

WHEN RECORDED RETURN TO:

Errol Hanson Funding, Inc.
PO Box 508
Sedro-Woolley, WA 98284



201303080015
Skagit County Auditor

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Grantor. Errol Hanson Funding, Inc.
Grantee. Equity Trust Company, Custodian FBO Robyn Choffel IRA
Abbrev. Leg. Ptn NW 1/4 of NE 1/4 of NW 1/4 of Sec. 29, T35N, R6E, WM
Tax Acct No. 350629-0-006-0004/ P41980; 350629-0-011-007/P41987

REAL ESTATE CONTRACT

1. PARTIES AND DATE. This Contract is entered effective as of ^{February 19th 2013 - RC, 2013} ~~November 1, 2012~~, between Errol Hanson Funding, Inc., a Washington corporation, as Seller, and Equity Trust Company, Custodian FBO Robyn Choffel, IRA, as Buyer. *EH*

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.

For full description, see Exhibit A, attached hereto and incorporated by this reference

Tax Account Numbers: 350629-0-006-0004/ P41980; 350629-0-011-007/P41987

3. PERSONAL PROPERTY. Personal property, if any, included in the sale is as follows: None

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

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

\$ 90,000.00
Less (\$ -0-)
Less (\$ -0-)
Results in \$ 90,000.00

Total Price
Down Payment
Assumed Obligation(s)
Amount Financed by Seller.

(b) PAYMENT OF AMOUNT FINANCED BY SELLER.

Buyer agrees to pay the sum of \$90,000.00 as follows:
\$700.00, or more at buyer's option on or before the first day of ^{March 2013} ~~November, 2012~~, with interest from ^{March 1, 2013} ~~November 1, 2012~~, at the rate of Six Percent (6%) per annum on the declining balance thereof, and a like amount or more on or before the first day of each succeeding month for the first Thirty (30) months of the contract term.

Commencing with the first day of the Thirty-First (31st) month of the contract term (May 1, 2015), the interest rate on the declining balance shall increase to Seven Percent (7%) per annum and the buyer shall pay \$700.00, or more, at the buyer's option, on or before the first day of May, 2015, and on or before the first day of each succeeding month, until the first day of November, 2017, when the entire unpaid balance of principal and interest shall be paid in full.

THE ENTIRE BALANCE OF PRINCIPAL AND INTEREST IS DUE IN FULL NOT LATER THAN NOVEMBER 1, 2017.

Payments are applied first to any late fees or penalties, then to interest and then to principal. Payments shall be made to Seller at PO Box 508, Sedro-Woolley, WA 98284, or such other place as the Seller may hereafter indicate in writing.

(c) **TAXES TO BE PAID BY BUYER.**

In addition to the contract payments set forth above, the buyer agrees to cure existing delinquencies in real property taxes as follows: Buyer will pay the most delinquent two years of taxes prior to December 31, 2013, and pay the next two years of taxes on or before December 31, 2014.

5. **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.

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

7. **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 5% penalty from the payments next becoming due Seller under the Contract.

8. **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 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.

9. **NONPAYMENT 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.

10. **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 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. **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.

13. **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.

14. **DEFAULT.** If the Buyer fails to observe or perform any term, covenant or condition of this Contract, Seller may 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: (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.

15. **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.

16. **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.

17. **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.

18. **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.

19. **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 31462 South Skagit Hwy, Sedro Woolley, WA 98284, and to Seller at PO Box 508, Sedro-Woolley, WA 98284, or such other addresses 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.

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

21. **SUCCESSORS AND ASSIGNS.** Subject to any restrictions against assignment, the provisions of this

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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.

19. **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 31462 South Skagit Hwy, Sedro Woolley, WA 98284, and to Seller at PO Box 508, Sedro-Woolley, WA 98284, or such other addresses 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.

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

21. **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.

