

COVER SHEET



200011210087
Skagit County Auditor

11/21/2000 Page 1 of 8 3:40:59PM

RETURN TO:

GENE H. SPANGLER

PO BOX 2371

MOUNT VERNON, WA 98273

DOCUMENT TITLE(S) (or transactions contained herein):

REAL ESTATE CONTRACT

FIRST AMERICAN TITLE CO.

REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED:

63370 E

| | ADDITIONAL REFERENCE NUMBERS ON PAGE _____ OF DOCUMENT.

GRANTOR(S) (Last name, first name and initials):

1. SPANGLER, GENE H.
2. SPANGLER, TINA NORMA
- 3.
- 4.

| | ADDITIONAL NAMES ON PAGE _____ OF DOCUMENT.

GRANTEE(S) (Last name, first name and initials):

1. EERKES, STEVE L.
2. EERKES, DEBRA M.
- 3.
- 4.

| | ADDITIONAL NAMES ON PAGE _____ OF DOCUMENT.

LEGAL DESCRIPTION (Abbreviated: i.e., lot, block, plat or quarter, quarter, section, township and range):

SEE ATTACHED FULL LEGAL

SECTION 8, TOWNSHIP 33, RANGE 5; PTN SW 1/4

| | ADDITIONAL LEGAL(S) ON PAGE _____ OF DOCUMENT.

ASSESSOR'S PARCEL/TAX I.D. NUMBER: 330508-3-004-0008

| | TAX PARCEL NUMBER(S) FOR ADDITIONAL LEGAL(S) ON PAGE _____ OF DOCUMENT.

REAL ESTATE CONTRACT

1. The Parties. Sellers, Gene H. Spangler and Tina Norma Spangler,* husband and wife, agree to sell to Buyers, Steve Eerkes and Debbie Eerkes, husband wife, and Buyers agree to buy from Sellers, the following property in Skagit County, Washington:

*SHOWN OF RECORD AS NORMA SPANGLER *KSK*.

That portion of the W1/2 W1/2 NE1/4 SW1/4 of Section 8, T33N, R5E of the W.M. lying north of the Lake Cavanaugh Road, subject to easements, restrictions and reservations of record.

("Property"). The Property is also known as Tax Parcel 33050830040008. The Property consists of forested land.

2. Purchase Price. The purchase price is \$35,000. Buyers covenant, promise and agree to pay the purchase price together with interest at the rate of eight per cent (8%) per annum by or within 48 months of the date of this contract. Buyers may pay all or part of the purchase price together with accrued interest at any time prior to the expiration of 48 months. Any partial payments made prior to 48 months shall be credited to the balance upon which interest is computed. All payments shall be made at the place designated by Sellers.
3. Possession. Buyers shall be entitled to possession of the property at 9:00 pm, December 1, 2000.
4. Personal Property. There is a well and an associated pump house located on the property. There is no personal property associated with this contract. Regardless of whether the well and pump are personal property or realty, and in the event that personal property comes to be located on the property which is the subject of this contract, title thereto shall be and shall remain in Sellers until Buyers have fully performed this contract, and Buyers hereby grant to Sellers a security interest in all of said property, all insurance and other proceeds relating thereto and all property subsequently acquired by Buyers in substitution thereof as security for the performance of Buyers' obligations herein. If applicable, Buyers agree to execute and deliver to Sellers such further documents, UCC Financing Statements and Statements of Continuation that Seller may request to further evidence or perfect Sellers' security interests in said property.



5. Assessments and Taxes. Buyer shall pay, before delinquency, all taxes, assessments, water rents or water assessments, utility charges, and operation or construction charges not now delinquent and all levied or assessed against the property and hereafter falling due; except that real estate taxes for year 2000 and personal property taxes for the year 2000 shall be prorated as of December 1, 2000. In the event any taxes, assessments, rents or charges to become delinquent, Sellers may, at their sole option, do any of the following: (a) satisfy the delinquency and seek immediate reimbursement plus interest at the rate of eight percent (8%) per annum from Buyers, (b) pay the delinquency and add any amount so paid to the Buyers' unpaid purchase price, and the amount so paid shall be secured in the same manner and bear interest at the rate of eight per cent (8%) per annum as the purchase price, or (c) treat Buyers' failure to pay taxes or assessments as an act of default and Sellers shall be entitled to any or all of the remedies set forth in paragraph 17 of this contract.
6. Improvements. Buyers shall not place any building or fixture upon the property until the purchase price plus any additional costs, together with interest, is paid in full. Buyers may, however, erect a fence on the property so long as the fence complies with the easement described in Attachment A. All improvements now or hereafter made to or placed on the property shall become a part thereof and shall not be removed without the Sellers' permission. In the event of Buyers' forfeiture, Sellers in their sole discretion have option to (a) accept any or all of the improvements without cost to Sellers, or (b) remove any or all of the improvements and charge the cost of removal to Buyers.
7. Liens, Charges and Encumbrances. Buyers shall pay, before a delinquency of any debts secured thereby, all liens, charges or encumbrances hereafter lawfully imposed on the property, assumed by Buyers in this contract or subject to which this purchase and sale is made, and shall not allow any part of the property to become subject to liens, charges or encumbrances. Notwithstanding anything to the contrary provided in this paragraph 7, Buyers shall not be responsible for any liens or encumbrances (or payment of title obligations secured thereby) imposed upon said property subsequent to the December 1, 2000 by or through Seller unless such liens, encumbrances or obligations are expressly assumed by Buyers.
8. Existing Mortgage or Secured Obligation. There is no existing mortgage or other secured obligation currently on the property.



