



200210280178

Skagit County Auditor

10/28/2002 Page 1 of 9 1:22PM

RECORDING INFORMATION

Return Address:

MEAGHER & MEAGHER LLP
Attorneys at Law
6324 Broadway Avenue
Everett, WA 98203

Document Title: REAL ESTATE CONTRACT

Grantor(s): Perkins, Reese
Petersen, Winnifred C.

Grantee(s): Perkins, David B.

Abbreviated Legal Description of property:

Lots 1 & 2, Block 115, Plat of City of Anacortes, Recorded in Vol. 2 of
Plats, Page 4, Records of Skagit County, Washington

Assessor's Property Tax Parcel/Account Number:

3772-115-002-0012

5051
SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

OCT 28 2002

Amount Paid \$ 1424.00
Skagit Co. Treasurer
By *Lp* Deputy

REAL ESTATE CONTRACT

Page 1 of 9

REAL ESTATE CONTRACT

1. **PARTIES AND DATE.** This Contract is made effective on 2-25, 2002, between REESE PERKINS and WINNIFRED C. PETERSEN as "Seller" and DAVID B. PERKINS, as "Buyer."

2. **SALES 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:

LOTS 1 AND 2, BLOCK 115, PLAT OF CITY OF ANACORTES
RECORDED IN VOL. 2 OF PLATS, PAGE 4, RECORDS OF
SKAGIT COUNTY, WASHINGTON.

Assessor's Tax Parcel ID#: 3772-115-002-0012

3. **PERSONAL PROPERTY.** This purchase does not include personal property.

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

\$ 80,000.00 Total Price

(b) PAYMENT OF AMOUNT FINANCED BY SELLER.

Buyer agrees to pay the sum of \$80,000.00 as follows: \$478.00, or more at buyer's option, on or before the 20th day of October, 2000, including interest from September 1, 2000, at the rate of 1.0 % per annum on the declining balance thereof; and a like amount or more on or before the 20th day of each and every month thereafter until paid in full. SHOULD THE BUYER BECOME ANYONE OTHER THAN DAVID B. PERKINS, EITHER THROUGH SALE, ASSIGNMENT, JUDICIAL PROCESS, DEATH, OPERATION OF LAW, OR ANY MEANS WHATSOEVER, OR SHOULD DAVID B. PERKINS FILE BANKRUPTCY UNDER ANY CHAPTER THEREOF, THEN ALL SUMS DUE HEREUNDER ARE ACCELERATED AND DUE IN FULL. Payments are applied first to interest and then to principal.

REAL ESTATE CONTRACT

Page 2 of 9



200210280178

Skagit County Auditor

10/28/2002 Page 2 of 9 1:22PM

5. ASSUMED OBLIGATIONS. There are no assumed obligations.

6. OBLIGATIONS TO BE PAID BY SELLER. There are no obligations to be paid by the Seller.

7. OTHER ENCUMBRANCES AGAINST THE PROPERTY. The property is subject to all encumbrances. Buyer is advised to contact the appropriate county, municipal and state agencies to determine what permits are necessary to improve the property. Buyer shall pay all incidental permits, application fees, and all other costs associated with this purchase or the improvement or maintenance of the property.

8. FULFILLMENT DEED. Upon payment of all amounts due Seller and performance of every obligation under this contract by Buyer, 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, through or under persons other than the Seller herein. Any personal property included in the sale shall be included in the fulfillment deed.

9. 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.

10. NO ADVERSE EFFECT ON PRIOR ENCUMBRANCES. Seller warrants that entry into this contract will not have an effect on prior encumbrances.

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

12. 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 must also pay all past due assessments for water improvements. Buyer may in good faith contest any such taxes or assessments so long as no forfeiture or sale of the properties 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 payment is not made, Seller may pay and add the amount thereof plus 5% penalty to the payments next becoming due Seller under the Contract.

13. 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 the Seller then to other lien holders 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.

14. NON-PAYMENT OF TAXES, INSURANCE, AND UTILITIES CONSTITUTING LIENS. If Buyer fails to pay taxes or assessments, insurance premiums 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. Seller, at Seller's option, may also elect to foreclose on the real property.

15. CONDITION OF PROPERTY. Buyer accepts the property in its present condition and acknowledges that Seller, Seller's attorneys, agents, and subagents have made no representation or warranty concerning the physical condition of the property whatsoever. Buyer agrees to maintain the property in such condition as compiles with all applicable Federal, State and local laws. **BUYER HAS INSPECTED THE PROPERTY AND STRUCTURES. BUYER ACCEPTS THE PROPERTY AND STRUCTURES AS IS. SELLER MAKES**



NO WARRANTIES WHATSOEVER, AND BUYER ASSUMES NO WARRANTIES HAVE BEEN MADE as to the condition of the property.

16. 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.

17. WASTE. Buyer shall keep the property in good repair and shall not commit or suffer waste or damage to or destruction of the property.