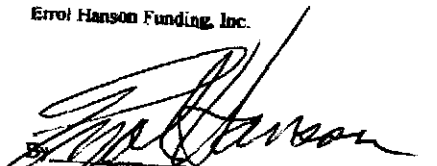
22. **DUE ON SALE.** If Buyer, without written consent of Seller, (a) conveys, (b) sells, (c) leases, (d) assigns, (e) contracts to convey, sell, lease or assign, (f) grants an option to buy the property, (g) permits a forfeiture or foreclosure or trustee or sheriff's sale of any of the Buyer's interest 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. If one or more of the entities comprising the Buyer is a corporation, any transfer or successive transfers in the nature of items (a) through (g) above of 49% or more of the outstanding capital stock shall enable Seller to take the above action. A lease of less than 3 years (including options for renewals), a transfer to a spouse or child of Buyer, a transfer incident to a marriage dissolution or condemnation, and a transfer by inheritance will not enable Seller to take any action pursuant to this Paragraph; provided the transferee other than a condemnor agrees in writing that the provisions of this paragraph apply to any subsequent transaction involving the property entered into by the transferee.

23. **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 and sealed this Contract the day and year first above written.

SELLER

Errol Hanson Funding, Inc.


Errol Hanson, President


BUYEREquity Trust Company, Custodian for the Benefit of
Benefit of Robyn Choffel, IRA

By 
Name **Jeffrey S. Brown**

Title **CORPORATE ALTERNATE SIGNER**

2013 783
SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

MAR 07 2013

Amount Paid \$ 1607.00
By  Skagit Co. Treasurer
Deputy



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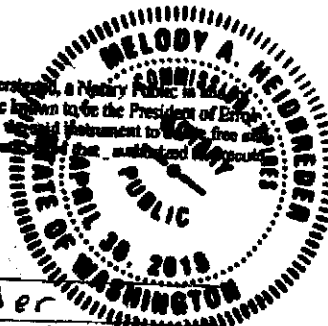
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STATE OF WASHINGTON)

COUNTY OF SKAGIT)

On this 27th day of February, 2013, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Errol Hanson, to me known to be the President of Errol Hanson Funding, Inc., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be his free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on each stated that, authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

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



Melody A. Heidebreder

Notary Name: Melody A. Heidebreder

Notary Public in and for the State of Washington, residing at Mt Vernon, WA.

My commission expires 4-30-15

OHIO
STATE OF WASHINGTON)
LORAIN)
COUNTY OF SKAGIT)

On this 19 day of February, 2012, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Jeffrey Brown of Comp. Alt. Signer of Equity Trust Company, Custodian for the Benefit of Robyn Chaffel IRA, the company 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 each stated that, authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

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

Michelle Goldbach

Notary Name: Michelle Goldbach

Notary Public in and for the State of Washington, residing at 2024 Yankee County

My commission expires



MICHELLE GOLDBACH
Notary Public, State of Ohio
My Commission Expires
August 10, 2016



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EXHIBIT A
DESCRIPTION

Parcel A

That portion of the Northwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 29, Township 35 North, Range 6 East, W.M., described as follows:

Beginning at the Northwest corner of the tract conveyed to Charlotte L. Puschet and Camille Jacquith by instrument dated April 18, 1968, and recorded April 24, 1968, under Auditor's File No. 71283, records of Skagit County, Washington, said point being on the Easterly line of the County Road and 528.7 feet, more or less, North of the South line of said Northwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$;

Thence Easterly along the North line of said Puschet-Jacquith tract, 140 feet to the Northeast corner thereof;

Thence Northerly, parallel with the East line of said County Road, 113.17 feet, more or less, to the South line of the County Road which runs along the North line of said subdivision;

Thence West along the South line 140 feet to its intersection with the Easterly line of the County Road along the West line of said subdivision;

Thence Southerly along the said County Road, 114.31, more or less, to the point of beginning.

Situate in Skagit County, Washington.

Parcel B

That portion of the Northwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 29, Township 35 North, Range 6 East, W.M., described as follows:

Beginning at a point on the East line of the County Road, 328.7 feet North of the South line of said Northwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$;

Thence East 140 feet;

Thence Northerly, parallel with the East line of said County Road, 200 feet;

Thence West 140 feet to the East line of said County Road;

Thence South along the East line of said County Road to the point of beginning.

Situate in Skagit County, Washington.



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