



201203020090
Skagit County Auditor

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RETURN TO:

MR. JOHN W. HICKS
SCHACHT & HICKS, INC., P.S.
PO BOX 1165
MOUNT VERNON WA 98273

DOCUMENT TITLE: Real Estate Contract

GRANTOR: CLAYPOOL, K. BRADFORD
LUTTIKHUIZEN, ESTHER M.

GRANTEE: PEARSON, TIMOTHY M.
PEARSON, DIANA G.

TAX PARCEL NUMBER: P122372

ABBREVIATED LEGAL DESCRIPTION: Lot 3, SP PL04-0147, Ptn NE 1/4
of NW 1/4, 35-36-2 E. W.M.
together with Samish
Farms Water Assn Share

ADDITIONAL LEGAL DESCRIPTION ON EXHIBIT "A" OF DOCUMENT.

LAND TITLE OF SKAGIT COUNTY
141601-02

2012572
SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

MAR 02 2012

Amount Paid \$ 3787.50
Skagit Co. Treasurer
By MF Deputy

REAL ESTATE CONTRACT

1. **PARTIES AND DATE.** This contract is entered into on March 2ND, 2012, between K. BRADFORD CLAYPOOL and ESTHER M. LUTTIKHUIZEN, husband and wife, as "Seller," and TIMOTHY M. PEARSON and DIANA G. PEARSON, husband and wife, 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:

That property described on EXHIBIT "A" attached hereto and by reference made a part hereof.

TOGETHER with Samish Farms Water Association Share.

UNWORN

3. **TERMS.** The following are the terms by which the purchase price shall be paid. The purchase price is the sum of Two Hundred Twelve Thousand Five Hundred Dollars (\$212,500.00), of which the sum of Two Thousand Dollars (\$2,000.00) has been paid, and the balance of said purchase price in the sum of Two Hundred Ten Thousand Dollars Five Hundred Dollars (\$210,500.00) shall be paid in installments of Two Hundred Fifty Dollars (\$250.00), or more, at Buyer's option, on or before the 2ND day of April, 2012, and a like amount on or before the 2ND day of each and every month thereafter until paid in full. Interest shall accrue from the 2ND day of March, 2012 at the rate of six percent (6%) per annum on the declining principal balance with payments being first applied to interest and the balance to principal. Buyer acknowledges that the Two hundred Fifty Dollar (\$250.00) monthly payment will not pay all accruing interest. Buyer, no later than the first day of the eighteenth (18th) month from the date of closing shall pay all accrued but unpaid interest, plus ten percent (10%) of the remaining principal balance. Buyer shall then commence making monthly interest only payments of Nine Hundred Forty-seven and 25/100 Dollars (\$947.25). The balance of the principal and interest shall all be due and payable not later than the first day of the twelfth (12th) month thereafter. Buyer may pay all sums due at any time without a prepayment penalty.

4. **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. Any personal property included in the sale shall be included in the fulfillment deed.

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

6. **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 the 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 Country 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 15% penalty from the payments next becoming due Seller under the Contract.

7. **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 sufficient to repair any damage or replace any structure destroyed. All policies shall be held by the Seller and be in such companies as the Seller may approve and have loss payable first to any holders of underlying encumbrances, then to Seller 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.

8. **NONPAYMENT OF TAXES, INSURANCE AND UTILITIES CONSTITUTING LIENS.** If Buyer fails to pay taxes or assessments, insurance premiums or utility charges, whether or not they constitute liens superior 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 15% of the amount thereof plus any costs and attorney's fees incurred in connection with making such payment or in collecting the sums paid from Buyer.

9. **CONDITION OF PROPERTY.** Buyer accepts the property in its present condition and acknowledges that Seller, his agents and subagents have made no representation or warranty concerning the physical condition of the property or the uses to



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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.

10. **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.

11. **WASTE.** Buyer shall keep the property in good repair and shall not commit or suffer waste or willful damage to or destruction of the property. Buyer shall not remove commercial timber without the written consent of Seller.

12. **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.

13. **DEFAULT.** If the 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 of any of Buyer's obligations pursuant to this Contract; or
- c. **Forfeit Buyer's Interest.** Forfeit this Contract pursuant to RCW 61.30 as it is 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 cancelled; (iii) 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; (iv) all improvements made to and unharvested crops on the property shall belong to the Seller; and (v) Buyer shall be required to surrender possession of the property, improvements and unharvested crops to the Seller 10 days after the forfeiture; or

- d. **Acceleration of Balance Due.** Give Buyer written notice demanding payment of said delinquencies and payment of a late charge of 15% 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.

14. **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.

15. **ATTORNEY'S FEES AND COSTS.** In the event of any breach of this Contract, the party responsible for the breach agrees to pay reasonable attorney's fees and costs, including costs of service of notices and title searches, incurred by the other party. The prevailing party in any suit instituted



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arising out of this Contract and in any RCW 61.30 forfeiture proceedings arising out of this Contract shall be entitled to receive reasonable attorney's fees and costs incurred in such suit or proceedings.

