



200512060133
Skagit County Auditor

12/6/2005 Page 1 of 14 3:02PM

Document Title:

Agreement of Purchase
and Sale

Reference Number:

Grantor(s):

additional grantor names on page ____

1. 120 Fir Street Corporation
2. Kai Cheng ~~_____~~

Grantee(s):

additional grantee names on page ____

1. Hector Trajillo
2. Jeffrey W Benham

Abbreviated legal description:

full legal on page(s) ____

lots 15, 16 and 17 Block 1 Pipes Addition to Mount Vernon
Skagit County, more commonly known as 120 Fir Street
Mount Vernon

Assessor Parcel / Tax ID Number:

additional tax parcel number(s) on page ____

053981

AGREEMENT OF PURCHASE AND SALE

This Agreement of Purchase and sale ("Agreement"), dated as of 14th day of June, 2005 , is made by and between:

Hector Trujillo, a single man ("Buyer" or "Lessee"), whose address is 1425 North Laventure Road, Mt. Vernon, WA , telephone number

(362) 421-7580, Fax No.

() _____, and; 120 Fir Street

Corporation, a Washington Corporation, ("Agent"), whose address is 11814 NE 8th, Bellevue, WA 98005, telephone number

(425) 451-3695, Fax No.

(425) 451-3357.

1. **The Contract.** Seller agrees to sell and convey to Purchaser, and Buyer agrees to purchase and accept conveyance of the Subject Property as herein defined, under the terms and conditions set forth.

2. **Subject Property.** The Subject Property consists of that parcel of land and any improvements thereon, containing approximately square feet, located at

Lots 15,16 and 17, Block one, Papes Addition to Mount Vernon, Skagit County, Washington, according to the recorded plat thereof on file at the office of the Auditor of Skagit County, more commonly known as 126 Fir Street, Mount Vernon, Washington (the "Subject Property").

3. **Consideration.** Seller agrees to accept and Buyer agrees to pay as consideration (the "Purchase Price") for the sale of Subject Property a sum equal to **One hundred forty thousand eight hundred forty Dollars** (\$ 140,840.00).

4. **Deposit.** Within _____ () business days following receipt of Buyer of a duly executed copy of this Agreement evidencing Seller's acceptance, Buyer shall deliver to ("Escrow Agent"), for deposit, the sum of Dollars (\$ _____) as a deposit against Purchase Price of the Subject Property. [OPTIONAL: If Buyer shall determine, pursuant to paragraph 7 below, that the Subject Property is suitable for the project, then Buyer shall, at the end of the Feasibility Study in Paragraph 6 below, deliver to Escrow Agent the additional sum of _____ Dollars (\$ _____), and all funds then deposited shall

K.C.
H.T.



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be non-refundable, except upon Seller's default. Any and all such sums delivered to Escrow Agent during the 120-day Feasibility Study period, or any extension thereof, shall be deposited and maintained in said Escrow Agent's sales escrow account.] The deposit SHALL/SHALL NOT [CHOOSE ONE] be considered Earnest Money.

5. **Hazardous Materials.** Purchaser, may at its sole discretion, obtain their own environmental report within the one hundred twenty (120) day period and determine if the Subject Property is acceptable to Purchaser's requirements regarding hazardous materials.

6. **Representations of Seller.** Seller makes the following representations to Buyer which are true and correct as of the date of execution of this Agreement and which shall be true and correct at Closing:

- a. Seller holds good and indefeasible title to the Subject Property, free and clear of any liens, encumbrances or adverse claims;
- b. To the best of Seller's knowledge, Seller has not received any notice, and has no actual knowledge, of any pending or threatened litigation or pending or threatened condemnation proceeding affecting the Subject Project.
- c. To the best of the Seller's knowledge, there are no mechanic's liens or unrecorded liens against the Subject Property or for any activities attributable to Seller, its agents or employees; and d. Seller is a _____, [SPECIFY TYPE OF ENTITY] validly existing and in good standing, with full power and authority to enter into this Agreement, to consummate the sale and purchase of the Subject Property, and to perform the covenants and agreements of Seller, all as contemplated by this Agreement.

8. **Closing.** The Subject Property shall be sold and purchased at a closing to be held at _____, at a time mutually acceptable to Seller and Purchaser, within thirty (30) days after the later of (i) the end of the one hundred twenty (120) day Feasibility Study period, or any Extended Period; or (ii) at such earlier time as Buyer shall give Seller written notice, whichever occurs first. At closing Seller shall deliver to Purchaser, at Seller's sold cost and expense:

- a. A special warranty deed (the "Deed") conveying title to the Subject Property,
- b. Possession of the Subject Property; and
- c. Such other documents as are reasonably requested by the Title Company or Buyer to close the sale and purchase of the Property.



