

When recorded return to:

Margaret A. Etlicher  
4005 A Avenue  
Anacortes, WA 98221



201505180179

Skagit County Auditor \$78.00  
5/18/2015 Page 1 of 7 4:05PM

**REAL ESTATE CONTRACT  
(RESIDENTIAL SHORT FORM)**

1. PARTIES AND DATE. This Contract is entered into on May 15, 2015, between VERNON R. ETLICHER, SR., and MARGARET ETLICHER, husband and wife, as "Seller" and DAKOTA M. BARNES, an unmarried individual, as "Purchaser."
2. SALE AND LEGAL DESCRIPTION. Seller agrees to sell to Purchaser and Purchaser agrees to purchase from Seller the following described real estate in Skagit County, State of Washington:

The South half of the following described tract:

The West 10 rods of the North half of the Southeast quarter of the Southwest quarter of Section 3, Township 34 North, Range 2 East, W.M.,  
EXCEPT the North 40 feet thereof;  
EXCEPT that portion conveyed to Skagit County for road purposes by deed dated March 9, 1934, and recorded March 12, 1934, under Auditor's File No. 260772;  
AND EXCEPT that portion conveyed to Skagit County for road purposes by deed dated May 20, 1998, and recorded May 21, 1998, under Auditor's File No. 9805210098.

SUBJECT TO: Easements, restrictions, and reservations of record.

Abbreviated Legal: S 1/2 N 1/2 of W 10RDS of SE 1/4 SW 1/4 LES SRD EXCEPT ROAD RIGHT OF WAY TO COUNTY PER AF#9805210098

Tax Parcel Number(s): 340203-3-021-0004 / P19754

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

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

SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX  
20151964  
MAY 18 2015

LPB 44-05(ir) rev. 3/2009  
Page 1 of 7

Amount Paid \$ 539.<sup>00</sup>  
Skagit Co. Treasurer  
By *mum* Deputy

4	(a) PRICE. Purchaser agrees to pay: <u>\$ 30,000.00</u>	Total Price
	Less <u>\$4,000.00</u>	Down Payment
	Less <u>\$ 0</u>	Assumed Obligation(s)
	Results in <u>\$26,000.00</u>	Amount Financed by Seller.

(b) *Intentionally deleted.*

(c) PAYMENT OF AMOUNT FINANCED BY SELLER.

Purchaser agrees to pay the sum of \$26,000.00 as follows:

\$ 300.00 or more at purchaser's option on or before the 1<sup>st</sup> day of June, 2015, (x) including ( ) plus interest from May 18<sup>th</sup>, 2015 at the rate of seven percent (7%) per annum on the declining balance thereof; and a like amount or more on or before the 1<sup>st</sup> day of each and every month thereafter until paid in full.

Payments are applied first to interest and then to principal. Payments shall be made at 4005 A Avenue, Anacortes, WA 98221 or such other place as the Seller may hereafter indicate in writing.

5. DISCLOSURE STATEMENT. Purchaser hereby waives the right to receive a disclosure statement, as defined in RCW 64.06 et seq. to the maximum extent allowed by law. Purchaser and Seller agree that Seller has very limited knowledge of the condition of the property, and Seller's answers to all of the questions in the environmental section of the disclosure statement would be "don't know".
6. FEES. Purchaser shall pay the excise tax and recording costs arising out of this Contract.
7. OTHER ENCUMBRANCES AGAINST THE PROPERTY. Title to the property is subject to all encumbrances, easements and reservations of record.
8. FULFILLMENT DEED. Upon payment of all amounts due Seller, Seller agrees to deliver to Purchaser a Quit Claim Deed in fulfillment of this Contract. The covenants of warranty in said deed shall not apply to any encumbrances assumed by Purchaser or to defects in title arising subsequent to the date of this Contract by, through, or under persons other than the Seller herein.
9. LATE CHARGES. If any payment on the purchase price is not made within ten (10) days after the date it is due, Purchaser 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 Purchaser after such late charges are due shall be applied to the late charges.
10. *Intentionally deleted.*
11. POSSESSION. Purchaser is entitled to possession of the property from and after the date of this Contract, subject to any tenancies described in paragraph 7.
12. TAXES, ASSESSMENTS, AND UTILITY LIENS. Purchaser agrees to pay by the date due all taxes and assessments becoming a lien against the property after the date of this Contract. Purchaser 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. Purchaser agrees to pay when due any utility charges which may become liens superior to Seller's interest under this Contract.

13. **INSURANCE.** Purchaser 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 Purchaser 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 Purchaser. Purchaser may within 30 days after loss negotiate a contract to substantially restore the premises to their condition before the loss. If insurance proceeds are sufficient to pay the contract price for restoration or if the Purchaser 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 Seller shall determine. In the event of forfeiture, all rights of Purchaser in insurance policies then in force shall pass to Seller.
14. **NONPAYMENT OF TAXES, INSURANCE, AND UTILITIES CONSTITUTING LIENS.** If Purchaser 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 Purchaser 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.
15. **CONDITION OF PROPERTY.** Purchaser accepts the property in its present condition and acknowledges that Seller, his/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. Purchaser agrees to maintain the property in such condition as complies with all applicable laws.

Purchaser acknowledges that Purchaser has or will be solely responsible for Purchaser's own "due diligence" investigation of the Property prior to execution of this Contract, for Purchaser'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. Purchaser assumes all risks relevant to this transaction, Purchaser'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 Purchaser and Purchaser is not relying upon any representation of Seller with respect to the number of existing or potential separate lots on the Property.

Purchaser represents that Purchaser has investigated the Property prior to execution of this Contract. Purchaser 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. Purchaser has examined, to Purchaser'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 Purchaser against Seller at any time or for termination of this Agreement. Purchaser waives any and all rights to rescind this Agreement. Purchaser and Seller acknowledge that the assumption of all risks related to the condition of the Property by the Purchaser 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.

