



200010020063
Skagit County Auditor

10/2/2000 Page 1 of 9 11:33:52AM

Filed for record at request of
SCHACHT & HICKS
ATTORNEYS AT LAW
PO BOX 1165
MOUNT VERNON WA 98273

LAND TITLE COMPANY OF SKAGIT COUNTY

Grantors: OWENS, JERRY C. and OWENS, PHYLLIS A., husband and wife

Grantees: McRAE, KIM MILTON and McRAE, S. LATRELLE, husband and wife

Abbreviated Legal: Ptn SE 1/4 NE 1/4, Sec. 30, Township 34 N., Range 4 E. W.M.

McLean's 3rd St to Mt Vernon E 1/2 Lot 1
E 1/2 N 1/2 Lot 2 less st Dk 3 DT 92 Blk 2

Ptn SE 1/4 of the NE 1/4, Sec. 30
Township 34 N, Range 4 E. W.M.

Additional legals on page: Exhibit A

Assessor's tax parcel numbers: 340430-0-214-0002,
3739-002-002-006 and 340430-0-176-0008

37566
SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax

OCT 02 2000

Amount Paid \$8,900
By Skagit Co. Treasurer
DC Deputy

REAL ESTATE CONTRACT

1. PARTIES AND DATE. This contract is entered into on August 1, 2000, between JERRY C. OWENS and PHYLLIS A. OWENS, husband and wife, as "Seller," and KIM MILTON McRAE and S. LATRELLE McRAE, 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 certain tract of land listed and described on EXHIBIT "A" attached hereto and by reference made a part hereof.

3. TERMS. The following are the terms by which the purchase price shall be paid. The purchase price is the sum of Five Hundred Thousand Dollars (\$500,000.00), which shall be paid in installments of \$4,997.00, or more, at Buyer's option, on or before the 1st day of September, 2000, and a like amount on or before the 1st day of each and every month thereafter until paid in full. Interest shall accrue from the 1st day of August, 2000, at the rate of 8 3/4% per annum on the declining principal balance with payments being first applied to interest and the balance to principal.

4. 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.

5. 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 15% 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. Buyer additionally commencing on the 11th day subsequent to the due date shall pay interest at the rate of twelve percent (12%) per annum on the principal balance then due until all defaults have been cured.

6. NO ADVERSE EFFECT ON PRIOR ENCUMBRANCES. Seller warrants that entry into this contract will not cause in any prior encumbrance (a) a breach, (b) accelerated payments, or (c) an increased interest rate; unless (a), (b) or (c) has been consented to by Buyer in writing.

7. POSSESSION. Buyer is entitled to possession of the property from and after the date of this Contract, or on August 1, 2000, whichever is later.

8. TAXES, ASSESSMENTS 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 the 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 Country 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 15% 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 sufficient to repair any damage or replace any structure destroyed. 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, INSURANCE AND UTILITIES CONSTITUTING LIENS. If Buyer fails to pay taxes or assessments, insurance premiums or utility charges, whether or not they constitute liens superior 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 15% of the amount thereof plus any costs and attorney's fees incurred in connection with making such payment or in collecting the sums paid from Buyer.

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. 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 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.

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

(a) Sue 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 RCW 61.30 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; or

(d) Acceleration of Balance Due. Give Buyer written notice demanding payment of said delinquencies and payment of a late charge of 15% 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.

16. 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.

17. 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 RCW 61.30 forfeiture proceedings arising out of this Contract shall be entitled to receive reasonable attorney's fees and costs incurred in such suit or proceedings.

18. 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: 1633 South Second Street, Mount Vernon, WA 98273 and to Seller at: 21990 Bulson Road, Mount Vernon, WA 98273, or such other address 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.



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

20. 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.

21. ALTERATIONS. Buyer shall not make any substantial alteration to the improvements on the property without the prior written consent of Seller, which consent will not be unreasonably withheld.

22. 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 to twelve percent (12%) per annum the interest rate on the balance of the purchase price or declare the entire balance of the purchase price due and payable.

23. BOUNDARY LINES. Seller does not warrant against any adverse possession or prescriptive rights claims of any third parties affecting this property. Seller's deed to Buyer shall likewise not warrant against adverse possession or prescriptive rights claims made or potentially made by third parties. Buyer shall have no claim against Seller for any adverse possession or prescriptive rights claims made by any third party affecting this property.

24. CONTEMPORANEOUS DEFAULT. The parties, contemporaneously with the execution of this Real Estate Contract have likewise entered into the purchase and sale of all of the issued and outstanding shares of stock in J. C.'s Pawn Shop, Inc., which Seller's herein own. That stock purchase and sale agreement is by this reference made a part of this agreement. It is agreed by all of the parties that a breach in this Real Estate Contract will likewise be deemed a breach of the stock sale agreement and breach in the stock sale agreement shall be deemed a breach in this real estate contract. The parties, in the event of a breach, in either agreement, shall have all of the rights and remedies available pursuant to statute or common law for the purposes



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of enforcing the terms and conditions of either such agreement.

25. ENTIRE AGREEMENT. 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 this Contract the day and year first above written.