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9. Purchaser's and Seller's Obligations at Closing. Purchaser, at Purchaser's expense, may obtain their own title abstract within the one hundred twenty (120) day Feasibility Study period and determine if title is satisfactory. Seller agrees to forward all present title information within three (3) days of signing of Purchase Agreement by both Seller and Purchaser.

10. Closing Costs. Buyer shall pay for title search or abstract, preparation of title, it's attorney and closing fees, survey, title insurance premium and other expenses in connection with Purchaser's obligations hereunder. Seller shall pay for its transfer tax, recording fees, its attorney and closing fees.

11. Defaults. If Buyer has performed or tendered full performance of all of Purchaser's covenants and agreements herein set forth and Seller fails or refuses to consummate this Agreement or perform the covenants herein contained for any reason, then Buyer may, at its option (1) cancel and terminate this Agreement and claim the return of the Deposit; (ii) deliver notice to Seller specifying the default, and, if Seller has not cured the default within thirty (30) days, Purchaser may cure such default and deduct the cost of curing such default from the Purchase Price payable hereunder, or (iii) Buyer may bring suit against Seller for specific performance of this Agreement. If Seller has performed or tendered full performance of all of Seller's covenants and agreements herein set forth and Buyer then fails or refuses to consummate this Agreement for any reason, the Seller may, at its option, cancel and terminate this Agreement and retain the Deposit or bring suit against Buyer for specific performance.

12. Survival. It is mutually agreed by the parties hereto that any provision contained in this Agreement which shall by its nature or terms impose any obligations or duty upon any party hereto, or give any right or benefit to any party hereto, continuing beyond the date of conveyance of the Subject Property, will not be canceled, but will instead survive such conveyance and will continue in full force and effect until all such obligations and duties are fully performed and all such rights and benefits are fully realized.

13. Assignability. Buyer shall have the right to assign this Agreement and all of Purchaser's rights and remedies hereunder, with prior written



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consent by Seller, which consent shall not be unreasonably withheld. In such case Buyer shall be relieved of all obligations hereunder and the assignee shall succeed to all of Purchaser's obligations and for all purposes be substituted and deemed to be Buyer hereunder. This Agreement may not be assigned, pledged, or hypothecated by Seller without the prior written consent of the Purchaser, and any attempt to do so without such consent shall be void and in no way binding upon the Purchaser. Subject to the above limitation on assignment, this Agreement shall be binding upon and inure to the benefit of the successor and assigns of the parties hereto. If an assignment has been properly consented to and the assignee has assumed all the obligations of the assignor hereunder, then the assignor shall be relieved of all further obligations hereunder. Notwithstanding the above, Buyer may assign this Agreement to an affiliate or to a limited or general partnership in which it or an affiliate is the general partner without the consent of Seller.

14. Inspection. Seller hereby agrees that any time during the term of this Agreement, Buyer or its agents may enter upon the Subject Property and make, at Purchaser's sole cost, risk and expense, any inspections, tests, surveys and studies. Buyer shall defend, indemnify and hold Seller, Seller's broker and Seller's agent harmless from and against any and all claims demands, causes of actions, proceedings and lawsuits for any and all damages losses, reimbursement, compensation, injuries, costs, expenses and other relief of any and every kind arising from or in connection with any inspection, test, survey, study, work, service and/or other act performed by, or on behalf of, or at the request of the Purchaser, on or relating to the Subject Property, or caused by the Purchaser, including but not limited to any damage, loss or injury to the Subject Property, or to any natural or juridical person, or to any type of property, right or interest of any natural or juridical person.

15. Notices. All notices, demands, or requests provided for or permitted to be given pursuant to this Agreement must be in writing.

16. Governing Law. This Agreement shall be construed in accordance with the laws of the State of Louisiana. Time is of the essence of this Agreement. If the final day of any time period or limitation set out in any provision of this Agreement falls on a Saturday, Sunday or legal holiday under the State of Louisiana, then such period shall be extended to the next day which is not a Saturday, Sunday or legal holiday.



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17. Modification of This Agreement. This Agreement may not be modified, amended or terminated except in writing signed by the Seller and the Buyer or their respective successors or assigns. This Agreement contains the entire understanding of the parties hereto with regard to the subject matter contained herein, and supercedes all prior agreements or understanding between or among the parties needs relating to such subject matter. The Buyer and the Seller may waive any of the conditions contained herein or any of the obligations of the other party hereunder, but any such waiver shall be effective only if in writing and signed by the party waiving such condition or obligation.