16. **RISK OF LOSS.** Purchaser shall bear the risk of loss for destruction or condemnation of the property. Any such loss shall not relieve Purchaser from any of Purchaser's obligations pursuant to this Contract.

17. **WASTE.** Purchaser shall keep the property in good repair and shall not commit or suffer waste or willful damage to or destruction of the property. Purchaser shall not remove commercial timber without the written consent of Seller.
18. **AGRICULTURAL USE.** Purchaser represents and warrants that Purchaser shall not use the property for agricultural purposes.
19. **CONDEMNATION.** Seller and Purchaser may each appear as owners of an interest in the property in any action concerning condemnation of any part of the property. Purchaser 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 Purchaser 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.
20. **DEFAULT.** If the Purchaser 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 Purchaser's obligations pursuant to this Contract; or
  - (c) Forfeit Purchaser'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: (i) all right, title, and interest in the property of the Purchaser and all persons claiming through the Purchaser shall be terminated; (ii) the Purchaser'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) Purchaser shall be required to surrender possession of the property, improvements, and unharvested crops to the Seller 10 days after the forfeiture.
  - (d) Acceleration of Balance Due. Give Purchaser written notice demanding payment of said delinquencies and payment of a late charge of 5% 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 Purchaser or personally delivered to the Purchaser, 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.
  - (e) Judicial Foreclosure. Sue to foreclose this Contract as a mortgage, in which event Purchaser may be liable for a deficiency.
21. **RECEIVER.** If Seller has instituted any proceedings specified in Paragraph 20 and Purchaser is receiving rental or other income from the property, Purchaser agrees that the appointment of a receiver for the property is necessary to protect Seller's interest.
22. **PURCHASER'S REMEDY FOR SELLER'S DEFAULT.** If Seller fails to observe or perform any term, covenant, or condition of this Contract, Purchaser may, after 30 days' written notice to Seller, institute suit for damages or specific performance unless the breaches designated in said notice are cured. Purchaser agrees to look only to Seller's interest in this Contract for satisfaction of any claim whatsoever against Seller and not to any other property or assets of Seller.
23. **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.

24. **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 arising out of this Contract and in any forfeiture proceedings arising out of this Contract shall be entitled to receive reasonable attorney's fees and costs incurred in such suit or proceedings.
25. **NOTICES.** Notices shall be either personally served or shall be sent certified mail, return receipt requested, and by regular first class mail to Purchaser at P.O. Box 475, Anacortes, WA, 98221 and to the Seller at 4005 A Avenue, Anacortes, WA 98221, or such other addresses as either party may specify in writing to the other party. Notices shall be deemed given when served or mailed.
26. **TIME FOR PERFORMANCE.** Time is of the essence in performance of any obligations pursuant to this Contract.
27. **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 Purchaser.
28. *Intentionally deleted.*
29. **INTERPRETATION OF DOCUMENT.** Purchaser has had the opportunity to have this document, the Agreement and the transactions contemplated therein, reviewed by counsel of Purchaser's choice. Purchaser agrees that no interpretation or construction shall be made with respect to the Agreement, this Addendum or any document referenced therein based on which party drafted all or any portion of the document.
30. **DUE ON SALE.** If Purchaser, 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 Purchaser'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 Purchaser 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 Purchaser, 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.
33. **ADDENDA.** Any addenda attached hereto are a part of this Contract.
34. **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 Purchaser.

IN WITNESS WHEREOF the parties have signed and sealed this Contract the day and year first above written.

SELLER

PURCHASER

Vernon R Etlicher Margaret A Etlicher POA

Dakota M Barnes

VERNON R. ETLICHER SR., by MARGARET A. ETLICHER, his Attorney-in-Fact

DAKOTA M. BARNES

Margaret A Etlicher

MARGARET A. ETLICHER

STATE OF WASHINGTON

ss.

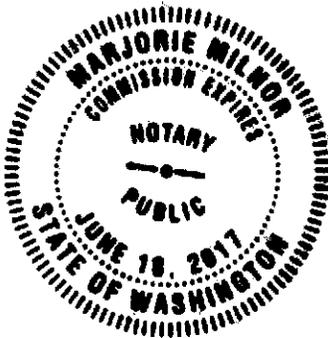
COUNTY OF SKAGIT

I certify that I know or have satisfactory evidence that DAKOTA M. BARNES is the person who appeared before me, and said person acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in this instrument..

Dated: 5/18/15

Marjorie B Milnor

Notary name printed or typed: MARJORIE B MILNOR  
Notary Public in and for the State of WA  
Residing at Mount Vernon  
My appointment expires:



STATE OF SKAGIT

ss.

COUNTY OF WASHINGTON

I certify that I know or have satisfactory evidence that MARGARET A. ETLICHER is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledge it as the Attorney-in-Fact of VERNON R. ETLICHER, SR, to be the free and voluntary act of such party(ies) for the uses and purposes mentioned in this instrument.

Dated: 5/18/15

*Margorie B Milnor*  
Notary name printed or typed: MARGORIE B MILNOR  
Notary Public in and for the State of WA  
Residing at Mount Vernon  
My appointment expires: 6/18/17



STATE OF SKAGIT

ss.

COUNTY OF WASHINGTON

I certify that I know or have satisfactory evidence that MARGARET A. ETLICHER is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledge it to be the free and voluntary act of such party(ies) for the uses and purposes mentioned in this instrument.

Dated: 5/18/15

*Margorie B Milnor*  
Notary name printed or typed: MARGORIE B MILNOR  
Notary Public in and for the State of WA  
Residing at Mount Vernon  
My appointment expires: 6/18/17

