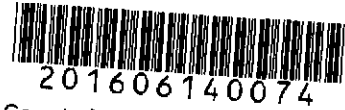


When recorded return to:
Timothy J. Williamson and Hilary W. Williamson
1881 N. Shore Road
Bellingham, WA 98226



Skagit County Auditor
6/14/2016 Page 1 of 13 2:14PM \$85.00

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

2016 248
JUN 14 2016

Amount Paid \$ 3565.00
Skagit Co. Treasurer
By *mm* Deputy

GUARDIAN NORTHWEST TITLE CO.

111597

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

ANY OPTIONAL PROVISION NOT INITIALED BY ALL PERSONS SIGNING THIS CONTRACT--WHETHER INDIVIDUALLY OR AS AN OFFICER OR AGENT -- IS NOT A PART OF THIS CONTRACT.

1. PARTIES AND DATE. This Contract is entered into on May 11, 2016 between TIMOTHY J. WILLIAMSON and HILARY W. WILLIAMSON, husband and wife, (collectively as "Seller") and ROBERT W. VENNEDGE, a single man, and LOTTI L. GOODWIN, a single woman, (collectively as "Purchaser"). ROBERT W. VENNEDGE, a single man, and LOTTI L. GOODWIN, a single woman, as joint tenants with rights of survivorship, shall be jointly and severally liable for all obligations of the Purchaser in this Contract.

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:

Lot 2 of Short Plat No. 97-0012, approved on July 27, 2000 and recorded on July 28, 2000 under Auditor's File No. 200007280006, records of Skagit County, in the Southwest Quarter of Section 35, Township 36 North, Range 3 East, W.M.

EXCEPT the following described parcel:

Beginning at the Southeast corner of said Lot 2; thence South 88 Degrees 22'08" West along the South line of said Lot 2 a distance of 738.86 feet to the Southwest corner of said Lot 2; thence North 21 Degrees 06'37" West along the

Westerly line of said Lot 2 a distance of 113.78 feet; thence along the centerline of a ravine, the following courses and distances:

| | |
|-----------------------|--------|
| N 83 Degrees 29'37" E | 274.59 |
| S 73 Degrees 41'07" E | 59.71 |
| N 89 Degrees 08'55" E | 139.53 |
| N 54 Degrees 15'17" E | 131.29 |
| S 87 Degrees 51'51" E | 45.74 |
| N 86 Degrees 21'16" E | 35.63 |
| N 62 Degrees 03'54" E | 30.43 |

To the Easterly line of said Lot 2; thence South 26 Degrees 15'18" East along the Easterly line of said Lot 2 a distance of 215.26 feet to the Point of Beginning.

TOGETHER WITH AND SUBJECT TO an easement for ingress, egress and utilities over that easement delineated on the face of said Short Plat, shown as "ISLAND VIEW WAY" and the extension thereof.

Subject to Covenants, Conditions, Restrictions, Easements and all matters of record pertinent to said Short Plat No. 97-0012.

Abbreviated Legal: ptn S35-T36-R3E W.M (aka Lot 2 SP-97-0012)

Tax Parcel Number(s): P116959 / 360335-3-001-0100

3. PERSONAL PROPERTY. No part of the purchase price is attributed to personal property and no personal property is included in this Contract.

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

Two Hundred Thousand and no/100 Dollars (\$200,000.00) Total Price

Less Thirty Thousand and no/100 Dollars (\$30,000.00) Down Payment

Less \$0 Assumed Obligation(s)

Results in One Hundred Seventy Thousand and no/100 Dollars (\$170,000.00) Amount

Financed by Seller.

(b) PAYMENT OF AMOUNT FINANCED BY SELLER.

Purchaser agrees to pay the sum of One Hundred Seventy Thousand and no/100 Dollars (\$170,000.00) as follows: \$993.80 or more at Purchaser's option on or before the 1st day of July, 2016 including interest from the date of this Contract at the rate of five percent (5%) per annum on the declining balance thereof; and a like amount or more on or before the 1st day of each and every month thereafter until paid in full.

NOTWITHSTANDING THE ABOVE, THE ENTIRE BALANCE OF PRINCIPAL AND INTEREST IS DUE IN FULL NOT LATER THAN THE FIFTH ANNIVERSARY DATE OF THIS REAL ESTATE CONTRACT.

Payments are applied first to interest and then to principal. Payments shall be made to Timothy J. Williamson and Hilary W. Williamson at 1881 N. Shore Road, Bellingham, WA 98226, 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 Purchaser a Statutory Warranty Deed in fulfillment of this Contract. The covenants of warranty in said deed shall not apply to any encumbrance, lien, covenant or other matters of record as of the date of recording of this Contract with the Skagit County Auditor's office 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. Purchaser accepts title to the real property subject to all matters of record as of the date of recording of this Contract.
6. **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.
7. **POSSESSION.** Purchaser is entitled to possession of the property from and after the date of recording of this Contract with the Skagit County Auditor's Office.
8. **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.
9. **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 higher. 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 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. 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.

10. 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.