9. Condition of Premises, Upkeep and Timber and Mineral Rights. Buyers shall maintain the property and all improvements now or later placed on the property in a good state of repair, shall not make any material alterations without the written consent of Sellers and shall not allow or commit any waste. This contract grants Buyers no timber or mineral rights in the property, and Buyers shall not log the property or remove any timber or minerals from the property prior to receipt of Sellers' statutory warranty deed as set forth in paragraph 15 below.
10. Use of Property. Buyers shall not make or allow any unlawful use of the property or put the property for any use that constitutes a nuisance.
11. Insurance. Buyers agrees, until the purchase price is fully paid, to keep the property, and any improvements hereafter placed thereon, insured to their full insurable value against loss or damage by both fire and windstorm. Buyers also agree to insure against premises liability in the amount of \$300,000^{**}.00 Buyers shall select insurance through in a company acceptable to the Sellers, with loss proceeds payable to Sellers and Buyers as their respective interests may appear. A copy of the insurance policies shall be provided to Sellers. In the event that Buyers fail to obtain insurance satisfactory to Sellers, Sellers, at their sole option, (a) may buy insurance, and add the cost of the premiums to the contract balance that shall bear interest at eight percent (8%) per annum, or (b) treat the Buyers' failure as an act of default and Sellers shall be entitled to any or all of the remedies set forth in paragraph 17 of this contract.
** See attached Hazard Insurance Binder made a part hereof
12. Condemnation. If the property or any part shall be taken and condemned, the condemnation award shall be paid to the Sellers, up to the amount of the balance plus interest due, and any surplus shall be paid to the Buyers. Condemnation shall not be grounds for rescission of this contract or abatement of the purchase price.
13. Assignment or Transfer. Buyers shall not assign this contract without the express written consent of Sellers. Sellers shall not unreasonably withhold such consent, and, once given, such consent shall not waive the requirements of this paragraph as to any subsequent assignment of this contract.
14. Destruction of Property. In the event of damage to or destruction of any part or all of the property, such damage as between the parties shall be the loss of Buyers and shall not be a ground for rescission of this contract or abatement of the purchase price.
15. Deed. When Buyers have fully performed this contract (which may be prior to but shall not be later than 48 months from the date of this contract), Sellers shall execute



and deliver to Buyers a statutory warranty deed conveying the property free and clear of all encumbrances, except any encumbrances agreed to by Buyers prior to December 1, 2000. Warranties of Sellers are limited to December 1, 2000.

16. Title. Sellers shall obtain a standard owner's form policy of title insurance showing insurable title in Sellers as of the date of this contract, excepting matters herein expressly agreed to by Buyers or herein expressly provided to be satisfied hereafter by Sellers, and insuring Buyers for the amount of the purchase price of the real property to be sold.
17. Remedies. Time is of the essence of this contract. If Buyers fail to make payment or perform any obligation hereunder, Sellers shall be entitled to exercise all rights and remedies as allowed by law or equity, including the right to elect one or more of the following remedies:
- a. To forfeit this contract under Ch. 61.30 RCW, in which event, without limiting any remedies of Sellers as provided by this statute, all right, title and interest of Buyers and parties claiming an interest in the real and/or personal property subject to this contract shall be canceled and terminated, all prior payments shall be retained by the payee thereof, and all improvements shall be forfeited, and Sellers shall be entitled to possession of the real and/or personal property, which right may be enforced under the provisions of Ch. 59.12 RCW.
 - b. To declare all amounts payable under this contract immediately due and payable and institute suit to collect such amounts, together with reasonable attorney fees; provided, however, that interest on any amounts owing shall be calculated only through the date of collection; and provided further, however, that if within thirty (30) days after commencement of such action, Buyers cure the default(s), plus interest, and pay to Sellers Sellers' actual attorneys' fees incurred and other taxable costs of suit, then this contract shall be reinstated.
 - c. To commence all action for the collection of past due payments or obligations arising prior to the date of judgment.
 - d. To commence an action for specific performance of Buyers' obligations under this contract (including redress by either a mandatory or prohibitive injunction).
 - e. If Buyers are in default under this contract and abandon the real and personal property subject hereto, pending the exercise of other rights or remedies as provided for herein, Sellers may take immediate possession of the real and/or personal property for the purpose of preserving or otherwise protecting the property from loss, damage or waste.



