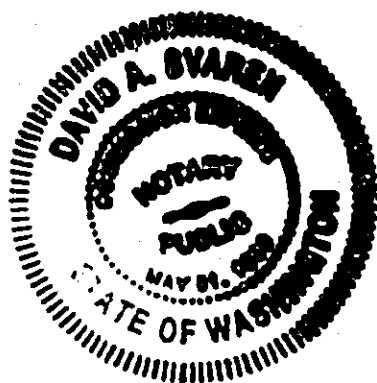

BLAKE JOHNSON - Purchaser

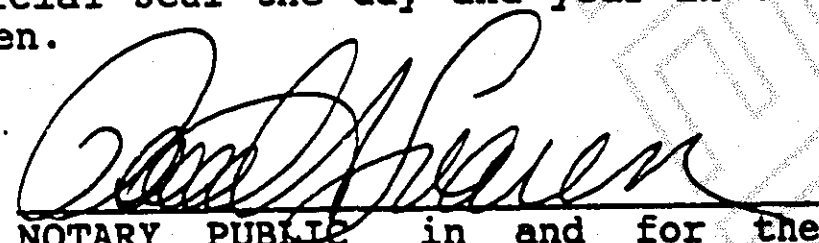

MOLLY JOHNSON - Purchaser

STATE OF WASHINGTON)
COUNTY OF SKAGIT) ss

THIS CERTIFIES that on this 5th day of December, 1995, personally appeared before me DONALD BENNETT and PHYLLIS JEAN BENNETT, husband and wife, to me known to be the individuals described in and who executed the foregoing instrument as "Sellers", and acknowledged the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in this certificate first above written.




NOTARY PUBLIC in and for the
State of Washington, residing at
Burlington, my commission
expires: 5-1-98.

STATE OF WASHINGTON)
) ss
COUNTY OF SKAGIT)

On this 5th day of December, 1995, personally appeared before me BLAKE JOHNSON and MOLLY JOHNSON, husband and wife, to me known to be the individuals described herein and who executed the within and foregoing instrument as "Purchaser", and acknowledged the same to be 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 first above written.



David A. Evans
NOTARY PUBLIC in and for the
State of Washington, residing at
Burlington, my commission
expires: 5-1-98.