

WHEN RECORDED RETURN TO:

Alan R. Souders
Attorney at Law
913 Seventh Street
Post Office Box 1950
Anacortes, WA 98221



200207230148

Skagit County Auditor

7/23/2002 Page 1 of 4 4:20PM

REAL ESTATE CONTRACT

IT IS HEREBY MUTUALLY AGREED, by and between

Billy G. Gattenby and Violet E. Gattenby, husband and wife, of 5027 Sharpe Road, Anacortes, Skagit County, Washington, parties of the first part and hereinafter called Sellers,

and

Dwaine E. Norton, an unmarried man, of 5011 Sharpe Road, Anacortes, Skagit County, Washington, party of the second part and hereinafter called Purchaser, WITNESSETH:

The Sellers hereby agree to sell to the Purchaser, and the Purchaser agrees to purchase from the Sellers, their heirs, executors, administrators or assigns, Lot B of Skagit County Short Plat 28-72, being real property situated in Skagit County, Washington, described as:

A portion of Skagit County Short Plat 28-72, described as follows:

All that portion of Government Lot 2, and the Northwest quarter of the Northwest quarter of the Southwest quarter of Section 12, Township 34 North, Range 1 East of the Willamette Meridian, bounded on the South by the North boundary of Sharpe Road #1407, bounded on the North by the South boundary of Rosario Road #1401, bounded on the West by a line parallel with and 250.0 feet East of the West section line of said Section 12 and bounded on the East by a line parallel with and 450.0 feet East of the West section line of said Section 12.

together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in any wise appertaining.

The following are the terms and conditions of this contract:

1. Terms of Sale: The price which the Sellers agree to accept and which the Purchasers agree to pay for said real property and improvements located thereon is the sum of EIGHTY THOUSAND DOLLARS (\$80,000.00), of which no earnest money has been paid. The purchase price is to be paid as follows: TWENTY-FIVE THOUSAND DOLLARS (\$25,000.00) at closing, with the balance of FIFTY-FIVE THOUSAND DOLLARS (\$55,000.00) payable in installments of \$639.00 per month on or before the 10th day of each succeeding month after closing, until the total balance owing hereunder, together with interest, has been paid in full. Said monthly payments are

calculated for payment in full of the balance of \$55,000 over a period of ten years, thus providing for one hundred and twenty such monthly payments. The first of these monthly payments shall be due on or before the 10th day of August, 2002 with the final payment due on the 10th day of July 2012. All unpaid portions of purchase price shall bear interest from closing until paid at the rate of SEVEN PERCENT (7%) per annum, said interest to be computed and paid monthly, and all monthly payments hereafter made as herein provided shall be applied first to the payment of interest owing to the date of such payment and the balance applied to principal. The Purchaser is hereby given the privilege of paying in excess of the installments herein provided for, and may pay the whole balance owing at any time; provided, that such additional sums paid (short of payment in full) shall not relieve the Purchasers from making regular monthly payments as in this contract provided.

2. Title: Seller shall obtain a standard purchaser's form policy of title insurance showing insurable title in Seller as of the date of this contract, excepting matters herein expressly agreed to by purchaser or herein expressly provided to be satisfied hereafter by seller, and insuring purchaser for the amount of the purchase price of the real property to be sold.

3. Responsibility for Taxes and Assessments: The Purchaser hereby agrees to pay before delinquency all taxes, assessments and other claims which may hereafter become a lien upon said property, dating from the 23rd day of July, 2002.

4. Risk of Loss: It is understood and agreed that any loss, damage or destruction to the premises or the taking of the same for public use shall not in any way or manner relieve the Purchaser from the full payment of the purchase price herein to be paid, and in the event any such loss, damage or injury shall occur, the same shall be that of the Purchaser, who shall not, by reason thereof, have the right to rescind this contract.

5. Representation of Purchaser: The Purchaser hereby acknowledges that he has had full opportunity to inspect the property and that, in making this purchase, is relying solely upon his own examination and inspection thereof, and not upon any representations or warranties of the Sellers or their agents. The Purchaser further agrees to take good care of said property and premises while in his possession and to keep any improvements he may place on said property in good condition and repair at his own expense, pursuant to the terms of this contract, and shall not permit or commit any waste thereof, nor allow any involuntary liens or encumbrances to be placed against said property during the running of this Contract.

6. Representation of Sellers: SELLERS MAKE NO REPRESENTATIONS OF WARRANTIES EXCEPT AS EXPRESSLY CONTAINED HEREIN AND SHALL NOT IN ANY WAY BE LIABLE FOR ANY REPRESENTATIONS OR WARRANTIES WITH RESPECT TO:

- A. The condition of the property or the suitability of the property for habitation or for the Purchaser's intended use or for any use whatsoever.
- B. The existence, accuracy, or validity of any documents with respect to the property (including, without limitation, appraisals or permits issued by governmental entities).