It is not the intent of the Parties to this Contract that, in the event of a default by Buyers, Sellers obtain duplicative recovery under this paragraph, but rather that Sellers have as many options available under the law to be made whole and further that Sellers' exercise of any or all of the remedies available in this paragraph shall not prejudice any other right or remedy they may have at law or equity.

18. Non-waiver. Failure of Sellers to insist upon strict performance of Buyers' obligations hereunder shall not be construed as a waiver by Sellers of strict performance thereafter of all of Buyers' obligations hereunder and shall not prejudice Sellers' remedies as provided herein or by law or equity.
19. Venue. If either party commences an action to enforce rights under this contract, venue of such action, at the option of Sellers, shall lie in Skagit County, Washington.
20. Attorney Fees and Costs. In the event of a lawsuit between the parties to this contract, the prevailing party shall be entitled to recover judgment against the other party for reasonable attorney fees and costs (including title and lien searches) either at trial or on appeal. If either party exercises any non-judicial right or remedy to enforce such party's rights hereunder, it shall be a condition for the cure of the default that the defaulting party pay the non-defaulting party's reasonable attorney fees incurred and all reasonable costs, including costs of service of notices and title and lien searches. Failure to pay such costs and reasonable attorney fees shall constitute an event of default under this contract.
21. Binding Effect. This agreement shall be binding upon and shall inure to the benefit of the legal representatives and property assigns and successors of the parties.
22. Title Insurance. Sellers shall obtain a standard owner's form policy of title insurance in accordance with the provisions of the parties' purchase and sale agreement dated October 3, 2000, addendum 25 paragraphs "d. Condition of Title" and "e. Title Insurance". A copy of the entirety of the parties' purchase and sale agreement is set forth in Attachment B. This Real Estate Contract is subject to Sellers providing insurable title pursuant to said provisions, unless Buyers waive such defects or encumbrances. Obligations and waivers respecting title under said provisions shall become incorporated into and made part of this contract as if fully rewritten herein.
23. Other Agreements. This contract is part of a purchase and sale agreement dated September 27, 2000 between the parties respecting the property described above. To the extent that there are inconsistencies between this contract and the September 27,



2000 purchase and sale agreement respecting this property, the terms of this contract shall control.

24. Conditions. The purchase of the property pursuant to this contract is part of an overall plan by Buyers to purchase and Sellers to sell two separate but contiguous properties. The other property is subject to a separate purchase and sale agreement of even date. Purchase of each of the two properties is conditioned upon purchase of the other. Every attempt shall be made to construe the terms of these agreements to effectuate the parties' intent.

Date: 11-20-00

Signatures of Buyer:

Steve L. Erbes

Notarization:

Date: 11-20-00

Signatures of Seller:

Gene M. Spangler

Notarization:

Date: 11-20-00

Signatures of Buyer:

Delra M. Erbes

Notarization:

Date: 11-21-00

Signatures of Seller:

Danna Spangler

Notarization:

Address of Buyers:

25179 Lk. Cavanaugh
Mt Vernon, Wa. 98273

Address of Sellers:

P.O. Box 2371
Mt. Vernon wa-98273

38282

SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax
PAID

NOV 21 2000

Amount Paid \$ 535.50
Skagit County Treasurer
By: ms Deputy

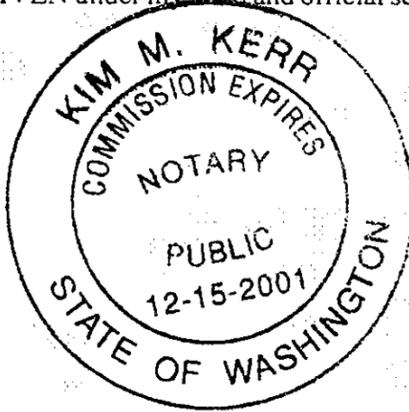


STATE OF WASHINGTON, }
County of Skagit } SS.

ACKNOWLEDGMENT - Individual

On this day personally appeared before me Gene H. Spangler, (Tina) Norma Spangler
Steve Erkes & Debbie Erkes to me known
to be the individual(s) 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 20th day of November 2000



Kim M Kerr

Notary Public in and for the State of Washington,
residing at mt. Vernon

My appointment expires 12/15/2001



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