16. **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: 10326 Halloran Road, Bow, WA 98232, and to Seller at: PO BOX 206, Bow, WA 98232, 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.

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

18. **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.

19. **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.

20. **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 to twelve percent (12%) per annum the interest rate on the balance of the purchase price or declare the entire balance of the purchase price due and payable.

21. **BOUNDARY LINES**. Seller does not warrant against any adverse possession or prescriptive rights claims of any third parties affecting this property. Seller's deed to Buyer shall likewise not warrant against adverse possession or prescriptive rights claims made or potentially made by third parties. Buyer shall have no claim against Seller for any adverse possession or prescriptive rights claims made by any third party affecting this property.



22. **ENTIRE AGREEMENT.** This Contract constitutes the entire agreement of the parties and supersedes 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 this Contract the day and year first above written.



K. BRADFORD CLAYPOOL



ESTHER M. LUTTIKHUIZEN
SELLER



TIMOTHY M. PEARSON



DIANA G. PEARSON
BUYER



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Skagit County Auditor

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that K. BRADFORD CLAYPOOL and ESTHER M. LUTTIKHUIZEN, husband and wife, are the persons who appeared before me, and said persons acknowledged that they signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: March 2ND, 2012.



Karen Ashley

Printed name: KAREN ASHLEY
Notary Public in and for the State of
Washington, residing at: SEDRO-WOLLEY.
My appointment expires: 9/11/2014.



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DESCRIPTION:

Lot 3 of Skagit County Short Plat No. PL04-0147, recorded November 8, 2004, under Auditor's File No. 200411080189, records of Skagit County, Washington; and being a portion of the Northeast ¼ of the Northwest ¼ of Section 35, Township 36 North, Range 2 East, W.M.

Situate in the County of Skagit, State of Washington.



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EXCEPTIONS:

A. EASEMENT AND THE TERMS AND CONDITIONS THEREOF:

Grantee: Puget Sound Energy, Inc., a Washington Corporation
Purpose: To construct, operate, maintain, repair, replace, improve, remove, enlarge, and use the easement area for one or more utility systems for purposes of transmission, distribution and sale of electricity
Area Affected: A strip of land ten (10) feet in width with five (5) feet on each side of the centerline of grantee's facilities as now constructed, to be constructed, extended or relocated lying within the above described parcel – generally located within the East 50 feet of the North 650 feet of the Property described therein.
Dated: September 16, 2004
Recorded: September 20, 2004
Auditor's No.: 200409200124

B. DECLARATION AND AGREEMENT FOR ROAD, DRAINAGE, AMD UTILITIES MAINTENANCE:

Dated: August 6, 2004
Recorded: November 8, 2004
Auditor's No.: 200411080191
(Copy attached)

C. NOTES SHOWN ON SHORT PLAT:

1. A Skagit County address range has been applied to the road system in this subdivision. At the time of application for building and/or access, Skagit County GIS will assign individual addresses in accordance with the provisions of Skagit County Code 15.24.
2. The Short Plat Number and Date of Approval shall be included in all deeds and contracts.
3. No building permit shall be issued for any residential and/or commercial structures which are not at the time of application, determined to be within an official designated boundary of a Skagit County fire district.
4. All maintenance and construction of roads is the responsibility of the lot owners and shall be in direct relationship to usage of road in accordance with that Declaration and Agreement for Road, Drainage and Utilities Maintenance as recorded under Auditor's File No. 200411080191, records of Skagit County, Washington.
5. In accordance with SCC 14.32 an Engineered Drainage Plan for residential construction upon Lots 2, 3, and 4 of this short subdivision has been prepared by LeGro & Associates and is currently on file with the Skagit County Planning and Permit Center. Any future construction must comply with the requirements of said Engineered Drainage Plan and report as contained therein and/or the county drainage regulations in effect on the date of building permit application.

EXHIBIT "



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EXCEPTIONS CONTINUED:

C. (Continued):

6. The method of sewage disposal shall be by individual septic drainfield systems. The residence upon Lot 1 of this Short Plat is served by an existing conventional septic system. The required soil logs for all Lots of this Short Plat are currently on file with the Skagit County Planning and Permit Center.
7. This subdivision is subject to the effect, if any, of a Survey of said premises recorded February 7, 1997, in Vol. 19 of Surveys, page 58, under Auditor's File No. 9702070001, records of Skagit County, Washington, depicting a 20' wide probable extent of buried septic lines as revealed on SP 51-78 dated 7-14-78.
8. Building offset; SW corner 0.26' (feet) East of P/L (property line); NW corner 0.12' East of P/L, all as measured to exterior wall.

D. EASEMENT SHOWN ON SHORT PLAT:

For: Turnaround
Affects: Northeast corner cul-de-sac



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