

After Recording Return To:

Daniel & Alicia Silva
18527 Peter Johnson Road
Mount Vernon, WA 98273

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

2014-3551
SEP 24 2014

Amount Paid \$ 1408.53

Skagit Co. Treasurer
Deputy

REAL ESTATE CONTRACT

GRANTOR: JUBILEE 2012, LLC, a Washington limited liability company
GRANTEE: DANIEL SILVA and ALICIA SILVA, husband and wife
Abbreviated Legal: Pm, SW, SE, S7, T33N, R4E, W.M.
Assessor's Tax Parcel Nos: 330407-4-005-0007, P16483

Date: September 23, 2014

1. Seller, JUBILEE 2012 LLC, a Washington limited liability company, agrees to buy
sell to Buyers, DANIEL SILVA and ALICIA SILVA, husband and wife, and Buyers agree to buy
from Seller, the following property in Skagit County, Washington:

THE WEST 142.00 FEET OF THE SOUTH 154 FEET OF THE
SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 7,
TOWNSHIP 33 NORTH, RANGE 4 EAST, W.M., EXCEPT THE
COUNTY ROAD ALONG THE SOUTH SIDE THEREOF KNOWN AS
JOHNSON ROAD; AND EXCEPT RIGHT OF WAY FOR DRAINAGE
DISTRICT NO. 17 AS ACQUIRED BY LAW UNDER SKAGIT
COUNTY COURT CASE 17539.
SUBJECT TO COVENANTS, EASEMENTS, RESTRICTIONS, AND
AGREEMENTS OF RECORD.

SITUATE IN THE COUNTY OF SKAGIT, STATE OF WASHINGTON.

2. PURCHASE PRICE — The purchase price is \$78,850.00. Buyer agrees to pay
the purchase price together with interest at the rate of 2.97 % per annum from October 1, 2014,
as follows:

The Buyers shall pay equal monthly installments of \$600.00, or more, to the Seller, with

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the first monthly payment to be due on the 6th day of October, 2014, and on or before the like date of each month thereafter through and including December 1, 2027, at which time a balloon payment of all remaining outstanding amounts shall be due and payable. Payments shall be applied first to costs, expenses, and other charges provided for in this Contract or incurred by the Seller in realizing on this Note, second to interest then accrued, and then to principal. All payments shall be made in the lawful currency of the United States of America.

If any payment shall not be paid within five (5) days after the date it becomes due, the Buyers shall pay a late charge equal to five percent (5%) of the delinquent installment. The late charge shall be in addition to and not in lieu of any other rights or remedies the Seller may have by virtue of any breach or default. Should Buyers at any time tender a check to the Seller that is dishonored by reason of insufficient funds, the Seller shall be entitled to a charge against Buyers in the amount of \$50, which represents Seller's reasonable costs for handling Buyer's dishonored check.

All payments shall be made at the place designated by Seller. In the event that Buyer defaults under the terms of this agreement, the interest rate on all unpaid amount shall automatically adjust to the rate of twelve percent (12%) per annum, or the highest rate allowed by law, whichever is less (the "Default Rate").

3. POSSESSION — Buyer has possession of the property prior to execution of this Agreement and shall be entitled to continue in possession of the property after the date this document is recorded with the Skagit County Auditor's office.

4. ASSESSMENTS AND TAXES — Buyer shall pay before delinquency all taxes, assessments, water rents or water assessments, utility charges, and operation or construction charges not now delinquent and all levied or assessed against the property and hereafter falling due. Buyer shall pay second half real estate taxes for 2014. Seller shall reimburse Buyer for ½ of the second half real estate taxes for 2014. In the event any taxes, assessments, rents or charges to be paid by Buyer are paid by Seller, Buyer shall promptly reimburse Seller. Upon failure of Buyer to pay any taxes, assessments, rent, or charge, any amount so paid shall be added to and be secured in the same manner as the unpaid purchase price, bear interest at the Default Rate and be due immediately.

5. IMPROVEMENTS — All improvements now or hereafter made to or placed on the property shall become a part thereof and shall not be removed.

