



200010230134

, Skagit County Auditor

10/23/2000 Page 1 of 11 3:39:35PM

WHEN RECORDED RETURN TO:

JAMES E. ANDERSON P.S.
P.O. BOX 737
ANACORTES, WA 98221

ISLAND TITLE COMPANY

ACCOMMODATION RECORDING

REAL ESTATE CONTRACT

GRANTOR: BARBARA S. KNIGHT, whose name may appear of record
as Barbara Susan Knight, as her separate property

GRANTEE: STEVEN J. ANDRESEN, a single man

LEGAL DESCRIPTION: Tract 114, "Skyline No. 8", according to
the Plat recorded in Volume 9 of Plats, Pages 72, 73, and
74, records of Skagit County, Washington.

TAX PARCEL NO. 3824-000-114-0001, P59774

THIS IS A CONTRACT made and entered into this 20th day
of OCTOBER, 2000, between BARBARA S. KNIGHT, whose name
may appear of record as Barbara Susan Knight, as her sepa-
rate property, hereinafter referred to as "Seller", and
STEVEN J. ANDRESEN, a single person, hereinafter referred to
as "Purchaser".

1. **AGREEMENT OF SALE.** The Seller agrees to sell and
the Purchaser agrees to purchase Seller's undivided one-half
interest in that certain real property and improvements
located at 4913 Macbeth Drive, Anacortes, Skagit County,
Washington and legally described above

2. **PURCHASE PRICE.** The total purchase price is One
Hundred Fifty-Four Thousand Dollars (\$154,000) and the Pur-
chaser agrees to pay the purchase price as follows:

2.1. **DOWN PAYMENT.** The down payment is Forty
Thousand Dollars (\$40,000) and shall be paid at closing.

2.2. **PAYMENT OF BALANCE.** The balance of the
purchase price in the sum of One Hundred Fourteen Thousand
Dollars (\$114,000) shall be paid in monthly installments of

REAL ESTATE CONTRACT - 1

One Thousand Three Hundred Fifty-three Dollars and 20/100 (\$1,353.20) per month including interest at the rate of 7.5 percent per annum, commencing the 15th day of January, 2001, and continuing thereafter on the same day of each month until January 15, 2011 at which time the full amount of the principal and interest then due shall be paid in full. Interest shall commence January 1, 2001.

2.3. LATE CHARGE. In the event that any monthly or annual payment is not paid within 10 days after its due date there shall be a late charge of \$75.

2.4. PLACE OF PAYMENT. The payments called for hereunder shall be made to Seller at 1219 Marinola Way, Pinole, California 94564 unless he otherwise directs in writing.

2.5. PREPAYMENT. Purchaser may make larger payments at any time or pay the balance owing without penalty.

3. RETENTION OF TITLE.

Except as otherwise provided herein, the Seller's title to the property shall remain in the Seller until the full amount of the purchase price and interest then due shall be paid in full.

4. POSSESSION. From and after the date of closing the Purchaser may enter upon and take possession of the property.

5. TAXES AND ASSESSMENTS. 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 recording of this contract.

6. CONDITION OF PROPERTY AND INSPECTION. The Purchaser agrees that full inspection of the property has been made and the Purchaser hereby accepts the property in the condition existing on the date of this contract. Purchaser confirms that neither the Seller nor any agent or representative of the Seller has given or made any warranty or representation whatsoever concerning the physical condition of the prop-



erty, the ability to subdivide the property at a later date, the availability of building permits or utilities, the future value of the property or the uses or purposes to which the same may now or hereafter be placed.

7. **RISK OF LOSS.** The Purchaser shall bear the risk of loss for the complete or partial destruction or condemnation of the property after the date of this contract. No loss, damage, or destruction of all or part of the property shall constitute a failure of consideration or a basis for the rescission of this contract or relieve the Purchaser from Purchaser's obligation to observe and perform all of the terms, covenants, and conditions of this agreement.

8. **MAINTENANCE AND INSPECTION.** The Purchaser shall keep and maintain the property in good repair, and shall not commit or suffer to be committed any waste or other willful damage to or destruction of the property or any portion thereof.