18. Multiple Counterparts. This Agreement may be executed in one or more counterparts, each of which, when executed and delivered, shall be an considered an original instrument, but all of which shall be considered one and the same instrument, and shall become binding when one or more counterparts have been signed by each party hereto and delivered to the other party hereto.

19. Authority. Each party represents unto the other that this Agreement, the transaction contemplated herein, and the execution and delivery thereof, have been duly authorized by all necessary proceedings and actions.

21. Commission. Buyer and Seller hereby represent to one another that no real estate agent, or broker is entitled to any fees or commissions in connection with the transactions contemplated hereunder, except and . Commissions shall be calculated in accordance with the listing broker's commission agreement with Seller, and shall be paid at Closing. Seller shall deliver within ten (10) days after the effective date of this Agreement, a copy of the listing broker's Commission Agreement. The foregoing commission is payable by and the sole responsibility of the Seller shall be payable out of the proceeds from the Purchase Price at Closing. The parties hereby agree to indemnify and hold harmless the other party as to any claims by any agent or broker claiming by, through or under Seller or Purchaser, as the case may be.

22. Condemnation. If during the pendency of this Agreement and prior to the closing of the sale and purchase of the Subject Property, condemnation proceeding are threatened or commenced with respect to any portion of the Subject Property, Purchase may, at its option, terminate this Agreement by



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written notice to the Seller given within ten (10) days after Buyer is advised by written notice from Seller of the threat of the commencement of such condemnation proceedings. If Buyer does not exercise such right to terminate with the period described, then Buyer, or his legal representative by his attorneys, shall have the right to appear and defend in such condemnation proceedings, and any award in condemnation shall become the property of Buyer in the event the sale is closed and the Purchase Price shall not be reduced.

IN WITNESS WHEREOF, this instrument has been executed by Buyer and Seller on the dates shown below. The latest of such dates shall be deemed the date of this Agreement. If both parties shall not have executed this Agreement on or before then this Agreement shall be null and void.

WITNESSES:

SELLER: 120 Fir Street Corp.
By: KC Cl
Date: 6/13/05
Title: President

PURCHASER:
By: Auctorignillo
Date: 6-15-05
Title: Partner



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**LEASE OF REAL PROPERTY
WITH OPTION TO PURCHASE**

This agreement is made and entered into this 31 day of July, 2003 by and between 120 FIR STREET CORPORATION, a Washington Corporation, hereinafter referred to as Lessor; and Hector Trujillo, a single man, 1425 North Laventure Road, Mount Vernon, Skagit County, Washington, hereinafter referred to as Lessee.

RECITALS

- A. Lessor is the owner of real property and premises described below, and desires to lease to Lessee, with an option for Lessee to purchase said property.
- B. Lessee desires to lease Lessors property for residential purposes and also desires an option to purchase said real property, within a period of approximately 24 months from the date of this lease, if at all.
- C. The parties desire to enter into an agreement to establish the terms of the lease and option to purchase.

In consideration of the recitals set forth above, and of the mutual benefits and obligations set forth below, the parties agree as follows:

**SECTION I
SUBJECT OF DEMISE, TERM AND RENT**

Lessor hereby leases to Lessee the real estate and dwelling known as:

Lots 15, 16, and 17, Block one, Papes Addition to Mount Vernon, Skagit County, Washington, according to the recorded plat thereof on file at the office of the Auditor of Skagit County;

MORE commonly known as 126 Fir Street, Mount Vernon, Washington.

The term of this lease shall be for approximately 24 months commencing ~~June 1~~, 2003 up to and through May 31, 2005, at a monthly rental of \$1,050.00 per month, payable on or before the 1st day of each month, the first payment to be made on or before ~~June 1~~, 2003.

July 31. 2003. H.T.

July 30 2003 H.T.



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As additional rental due under the terms of this agreement, Lessee agrees to pay, be responsible for and hold Lessor harmless from all real property taxes assessed against the premises, and on a pro-rated basis as appropriate, from the commencement date of the lease through the date the sale, if any, is consummated pursuant to Lessee's option to purchase, or the termination of the lease, which ever date occurs first. Additionally, Lessee shall purchase and maintain, during the term of this lease and any renewal hereof, and all risk policy of property and casualty insurance covering all damages to the premises herein let and any and all damages to any persons or property arising out of Lessee's use of the real estate herein let, during the term of this agreement. Lessee shall furnish to Lessor a copy of said insurance policy or policies as and when they are received by Lessee, together with any copies of renewal notices, cancellation notices, suspension notices, or amendment notices. Lessor shall be named an additional loss payee on any and all such policies. Said insurance coverage shall provide for coverage on the dwelling situate on the subject premises in the amount of ~~\$160,000.00~~ ^{\$100,000.00} H.T. for the structure and such other amounts as the parties may agree, in writing, during the term of this lease, covering personal, public, and property damages/liability. All payments for taxes and insurance as required of Lessee herein shall be made by Lessee to Lessor within ten (10) days of the delivery by Lessor to Lessee of billings for same.