6. LIENS, CHARGES, AND ENCUMBRANCES — Buyer shall pay all liens, charges, or encumbrances hereafter imposed on the property, assumed by Buyer in this contract and subject to which this purchase and sale is made, and shall not allow any part of the property to become subject to liens, charges, or encumbrances having priority over the rights of Seller in the property. Notwithstanding anything to the contrary provided above in this paragraph, Buyer shall not be responsible for any liens or encumbrances (or payment of title obligations secured

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thereby) imposed upon said property subsequent to the date of this contract by or through Seller unless such liens, encumbrances, or obligations are expressly assumed by Buyer.

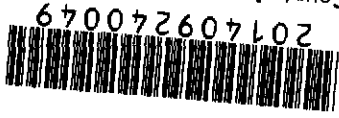
7. **CONDITION OF PREMISES, UPKEEP, AND CROPS —**

Buyer acknowledges that Buyer has been solely responsible for Buyer's own "due diligence" investigation of the Property prior to execution of this Agreement, for Buyer's own analysis of the merits and risks of the acquisition of the Property, and for the analysis of the fairness and desirability of the terms of this transaction. Buyer assumes all risks relevant to this transaction, Buyer's investigation of the Property or lack thereof and accepts the Property on an AS-IS, WHERE-IS, WITH ALL FAULTS basis. Seller disclaims any and all warranties, whether express or implied, including, but not limited to warranties of merchantability, fitness for a particular purpose and warranties of habitability. Seller has made no representations whatsoever to Buyer and Buyer is not relying upon any representation of Seller with respect to the number of existing or potential separate lots on the Property.

Buyer represents that Buyer has investigated the Property prior to execution of this Agreement. Buyer assumes any and all risks, including (without in any way limiting the generality of the preceding language) but not limited to: the inability to obtain ingress, egress, sewer or septic, the unavailability of water or water service for the Property, the existence of encroachments, unrecorded documents and agreements, soil and slope instability, the inability to divide the Property into two or more separate parcels and the presence or suspected presence of hazardous substances. Buyer has examined, to Buyer's satisfaction, all characteristics of the Property and is not relying upon any statements or representations, other than those set forth in this Agreement, by Seller, Seller's agents, or any other person or entity with respect to the Property, its square footage, soils, improvements, boundaries, encroachments or any other matter of any kind whatsoever, which would give rise to a claim by Buyer against Seller at any time or for termination of this Agreement. Buyer waives any and all rights to rescind this Agreement. Buyer and Seller acknowledge that the assumption of all risks related to the condition of the Property by the Buyer is in consideration of the price of the Property, which is lower than it would have been if Seller was held responsible for any express or implied warranties.

Buyer shall maintain the property and all improvements now or later placed on the property in a good state of repair, shall not make any material alterations without the written consent of Seller, and shall not allow or commit any waste. Buyer shall farm all farm and orchard land in a good husbandlike manner, according to the customary standards of such farming in the area in which the property is situated, without unnecessary interruptions or delays and shall furnish all labor, machinery, supplies, equipment, and everything else necessary to such farming operations. Breach of this provision shall entitle Seller, upon the giving of three (3) days' notice, to go upon the property and perform such services and acts as are necessary to comply with this provision. The necessary costs and expenses of these services and acts shall be considered an indebtedness immediately payable to Seller, which Seller shall have the right to collect or at Seller's option shall be considered an obligation under the contract, shall be added to the principal of the contract, and shall bear interest at the contract rate from date that the

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indebtedness was incurred. The methods of giving notice as herein provided shall be in the same manner as provided for in RCW 61.30.050(2)(b) and (3).

8. **USE OF PROPERTY** — Buyer shall not make or allow any unlawful use of the

property.

9. **INSURANCE** — Buyer shall insure with companies satisfactory to Seller the buildings now or hereafter placed on the property and any personal property included in this contract in the sum of not less than its full insurable value, with loss thereunder payable first to Seller, then to Buyer, as their respective interests may appear. The policy shall be held by Seller. In the event of destruction of or damage to any of said buildings or personal property and the collection of insurance during the life of this contract, the money received on said insurance may, at the option of Buyer, be used in the restoration of said improvements: provided, that Buyer is not at the time in default under the provisions of this contract and subject to the terms of any mortgage on the property. If Buyer fails to procure insurance, Seller is authorized to do so and the cost may be added to the balance due hereunder and shall bear interest at the Default Rate and shall become due immediately, or Seller may, at Seller's option, forfeit this contract for the failure of Buyer to procure insurance.

