

WHEN RECORDED RETURN TO:

Name: John A. and Michelle E. Yengich
Address: PO Box 635
Conway, Washington 98238



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Skagit County Auditor

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**Real Estate Contract
Residential**

CHICAGO TITLE CO.

IC40907

1. **PARTIES AND DATE.** This contract is entered into on December 8, 2006 between **Patricia A. Munroe** as "Seller" and **John Yengich, Michelle Yengich, Sean Yengich, Joanne Ernst and Ward Ernst** as "BUYER."

2. **SALE 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:

SEE ATTACHMENT A FOR LEGAL DESCRIPTION

3. **PERSONAL PROPERTY.** Personal property, if any included in the sale is as follows:

NONE

P69584
550ft LT B, All LTC, N 60ft
LTD

#6211
SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

DEC 08 2006

No part of the purchase price is attributed to personal property.

4. A. PRICE.	\$220,000.00	Total Price	By
Less	\$ 50,000.00	Down Payment	Deputy
Results	\$170,000.00	Amount Financed by "Seller":	

Notwithstanding the above, the entire balance of principal and interest is due in full not later than December 1st, 2008.

B. PAYMENT OF AMOUNT FINANCED BY SELLER.

"Buyer" agrees to pay the sum of \$170,000.00 as follows: Monthly payment of \$708.33 to be paid on or before the 1st of each month beginning January 1st, 2007, ending November 1st, 2008 representing interest only payments at a rate of 5% per annum on the sum of \$170,000.00. Monthly payments represent interest only and are not considered a reduction in principle. Final payment due December 1st, 2008 will be in the amount of \$170,000.00 representing the agreed upon balloon payment of principle. "Buyer" may prepay balloon at anytime without penalty.

Payments shall be made at 4483 Ida Drive, Sedro Woolley, Washington, 98284 or such other place as the seller may hereafter indicate in writing.

5. FULFILLMENT DEED. Upon payment of all amounts due "seller," "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 subsequent to the date of this contract by, through or under persons other than the "seller" herein.

6. LATE CHARGES. If any payment on the purchase price is not made within the (10) days after the date it is due, "buyer" agrees to pay a late charge of \$50.00 to "seller." Such late payment charge shall be in addition to all other remedies available to "seller."

7. POSSESSION. "Buyer is entitled to possession of the property from and after the date of this contract.

8. 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" may in good faith contest any such taxes or assessments so long as no forfeiture or sale of the property is 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 real estate taxes and penalties are assessed against the property subsequent to date of this contract because of a change in use prior to the date of this contract for open space, farm, agricultural or timber classifications approved by the county or because of a senior citizen's declaration to defer property taxes filed prior to the date of this contract, "buyer" may demand in writing payment of such taxes and penalties within 30 days. If payment is not made, "buyer" may pay and deduct the amount thereof plus \$50.00 penalty from the payments next becoming due "seller" under the contract.

9. INSURANCE. "Buyer" agrees to keep all buildings now or hereafter erected on the property described herein continuously insured under fire coverage policies in an amount not less than the balance 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 "seller" then to any holders of underlying encumbrances, and then to "buyer."

10. CONDITION OF PROPERTY. "Buyer" accepts the property in its present condition and acknowledges that "seller," her agents and subagents have made no representation or warranty concerning the physical condition of the property or the uses to which it may be put other than as set forth herein. "Buyer" agrees to maintain the property in such condition as complies with all applicable laws.



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11. **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.

12. **DEFAULT.** If "buyer" fails to observe or perform any term, covenant or condition of this contract, "seller" may:

- A. Suit for Installments. Sue for any delinquent periodic payment; or
- B. Specific Performance. Sue for specific performance or any of "buyers" obligations pursuant to this contract; or
- C. Forfeit Buyer's Interest. Forfeit this contract pursuant to CH. 61.30, RCW, as it is presently enacted and may hereafter be amended. The effect of such forfeiture includes: All right, title and interest in the property of the "buyer" and all persons claiming through the "buyer" shall be terminated; The "buyer's" rights under the contract shall be cancelled; All sums previously paid under the contract shall belong to and be retained by the "seller," or other person to whom paid and entitled thereto; All improvements made to the property shall belong to the "seller," and; "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. Give "buyer" written notice demanding payment of said delinquencies and payment of a late charge of \$50.00 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 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.

13. **RECEIVER.** If "seller" has instituted any proceedings specified in paragraph 12 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.

14. **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 damages or specific performance unless the breaches designated in said notice are cured.

15. **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 obligation hereunder and shall not prejudice any remedies as provided herein.



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16. **ATTORNEYS' 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 attorneys' fees and costs incurred in such suit or proceedings.
17. **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 PO Box 635, Conway, Washington, 98238 and to "seller" at 4483 Ida Drive, Sedro Woolley, Washington, 98284 or such other address as either party may specify in writing to the other party. Notices shall be deemed given when served or mailed. Notice to seller shall also be sent to any institution receiving payments on the contract.
18. **TIME FOR PERFORMANCE.** Time is of the essence in performance of any obligations pursuant to this contract.
19. **SUCCESSORS AND ASIGNS.** 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."
20. **ADDENDA.** Any addenda attached hereto are a part of this contract.
21. **ENTIRE AGREEMENT.** This contract constitutes the entire agreement of the parties and supercedes all prior agreements and understandings, written or oral. This contract may be amended only in writing executed by "seller" and "buyer."

In witness whereof the parties have signed and sealed this contract the day and year first above written.

Seller

Patricia P. Munroe

Buyer

Sean Yeager
John A. Yengrich
Michael E. Yengrich
Wendy H. J.
Janne



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State of Washington }

SS.

County of Skagit }

On this day personally appeared before me

Patricia A Munroe

To me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that She signed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 1st day of December, 2006.

Cheryl L. Trueman
Notary Public in and for the State of Washington,
Residing at Mt. Vernon
Cheryl L. Trueman
My commission expires 5/14/07



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STATE OF WASHINGTON)

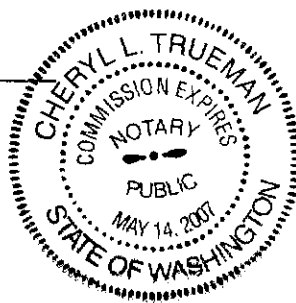
COUNTY OF Skagit)

) SS:

On this day of personally appeared before me John yengich, Sean yengich
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 7th day of December, 2006

Cheryl L. Trueman
Cheryl L. Trueman
Notary Public in and for the State of Washington
residing at 777 Vernon
My commission expires: 5/14/07



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STATE OF WASHINGTON)

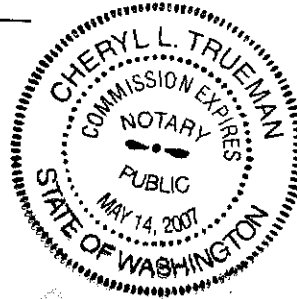
) SS:

COUNTY OF Skagit)

On this day of personally appeared before me Joanne Ernst & Ward Ernst
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 8th day of December, 2006

Cheryl L. Trueman
Notary Public in and for the State of Washington
residing at mt Vernon
My commission expires: 5/14/07



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Order No.:

IC40907

EXHIBIT "A"

The South 50 feet of Lot B, all of Lot C, and the North 60 feet of Lot D in CORRECTED PLAT OF SLIPPER'S ACRES, according to the plat thereof recorded in Volume 4 of Plats, page 54, records of Skagit County, Washington;

Situated in Skagit County, Washington.

- END OF EXHIBIT "A" -



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