7. Reimbursement for Advances by Sellers: It is agreed that in the event the Purchaser fails or neglects to pay taxes, provide insurance, or pay any claim which might be a lien on said property



or premises and which the Purchaser is obligated to pay, that then and in such case, the Sellers, at their election, may pay or procure the same, and all sums so paid out by the Sellers shall be due and payable on demand, together with interest from the date of such advancement at the rate of 12% per annum, or the maximum rate allowable by law, whichever is greater, all without prejudice to any other right the Sellers might have by reason of such default.

8. Fulfillment Deed: The Sellers covenant and agree to convey said property and premises to the Purchaser by good and sufficient warranty deed when the total balance owing hereunder, together with interest, has been paid in full and this contract fully performed by the Purchaser, free and clear of all liens and encumbrances except such warranty, shall not extend to or cover any taxes, assessments or other liens which, by the terms of this contract, the Purchaser is obligated to pay.

9. Possession: Purchaser shall be entitled to possession of the property commencing upon the date of this Real Estate Contract, and shall be entitled to continue in possession of the described premises so long as he shall make the payments as the same are required hereunder and otherwise fully comply with the terms and conditions of this contract.

10. Forfeiture: Time is of the essence of this contract, and if the Purchaser shall fail, refuse or neglect to pay either or any of the installments or interest or any other payment due, or shall fail to keep up and/or perform any of the covenants and agreements herein contained on the part of the Purchaser to be performed, then the Sellers shall have the right and election to declare this contract canceled and terminated; and if the Purchaser shall fail to make good such default within ninety (90) days after the Sellers shall have served a written notice of declaration of forfeiture by delivering said notice to the Purchaser or mailing the same by registered mail to said Purchaser at Purchasers's last known address, then and in that event all of the rights of the Purchaser in and to the property described herein and all rights under this contract shall immediately and utterly cease and terminate, and the property described herein shall revert to and revest in the Sellers without further action on the part of the Sellers and without any right of the Purchaser to reclamation or compensation for money paid or for improvements made on said premises, as fully, perfectly, and absolutely as if this Agreement had never been made, and all money theretofore paid to the Sellers under this contract shall thereupon be forfeited without process of law, and shall be retained by and belong to the Sellers as the accrued and reasonable rent of said premises from this date to the time of such forfeiture and as the liquidated damages to the Sellers for the Purchaser's failure to complete this contract. Upon Sellers' election to bring suit to enforce any covenant of this contract, including suit to collect any payment required hereunder, the Purchaser agrees to pay a reasonable sum as attorney's fees and all costs and expenses in connection with such suit, which sums shall be included in any judgment or decree entered in such suit. If the Sellers shall bring suit to procure an adjudication of the termination of the Purchaser's rights hereunder, and judgment is so entered, the Purchaser agrees to pay a reasonable sum as attorney's fees and all costs and expenses in connection with such suit, and also the reasonable cost of searching records to determine the condition of title at the date such suit is commenced, which sums shall be included in any judgment or decree entered in such suit.

11. Contract Binding on Heirs: The provisions of this Contract shall inure to and be binding upon the parties hereto, their heirs, executors, administrators and assigns.



12. Non-Assignment. It is understood and agreed that the Sellers have entered into this contract with the understanding and agreement that the same will be fulfilled by the Purchaser, without assignment hereof and without any sale or transfer of interest in the property from the Purchaser to third parties; and Purchaser therefore covenants and agrees that before he shall attempt to transfer this property in any way, he shall pay the unpaid balance owing to the Sellers, together with applicable interest, in full.

13. Waiver. Acceptance by the Sellers of any installment after it has become due and payable, or waiver of any other condition herein at anytime, shall not be deemed to affect or alter the obligations of the Purchaser or the rights of the Sellers with respect to any subsequent payment or default hereunder.

16. Contract Collection: This contract shall be left for collection with Trust Accounting Services of Anacortes, Washington, and all payments required hereunder shall be made to said institution for the account of the Sellers, or to such other place as the Sellers may hereafter in writing direct said payments to be made.

WITNESS our hands and seals this 23d day of July, 2002.

SELLERS:

Billy G. Gattenby
Billy G. Gattenby

Violet E. Gattenby
Violet E. Gattenby

3337
SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

JUL 23 2002

Amount Paid \$ 1224⁰⁰
Skagit Co. Treasurer:
By [Signature] Deputy

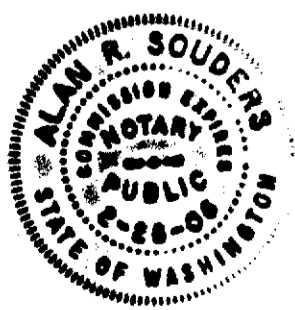
PURCHASER:

Dwaine E. Norton
Dwaine E. Norton

State of Washington)
 : ss
County of Skagit)

On this 23d day of July, 2002, before me, the undersigned Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Billy G. Gattenby, Violet E. Gattenby, and Dwaine E. Norton, to me known to be the individuals described in and who executed the within and foregoing instrument and acknowledged said instrument as their free and voluntary act and deed, and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF I have hereunto set my hand and official seal the day and year first above written.



Alan R. Souders
(Signature)

Alan R. Souders
(Print Name)

Notary Public in and for the State of Washington, residing at: Fri Island
My Commission expires: 28 Feb 2006