9. **LIENS.** The Purchaser shall not cause, authorize or permit any mechanics or materialmen's liens to be placed upon the property. The Purchaser shall indemnify and defend the Seller against all liens levied against the property or any part thereof caused by or through the Purchaser. The Purchaser shall have the right to contest said lien so long as a foreclosure thereof is prevented, and if such contest is pursued in good faith the filing of the lien and withholding payment of the lien amount so disputed shall not constitute a default under this contract.

10. **COMPLIANCE WITH LAWS.** 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. The Purchaser shall not use or permit any person to use the property for or in connection with any unlawful purpose or in any manner which causes a nuisance or in violation of any federal, state, or local law or ordinance governing the use or improvement of the property.

11. **INSURANCE.** The Purchaser shall keep the improvements on the property insured to the full insurable value thereof against loss or damage by fire, windstorm, and all other casualties covered by "all risk" endorsements available in the state of Washington. The Purchaser shall be responsible for payment of all premiums. All insurance policies shall expressly include the Seller as a named insured.

REAL ESTATE CONTRACT - 3



200010230134
Skagit County Auditor

Purchaser shall provide proof of such insurance immediately after closing, and thereafter no later than five days before the commencement of each prepaid policy term.

In the event of damage or destruction from a peril insured against, the proceeds of 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 Purchaser elects that said proceeds shall be paid to the Seller for application on the purchase price herein.

12. **TRANSFER OF PURCHASER'S INTEREST.** In the event that Purchaser should sell, assign, pledge or otherwise encumber the subject property, Purchaser shall have the option of requiring payment in full upon 30 days written notice. Any waiver of this provision, if applicable, shall be in writing signed by Purchaser.

14. **PURCHASER'S DEFAULT.** The Purchaser shall be in default under this contract if Purchaser:

A. Fails to observe or perform any term, covenant, or condition herein set forth or those of any prior encumbrances, or

B. Fails or neglects to make any payment of principal or interest or any other amount required to be discharged by the Purchaser precisely when obligated to do so, or

C. Becomes or is declared insolvent or makes an assignment for the benefit of creditors, or files any debtor's petition or any petition is filed against it under any bankruptcy, wage earner's plan, reorganization or similar act, or

D. Permits the property or any part thereof or its interest therein to be attached or in any manner restrained or impounded by process of any court, or

E. Abandons the property for more than 30 consecutive days (unless the property is otherwise occupied), or

F. Conveys the property or a portion thereof without the prior written consent required herein of the Seller.



15. **SELLER'S REMEDIES.** In the event the Purchaser is in default under this contract, the Seller may, at Seller's election, take the following courses of action:

15.1. **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 and any sums which have been advanced by Seller as of said date pursuant to the provisions of this contract, together with interest on all of said amounts at the default rate of 12% per annum from the date each such amount was advanced or due, as the case may be, to and including the date of collection;

15.2. **Acceleration.** Upon giving the Purchaser not less than 15 days written notice of its intent to do so (within which time any monetary default may be cured without regard to the acceleration), and if the default is in the nature of a failure to timely pay any principal, interest, insurance premium, tax, or other sum of money required to be paid herein or any failure to obtain any consent of the Seller herein required for a conveyance of the Purchaser's title to the property, or if the Purchaser commits waste on the property, the Seller may declare the entire unpaid balance of the purchase price and all interest then due thereon and the prepayment premium to be immediately due and payable and institute suit to collect such amounts, together with interest on all of said sums at the default rate of 12% per annum from the due date or date of each such advance to and including the date of collection;

15.3. **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, 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 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 of 12% per annum to and including 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 pay-



ments made hereunder by the Purchaser and may take possession of the property 10 days following the date this contract is forfeited and summarily eject the Purchaser and any person or persons having possession of said property by, through, or under the Purchaser who was 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 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 attorney's fees. To the extent permitted by applicable statute, the Seller shall have the right to obtain a deficiency against the Purchaser following the forfeiture if this contract for damages caused by waste to the property.