As additional consideration, and specifically as consideration for Lessors granting of an option to purchase said real estate to Lessee, Lessee agrees to pay to Lessor the non-refundable sum of \$16,000.00, on or before June 30, 2003. In the event this entire \$16,000.00 payment is not made on or before June 30, 2003, the option to purchase real estate granted herein shall be of no further legal force or effect, and shall be null and void.

SECTION II LESSEES COVENANTS

The Lessee agrees:

A. To pay rent. That he will pay the rent at the times and the manner set forth above in Section 1, with said rental payments being paid to Lessor at 1144 South Burlington Blvd., Burlington, Washington 98233 .

B. To pay utilities attributable to the premises. That he will promptly pay all electric, water, sewer, garbage, cable TV and any and all the utility charges which may be used/consumed at the real property which is the subject matter of this lease, and which may become payable during the term of this lease; said payments to be made on or before the due dates.

C. To repair and maintain. That he will keep the premises, including the plumbing and wiring, in such repair as the same are at the commencement of the term of this lease, reasonable wear and tear and damage by fire or other unavoidable casualty excepted; and that he will promptly replace any and all glass broken during the term of this lease, with other glass of the same size and quality. Lessee further agrees that he will



not injure, deface, or suffer to be injured or defaced the premises or the real estate or any other part of the premises or real estate during the term of this lease.

D. To indemnify. That he will pay, be responsible for, hold harmless and indemnify the Lessor from and against all loss, liability, or expense that may be incurred by reason of any accident with the water or other pipes or lines; or from an damage, neglect or misadventure arising from or in any way growing out of the uses, or misuse, or abuse of the water or electric lines, or from the bursting of any pipes; or from the acts, omissions or negligence of the Lessee, his agents, employees, and invitees.

E. Not to suffer unlawful use, or to increase insurance premiums. That Lessee will not make or suffer any unlawful, improper, or offensive use of the premises, or any use or occupancy of the premises contrary to any law of the State or any ordinance of the County or City now or in the future made, or which shall be injurious to any person or property, or which shall be liable to endanger or affect any insurance on the building or to increase the insurance premium thereon.

F. Not to make alterations or additions. That he will not make any alterations or additions in or to the subject premises, without the written consent of the Lessor; or suffer any holes to be made or to be drilled on the inside or outside walls, ceiling or floors, without the prior written consent of the Lessor.

G. Not to assign. That he will not assign this lease, or sublease or part with possession of the whole or any other part of the premises herein let, without the prior written consent Lessor, which consent will not be unreasonably withheld.

H. To permit the Lessor to enter. That the Lessor shall, at all reasonable times, be able to enter and view the subject premises and make repairs which the Lessor may see fit to make, or show the premises to persons who may wish to lease or purchase.

I. To yield premises. That, at the expiration of the term of this lease, Lessee will peaceably yield up to the Lessor the premises and all additions/alterations made upon same, in good repair and in the same condition as the premises now are, reasonable wear and tear and damage by fire and other unavoidable casualties excepted.

J. Property and persons on premises at Lessees risk. That all property of any kind that may be on the premises during the term of this lease shall be there at the sole risk of the Lessee, and that the Lessor shall not be liable to Lessee or any other persons or entity for any injury, loss, or damage to said property or to any person on the premises. In furtherance of this paragraph, Lessee agrees to purchase and maintain, at all times during the term of this lease, a renters insurance policy which shall, in the opinion of Lessor, adequately cover loss to any and all property of any kind that may be on the premises during the term of the lease, and also cover Lessor and Lessee for any injury, loss, or damage to person or property during the term of the lease. Lessee agrees to furnish Lessor with a copy of said policy or policies as of when they are issued; and to



provide that written notice of any cancellation, suspension or change in coverage must be mailed to Lessor coincident with the mailing/delivery of same to Lessee.

K. Assent not to be deemed waiver of future breach. That no assent, expressed or implied, by the Lessor to any breach of any of the Lessee's covenants herein shall be deemed to be a waiver of any succeeding breach of the same covenant.