10. **CONDEMNATION** — If the property or any part shall be taken and condemned, such taking shall be a ground for rescission of this contract. The award made for the taking shall be deemed to be the property of Buyer, but shall be paid to Seller to apply upon the purchase price, not exceeding any amounts then unpaid hereunder.

11. **ASSIGNMENT OR TRANSFER** — Buyer shall not assign this contract without the written consent of Seller. Seller shall not unreasonably withhold such consent, and, once given, such consent shall not waive the requirements of this paragraph as to any subsequent assignment of this contract.

12. **DESTRUCTION OF PROPERTY** — In the event of damage to or destruction of any buildings or improvements upon the property, such damage as between the parties shall be the loss of Buyer and shall not be a ground for rescission of this contract or abatement of purchase price.

13. **DEED** — When Buyer has fully performed this contract Seller shall execute and deliver to buyer a special warranty deed conveying the property free and clear of all encumbrances except any encumbrances agreed to by Buyer. Warranties of Seller are limited to the date of this contract except for affirmative acts of Seller thereafter.

14. **REMEDIES** — Time is of the essence of this contract. If Buyer fails to make any payment or perform any obligation hereunder, Seller shall be entitled to exercise all rights and remedies as allowed by law or equity, including the right to elect one or more of the following

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remedies:

(1) To forfeit this contract under Ch. 61.30 RCW, in which event, without limiting any remedies of Seller as provided by the said statute, all right, title, and interest of Buyer and parties claiming an interest in the real and/or personal property subject to this contract shall be canceled and terminated, all prior payments shall be retained by the payee thereof, all improvements and unharvested crops shall be forfeited, and Seller shall be entitled to possession of the real and/or personal property, which right may be enforced under the provisions of Ch. 59.12 RCW.

(2) To declare all amounts payable under this contract immediately due and payable and institute suit to collect such amounts, together with reasonable attorney fees; provided, if within thirty (30) days after commencement of such action, Buyer cures the default(s) and pays to Seller Seller's actual attorney fees incurred and other taxable costs of suit, this contract shall be reinstated.

(3) To commence all action for the collection of past due payments or obligations arising prior to the date of judgment.

(4) To commence an action for specific performance of Buyer's obligations under this contract (including redress by either a mandatory or prohibitive injunction).

(5) If Buyer is in default under this contract and abandons the real and personal property, if any, subject hereto, pending the exercise of other rights or remedies as provided for herein, Seller may take immediate possession of the real and/or personal property for the purpose of preserving or otherwise protecting the property from loss, damage, or waste.

15. NONWAIVER — Failure of Seller to insist upon strict performance of Buyer's obligations hereunder (e.g., accepting late or partial payments) shall not be construed as a waiver by Seller of strict performance thereafter of all of Buyer's obligations hereunder and shall not prejudice Seller's remedies as provided herein or by law or equity.

16. VENUE — If either party commences an action to enforce rights under this contract, venue of such action, at the option of Seller, shall lie in Skagit County, Washington.

17. ATTORNEY FEES AND COSTS — If by reason of any breach or default on the part of any party hereto it becomes necessary for the Seller to employ an attorney, then Seller shall have and recover jointly and severally against the Buyers in addition to costs allowed by law, all of Seller's costs, expenses and reasonable attorneys' fees and litigation-related expenses which, in any way, arise out of or relate to this agreement, including any such costs, expenses and attorneys fees incurred on appeal, in bankruptcy or in post judgment collection action. The Seller shall be entitled to recover reasonable attorneys' fees and costs and expenses, as provided above, regardless of whether litigation is actually commenced. Any judgment recovered by the Seller

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shall bear interest at the Default Rate.

18. **BINDING EFFECT** — This agreement shall be binding upon and shall inure to the benefit of the legal representatives and successors of the parties.