15.4. **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 of the debt due under this contract if the defaults upon which such action is based are not cured within fifteen (15) days following the Seller's written notice to the Purchaser which specifies such defaults and the acts required to cure the same (within which time any monetary default may be cured without regard to the acceleration); provided, however, such cure period shall be extended for up to thirty (30) additional days to the extent reasonably necessary to complete the cure of a nonmonetary default if the Purchaser commences such cure within fifteen (15) days following the Seller's notice and pursues it with due diligence. The Seller may, but shall not be required, to waive any right to a deficiency judgment in its 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 rede-



mption 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 any person to redeem the property. The prepayment premium shall be assessed upon any amounts accelerated pursuant to the terms of this paragraph, and all such amounts shall bear interest at the default rate of 12% per annum from and after the date they are so accelerated to and including the date of collection;

15.5. **Specific Performance.** The Seller may institute suit to specifically enforce any of the Purchaser's covenants here-under, and the same may include redress by mandatory or prohibitive injunction;

15.6. **Remedies Under the Uniform Commercial Code.** The Seller shall have and the Purchaser hereby grants to the Seller all of the rights and remedies contained in the Uniform Commercial Code in effect in the State of Washington as of the date of the Purchaser's default and to the extent such remedies may be applicable to the type of collateral affected thereby;

15.7. **Receivership.** The parties hereto recognize and agree that in the event of default by the Purchaser in making any payments or in the performance of any of the other terms and conditions of this contract, the period of time involved in repossessing the property, forfeiting this contract, or in obtaining possession of the property by judicial process could cause irreparable damage to the seller and to the property or the possible acceleration of the debts secured by the prior encumbrances. Therefore, the Purchaser hereby expressly agrees that in the event of any default under this contract which is not cured the Seller shall have the right to apply to the Superior Court of the county in which the real property is situated for the appointment of a receiver under Chapter 7.60 of the Revised Code of Washington (or any chapter supplemental thereto) to take charge of and maintain control of, manage, farm, or operate the property, to evict tenants therefrom who are not then in compliance with their leases, to lease any portion or all of the property in the name of the purchaser on such terms as the receiver may deem advisable, to make such alterations, repairs, and improvements to the property as the receiver may deem advisable, and to receive all rents and income therefrom and issue receipts therefore, and out of the amounts that are so received to pay all of the debts

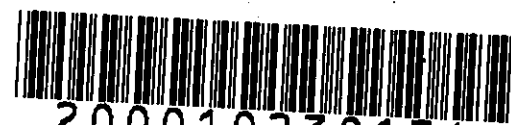


and obligations for which the purchaser is liable hereunder prior to or during the period of the receivership, including, without limitations, payments on or for this contract, prior encumbrances, taxes, assessments, insurance premiums, utility bills and costs of operating, maintaining, repairing, and managing the property. Any sums received by the receiver in excess of said amounts shall be retained by the receiver to discharge all remaining liabilities of the purchaser under this contract until the entirety of such obligations have been satisfied, at which point any remaining excess shall be paid to the purchaser without interest. Regardless of the application thereof, no sums requested by or paid to the receiver shall be deemed a partial cure for the purpose of requiring a notice of insufficient cure to be given to any person under RCW 61.30.090(3); and

15.8. **Property Rental.** In the event this contract is forfeited or foreclosed as herein provided or in any other manner permitted by law, or by mutual agreement of the Purchaser and the Seller, and the Purchaser shall thereafter remain in possession of the property beyond any period otherwise permitted by law, the Purchaser agrees that it will occupy the property as a tenant at will, and the Purchaser shall be obligated to pay, and hereby promises to pay during the period of such tenancy at will, a fair market rental in the amount then agreed to by the parties or, in the absence of such agreement or until such agreement is reached, an amount equal to two times the monthly installment amount as and when provided for in the specific terms hereof, and the Seller shall have, in addition to all other remedies for the collection of rentals and the recovery of possession that are available to landlords under the laws of the State of Washington, the right to institute and maintain an action for summary possession of the property as provided by law.

16. **PURCHASER'S REMEDIES.** In the event the Seller should default in any of its obligations under this contract and such default continues for 15 days after the Purchaser gives the Seller written notice specifying the nature thereof and the acts required to cure the same, the Purchaser shall have the right to specifically enforce this contract, institute suit for Purchaser's damages caused by such default, or pursue any other remedy which may be available to the Purchaser at law or in equity.