**SECTION III
LESSOR'S COVENANT**

The Lessor covenants that the Lessee shall peacefully hold and enjoy the subject premises during the term of this lease and any renewal hereof.

**SECTION IV
PURCHASE OPTION**

A. Option to purchase. Lessee shall have the option, during the term of this lease, to purchase the subject property for the sum of \$159,000.00, less credits, if any, as set forth below.

B. Option consideration. In addition to the option consideration set forth in paragraph 1 above, that being the sum of \$16,000.00, \$90.00 of the monthly rental to be paid as set forth in section 1 above shall be a credit against the purchase price of \$159,000.00

C. Notice of exercise of option. Lessee must give thirty (30) days written notice to Lessor of Lessee's intention to exercise the option to purchase granted herein no event, without the written consent of the Lessor, shall this option to purchase be exercised and the purchase price paid, at a date any later than thirty (30) days following the last day of the term of this lease; more particularly, May 31, 2005.

D. Terms. It is understood and agreed by and between the parties hereto that in the event the Lessee exercises his option to purchase the real property which is the subject matter of this agreement, that Lessee shall pay to Lessor, the option price as set forth above, less any credits applicable, in cash, at closing.

**SECTION V
GOVERNING LAW**

It is understood and agreed by and between the parties hereto that this lease/option agreement shall be governed by, construed and enforced in accordance with the laws of the State of Washington. Venue, at the option of Lessor herein, may be laid in Skagit County, Washington.



**SECTION VI
ATTORNEY'S FEES**

In the event that any action or claim is filed in relation to this agreement, the unsuccessful party in the action or claim shall pay to the successful party, an addition to all amounts that either party may be called upon to pay pursuant to a court judgment or arbitration award, a reasonable sum for the successful party's attorney's fees and costs.

**SECTION VII
ENTIRE AGREEMENT**

This agreement shall constitute the entire agreement between the parties. Any prior understanding or representation of any kind preceding the date of this agreement shall not be binding upon either party except to the extent incorporated in this agreement.

**SECTION VIII
MODIFICATION OF THIS AGREEMENT**

Any modification of this agreement or any additional obligations assumed by either party in connection with this agreement shall be binding only if evidenced in a writing signed by each party or an authorized representative of each party.

**SECTION IX
BINDING EFFECT**

This agreement shall be binding on and inure to the benefit of the heirs, successors, personal representatives and assigns of the respective parties.

IN WITNESS WHEREOF, each party to this agreement has caused this agreement to be executed on the date opposite their name.

LESSOR:

120 FIR STREET CORPORATION, a
Washington Corporation

Dated: 8/11/03

By *K. Cheng*
KAI CHENG, President

LESSEE:

Dated: 7-31-03

Hector Trujillo
HECTOR TRUJILLO



STATE OF WASHINGTON)
 KING : SS
 COUNTY OF SKAGIT)

On this 11 day of AUGUST, 2003, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared KAI CHENG, to me known to be the President of 120 FIR STREET CORPORATION, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

Witness my hand and seal hereto affixed the day and year first above written.

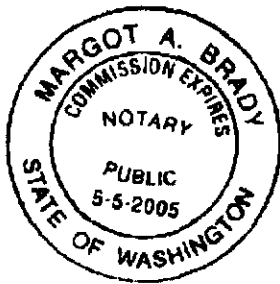


Betty L. Trigg
Notary Public in and for the State of
Washington, residing at REDMOND
WASHINGTON

STATE OF WASHINGTON)
 : SS
 COUNTY OF SKAGIT)

On this day personally appeared before me HECTOR TRUJILLO, 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.

GIVEN under my hand and official seal this 31st day of July, 2003



Margot A. Brady
Notary Public in and for the State of
Washington, residing at Mount Vernon



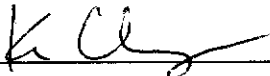
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Extension of Lease to Purchase Agreement


The Lessor (120 Fir Street Corporation) and Lessee (Hector Trujillo) hereby agree to extend their Lease of Real Property with Option to Purchase Agreement dated July 31, 2003 to December 31, 2005. The terms and conditions of the agreement will remain the same. If for any reason Lessee can not complete this agreement prior to December 31, 2005, then the agreement dated July 31, 2003 shall become null and void. There will be no further extension of Lease to Purchase Agreement.

LESSOR:

120 Fir Street Corporation, a Washington Corporation

by 
Kai Cheng, President
Dated: 11/8/05

Lessee:


Hector Trujillo
Dated: 11-10-05



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