19. MISCELLANEOUS.

Buyers have had the opportunity to have this document reviewed by counsel of Buyers' choice. Buyers agree that no interpretation or construction shall be made with respect to this document based on which party drafted all or any portion of this document.

This Agreement constitutes the entire agreement of the parties and supercedes all prior agreements or understandings between the parties with respect to the subject matter hereof. Seller has made no representations or promises except as contained in the express provisions of this agreement.

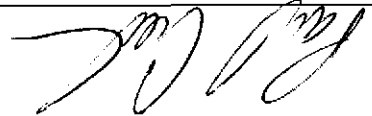
This Agreement may not be modified or amended except by written agreement signed and acknowledged by both parties.

Time is of the essence of this Agreement in each and every provision thereof.

Buyers agree, at all times, to look only to Seller's interest in the real property conveyed herein for satisfaction of any claim whatsoever against Seller and not to any other property or assets of Seller or Seller's members or managers.

SELLER:

JUBILEE 2012 LLC



PAUL CREELMAN, Its: Member

BUYERS:

DANIEL SILVA



Address of Buyers:

18527 Peter Johnson Road
Mount Vernon, WA 98273

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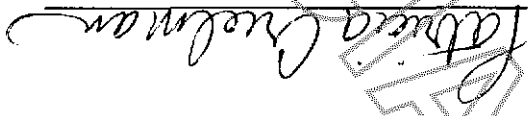


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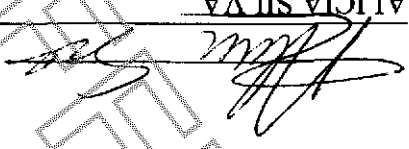
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PATRICIA CREELMAN, Its: Member



ALICIA SILVA



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Dated: 9/23/14

Notary name printed or typed: Virginia S. Voigt
Notary Public in and for the State of WA
Residing at Mount Vernon
My appointment expires: 6/1/17

I certify that I know or have satisfactory evidence that PATRICIA CREELMAN is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he is authorized to execute the instrument and acknowledge it as a Member of JUBILEE 2012 LLC to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

COUNTY OF SKAGIT

ss.

STATE OF WASHINGTON



Dated: 9/23/14

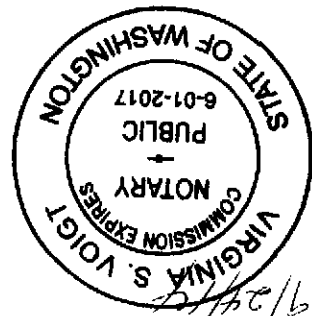
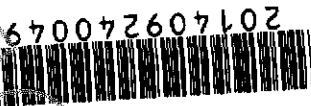
Notary name printed or typed: Virginia S. Voigt
Notary Public in and for the State of WA
Residing at Mount Vernon
My appointment expires: 6/1/17

I certify that I know or have satisfactory evidence that PAUL CREELMAN is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he is authorized to execute the instrument and acknowledge it as a Member of JUBILEE 2012 LLC to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

COUNTY OF SKAGIT

ss.

STATE OF WASHINGTON



Notary name printed or typed: Virginia S. Voigt
Notary Public in and for the State of WA
Residing at Mount Vernon
My appointment expires: 6/1/17

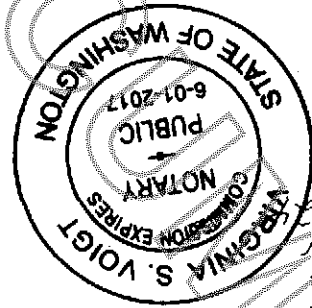
Dated: 9/24/14

I certify that I know or have satisfactory evidence that ALICIA SILVA is the person(s) who appeared before me, and said person(s) acknowledged that she signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in this instrument.

COUNTY OF SKAGIT

SS.

STATE OF WASHINGTON



Notary name printed or typed: Virginia S. Voigt
Notary Public in and for the State of WA
Residing at Mount Vernon
My appointment expires: 6/1/17

Dated: 9/24/14

I certify that I know or have satisfactory evidence that DANIEL SILVA is the person(s) who appeared before me, and said person(s) acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in this instrument.

COUNTY OF SKAGIT

SS.

STATE OF WASHINGTON