18. AGRICULTURAL USE. If this property is not to be used for agricultural purposes. In the event a forfeiture action is instituted, Buyer consents to Seller's entry on the premises to take any reasonable action to conserve and protect the property.

19. 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.

20. 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 to have Buyer specifically perform (specific performance) Buyer's obligations in this contract; or

(c) **Forfeit Buyer's Interest.** Forfeit this Contract pursuant to Chapter 61.30. RCW, as it was 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 canceled; (iii) all

sums previously paid under the contract shall belong to the Seller as liquidated damages: (iv) all improvements made to the property shall belong to the Seller; and (v) Buyer shall be required to surrender possession of the property and improvements to the Seller 10 days after the forfeiture.

(d) **Acceleration of Balance Due.** Seller may 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.

(e) **Judicial Foreclosure.** Seller may sue to foreclose this contract as a mortgage, in which event Buyer may be liable for a deficiency.

(f) **Liquidated Damages.** Regardless of the remedy Seller chooses upon Buyer's default, Seller may keep all payments made up to the time of default as liquidated damages.

21. **RECEIVER.** If Seller has instituted any proceedings specified in Paragraph 20 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.

22. **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 30 days written notice to Seller, institute suit for damage or specific performance unless the breaches designated in said notice are cured.

23. **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.

24. **ATTORNEY'S FEES AND COSTS.** In the event of any breach of this Contract, the party responsible for the breach agrees to pay reasonable attorneys



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. The parties expressly waive their rights to venue. Jurisdiction and venue shall be the Washington State Superior Court, Skagit County.

25. 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 such addresses as either party may specify in writing to the other party. Notices shall be deemed given when served or mailed.

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

27. 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.

28. SUBSTITUTION AND SECURITY ON PERSONAL PROPERTY. Buyer may substitute for any personal property specified in Paragraph 3 herein other personal property of like nature which Buyer owns free and clear of any encumbrances. Buyer hereby grants Seller a security interest in all personal property specified in Paragraph 3 and future substitutions for such property and agrees to execute a financing statement under the Uniform Commercial Code reflecting such security interest if so required by the Seller in Writing.

29. 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. The parties expressly allow the Buyer to make such improvements as will make the existing structures of more value.

30. 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.

31. PRE-PAYMENT PENALTIES ON PRIOR ENCUMBRANCES. If Buyer elects to make payments in excess of the minimum required payments on the purchase price herein, and Seller, because of such prepayments, incurs prepayments penalties on prior encumbrances, Buyer agrees to forthwith pay Seller the amount of such penalties in addition to payment on the purchase price.

32. ADDENDA. Any addenda attached hereto are a part of this Contract.

33. ENTIRE AGREEMENT. This Contract constitutes the entire agreement of the parties and supersedes all prior agreements and understanding, written or oral. This Contract may be amended only in writing executed by Seller and Buyer.

34. INTERPRETATION. No provision of this Agreement shall be interpreted for or against any party because that party or that party's legal representative drafted this contract or because this Agreement appears on a particular attorney's legal paper. The language in all parts of this Agreement shall be construed as a whole according to its fair meaning and not strictly construed for nor against any party.

IN WITNESS WHEREOF the parties have signed and sealed this Contract the day and year first above written.

SELLER

Reese F. Perkins

Winifred C. Petersen

BUYER

David B. Perkins

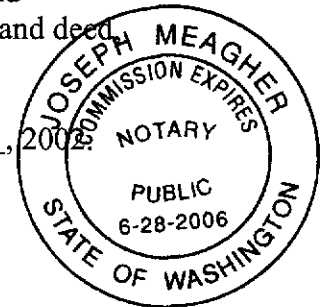


STATE OF WASHINGTON)
) ss.
COUNTY OF SNOHOMISH)

On this 25 day of October, 2002, personally appeared before me REESE PERKINS and WINNIFRED C. PETERSEN, to me known to be the individuals 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 25 day of October, 2002.

Notary Public in and for the State of Washington,
residing at Everett
My appointment expires: 6-28-06.

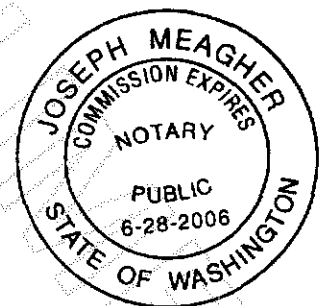


STATE OF WASHINGTON)
) ss.
COUNTY OF SNOHOMISH)

On this 25 day of October, 2002, personally appeared before me DAVID B. PERKINS, to me known to be the individual 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 25 day of October, 2002.

Notary Public in and for the State of Washington,
residing at Everett
My appointment expires: 6-28-06.



REAL ESTATE CONTRACT
Page 9 of 9



200210280178
Skagit County Auditor

10/28/2002 Page 9 of 9 1:22PM