Jerry C. Owens
JERRY C. OWENS
Phyllis A. Owens
PHYLLIS A. OWENS

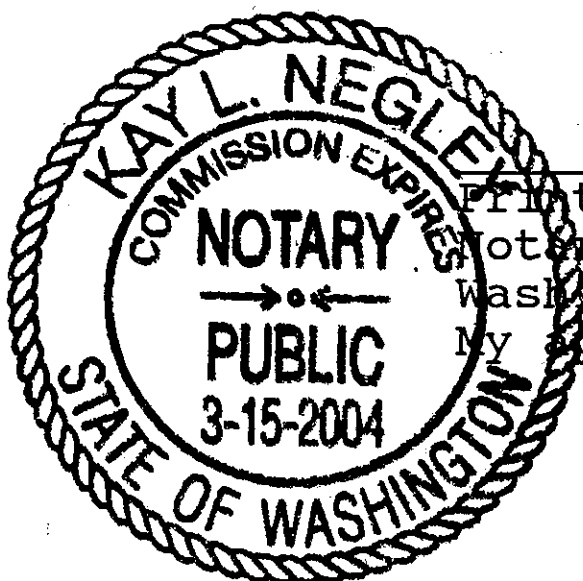
SELLER

Kim M. McRae
KIM MILTON MCRAE
S. Latrelle McRae
S. LATRELLE MCRAE BUYER

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that JERRY C. OWENS and PHYLLIS A. OWENS, husband and wife, are the persons who appeared before me, and said persons acknowledged that they signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: August 1, 2000.



Kay L. Negley
Printed name: KAY L. NEGLEY
Notary Public in and for the state of
Washington, residing at Mount Vernon.
My appointment expires: 3-15-2004



The East $\frac{1}{2}$ of the following described property:

The North $\frac{1}{2}$ of Lot 2, Block 2, "McLEAN'S THIRD STREET ADDITION TO MT. VERNON", as per plat recorded in Volume 3 of Plats, page 66, records of Skagit County, Washington, EXCEPT the East 30 feet thereof.

That portion of Lot 1, Block 2, "McLEAN'S THIRD STREET ADDITION TO MT. VERNON", as per plat recorded in Volume 3 of Plats, page 66, records of Skagit County, Washington, lying West of Second Street and East of Cleveland Street as laid out and established in the City of Mount Vernon.

That portion of the Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 30, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at a point on the West line of Second Street in the City of Mount Vernon, which is on the North line of those premises conveyed to Geo. S. Hannaford by deed dated September 22, 1909, filed September 29, 1909, under Auditor's File No. 75671 and recorded in Volume 79 of Deeds at page 26, which point is 330 feet, more or less, South of the North line of said Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$;

thence West along the North line of said Hannaford premises 216 feet to the East line of Cleveland Street;

thence South to the North line of plat of "McLEAN'S THIRD STREET ADDITION TO MT. VERNON", as per plat recorded in Volume 3 of Plats, page 66, records of Skagit County, Washington;

thence East along the North line of said plat 216 feet to the West line of Second Street;

thence North along said West line to the point of beginning.

TOGETHER WITH an easement for the overhang of the existing building over the property adjacent on the West and for the purpose of access, maintenance and support of said overhang over and across: The East 8 feet of the West $\frac{1}{2}$ of that portion of Lot 1 in Block 2, "McLEAN'S THIRD STREET ADDITION TO MT. VERNON", as per plat recorded in Volume 3 of Plats, page 66, records of Skagit County, Washington, lying West of Second Street and East of Cleveland Street as laid out and established in the City of Mount Vernon. And over and across the East 8 feet of the West $\frac{1}{2}$ of that portion of the Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 30, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at a point on the West line of Second Street in the City of Mount Vernon, which is on the North line of those premises conveyed to Geo. S. Hannaford by deed dated September 22, 1909, filed September 29, 1909, under Auditor's File No. 75671 and recorded in Volume 79 of Deeds at page 26, which point is 330 feet, more or less, South of the North line of said Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$;

thence West along the North line of said Hannaford premises 216 feet to the East line of Cleveland Street;

thence South to the North line of Plat of "McLEAN'S THIRD STREET ADDITION TO MT. VERNON", as per plat recorded in Volume 3 of Plats, page 66, records of Skagit County, Washington;

thence East along the North line of said plat 216 feet to the West line of Second Street;

thence North along said West line to the point of beginning.

Situate in the County of Skagit, State of Washington.

EXHIBIT "A" - page 1



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That portion of the Southeast 1/4 of the Northeast 1/4 of Section 30, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at a point on the West line of Second Street as established in the City of Mount vernon which is 165 feet South of the North line of said Southeast 1/4 of the Northeast 1/4 thence South 165 feet along the West line of Second Street; thence West parallel with the North line of the Southeast 1/4 of the Northeast 1/4, 108 feet to a point 108 feet East of the East line of Cleveland Street; thence North parallel with the East line of Cleveland Street to a point due West of the point of beginning; thence East 108 feet to the point of beginning.

Situate in Skagit County, Washington.

EXHIBIT "A" - page 2



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