17. **REMEDIAL ADVANCES.** If either party to this contract shall fail to timely pay and discharge any payments or



sums for which it has agreed to be responsible herein and said failure constitutes a default under this contract, or shall by any other act or neglect violate the terms and any conditions of this contract or of any prior encumbrance, the other party hereto may pay, effect, or discharge such sums as are necessary to cure such default. Upon affording the party required to make such payment not less than 15 days prior written notice, except in any instance in which the Purchaser fails to obtain or maintain any insurance required herein or when immediate payment is required to avoid immediate hazards to persons or property or any foreclosure of or a similar action against or affecting any portion of the property, in which cases such notice may be given concurrently with or immediately following such payment. The party making such payment may recover from the defaulting party upon demand, or through offsetting the same against existing or future debts, the full cost and expense of so doing, including its reasonable attorney's fees and together with interest on said expenditures and fees at the default rate of 12% per annum from the date of expenditure to and including the date of collection or the due date of any sum against which such offset is effected.

18. **CUMULATIVE REMEDIES, WAIVERS.** The remedies stated herein are cumulative and not mutually exclusive and the Seller or the Purchaser may pursue any other or further remedies to enforce their respective rights under this contract.

19. **COSTS AND ATTORNEY'S FEES.** If either party shall be in default under this contract, the non-defaulting 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, expenses, and attorney's fees so incurred by the non-defaulting party, and the failure of the defaulting party to promptly pay the same shall in itself constitute a further and additional default.

20. **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 as follows:



SELLER: BARBARA S. KNIGHT
1219 Marinola Way
Pinole, CA 94564

PURCHASER: STEVEN J. ANDRESEN
44 Zaca Lane Ste. 100
San Luis Obispo, CA 93401

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 payments, by designating the same to the other party hereto in the manner hereinabove set forth any by causing a copy of such change to be properly recorded. All notices which are so addressed and paid for shall be deemed effective when personally delivered or, if mailed, on the date of the deposit thereof in the U.S. mail and irrespective of actual receipt of such notice by the addressee.

21. **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.

22. **GENDER AND NUMBER.** The use of any gender or neutral terms shall include all genders, and the use of any number shall be construed as singular or plural, as the case may require. The terms "Purchaser" and "Seller" refer to either the singular or the plural, as the case may be.

23. **DEFINITIONS.** As used herein the terms "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 thereto whether made, erected to constructed by the Seller of the Purchaser prior or subsequent to the date hereof.

DATED: Oct. 20, 2000

Barbara S. Knight
BARBARA S. KNIGHT, Seller

DATED: Oct. 17, 2000

Steven J. Andresen
STEVEN J. ANDRESEN, Purchaser

REAL ESTATE CONTRACT - 10



200010230134

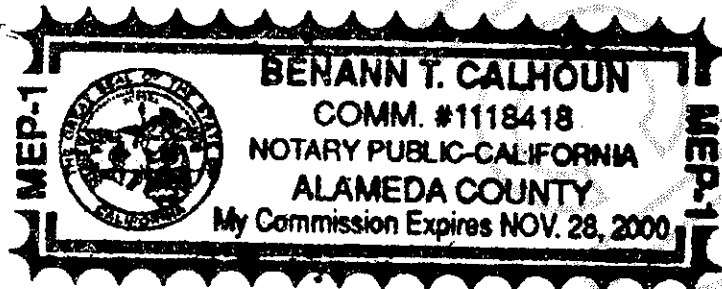
, Skagit County Auditor

10/23/2000 Page 10 of 11 3:39:35PM

STATE OF CALIFORNIA)
COUNTY OF Contra Costa) SS

I certify that I know or have satisfactory evidence that BARBARA S. KNIGHT signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: 10-20-00



[Signature]
Notary Public in and for the State of California, residing at

3020 Hilltop Dr. Richmond Ca. 94806
My appointment expires: NOV. 28, 2000

STATE OF CALIFORNIA)
COUNTY OF San Luis Obispo) SS

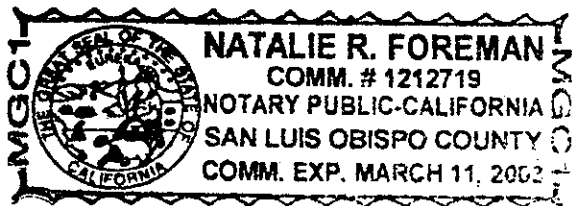
On this day personally appeared before me STEVEN J. ANDRESEN to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Dated: 10.17.00

Natalie R. Foreman

Notary Public in and for the State of California, residing at

995 Higuera St. San Luis Obispo, Ca. 93401
My appointment expires: 3.11.03



37859
SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax

OCT 23 2000

Amount Paid \$ 2,741.20
By DC Skagit Co. Treasurer Deputy