11. CONDITION OF PROPERTY. Purchaser acknowledges that Purchaser has been solely responsible for Purchaser's own "due diligence" investigation of the property prior to the 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 has assumed all risks relevant to this transaction, Purchaser's investigation of the Property or lack thereof and has accepted the property on an AS-IS, WHERE-IS, WITH ALL FAULTS basis. Seller has disclaimed 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 made no representations whatsoever to Purchaser and Purchaser did not rely upon any representation of Seller with respect to the number of existing or potential separate lots on the Property.

Purchaser represents that Purchaser investigated the property prior to execution of this Contract. Purchaser assumed 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 other utility service for the property, the ability to build any structures on the property, the existence of encroachments (including but in no way limited to encroaching fences), 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 examined, to Purchaser's satisfaction, all characteristics of the property and did not rely upon any statements or representations 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 or rescission of

UNRECORDED
this Contract. Purchaser hereby waives any and all rights to rescind this Contract. Purchaser and Seller acknowledge that the assumption of all risks related to the condition of the property by the Purchaser was 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.

12. **COMPLIANCE WITH LAWS AND RESTRICTIONS.** The Purchaser shall faithfully observe, perform, and comply with all laws, ordinances, rules, and regulations of every governmental authority affecting the property and the use thereof and activities thereon; all easements, reservations, restrictions, covenants, and conditions of record affecting or pertaining to the property and the use thereof and activities thereon; and any condominium, planned unit development, or cooperative declarations, articles, bylaws, rules, regulations, and other documents which have been or are hereafter adopted with respect to the property. The Purchaser shall not use or permit any person to use the property for or in connection with any unlawful purpose or in any manner which causes a nuisance, or in violation of any federal, state, or local statute or ordinance governing the use or improvement of the property or any hazardous or toxic materials, products, or wastes.
13. **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.
14. **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 cut or remove timber without the written consent of Seller, which consent Seller may grant or deny in Seller's sole and absolute discretion.
15. **AGRICULTURAL USE.** If this property is to be used principally for agricultural purposes, Purchaser agrees to conduct farm and livestock operations in accordance with good husbandry practices. In the event a forfeiture action is instituted, Purchaser consents to Seller's entry on the premises to take any reasonable action to conserve soil, crops, trees, and livestock.
16. **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. Otherwise, proceeds of the award shall be applied in payment of the balance due on the purchase price, as Seller may direct.
17. **DEFAULT.** If the Purchaser fails to observe or perform any term, covenant, or condition of this Contract, the rate of interest shall automatically be increased to the lesser of: the rate of

twelve percent (12%) per annum or the maximum rate allowed by law. In addition, Seller may:

- (a) Suit for Installments. Sue for any delinquent periodic payment;
 - (b) Specific Performance. Sue for specific performance of any of Purchaser's obligations pursuant to this Contract;
 - (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 and timber 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.
18. RECEIVER. If Seller has instituted any proceedings 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.
19. REMEDIAL ADVANCES. If the Purchaser shall fail to timely pay and discharge any payments or sums for which Purchaser has agreed to be responsible herein and said failure constitutes a default under this Contract, or shall by any other act or neglect violate the terms and any conditions of this Contract, the Seller may pay, effect, or discharge such sums as are necessary to cure such default upon giving the Purchaser not less than 15 days' prior written notice (except in any instance in which the Purchaser fails to obtain or maintain any insurance required herein or when immediate payment is required to avoid immediate hazards to persons or property or any foreclosure of or a similar action against or affecting any portion of the property, in which case such notice may be given concurrently with or

immediately following such payment). The Seller may recover from the Purchaser, upon demand, the full cost and expense of so doing, including Seller's reasonable attorneys' fees and together with interest on said expenditures and fees from the date of expenditure to and including the date of collection.

20. **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.
21. **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.
22. **ATTORNEY'S FEES, COSTS AND OTHER EXPENSES.** If by reason of any breach or default on the part of any party hereto, including endorsers, sureties, makers, guarantors, it becomes necessary for the Seller to employ an attorney, then Seller shall have and recover jointly and severally against the Purchasers, 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 Contract, 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 shall bear interest at the default rate provided in Paragraph 17.
23. **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:

Robert W. Vinnedge
2126 Lombard Avenue
Everett, WA 98201

Lotti L. Goodwin
2126 Lombard Avenue
Everett, WA 98201

and to the Seller at:

Timothy J. Williamson
Hilary W. Williamson
1881 N. Shore Road
Bellingham, WA 98226

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.

24. **TIME FOR PERFORMANCE.** Time is of the essence in performance of any obligations pursuant to this Contract.
25. **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.
26. **ALTERATIONS.** Purchaser shall not make any substantial alteration to the improvements on the property, other than routine mowing, brush clearing, and removal of deadfall from the land not included in the Protected Critical Area Easement (PCA), without the prior written consent of Seller.
27. **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 pursuant to Paragraph 18 and 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.
28. **ADDENDA.** Any addenda attached hereto are a part of this Contract.
29. If in the event that Buyer does not pay off the mortgage prior to April 29, 2019 and has not constructed a structure that will vest the water rights of the property prior to April 29, 2019, then Seller shall have the option, at Seller's expense, to build enough of a structure to satisfy vesting of the water rights prior to the expiration of the existing permit on April 29, 2019. Seller may begin construction of the structure within six months of the permit expiration date in order to have it completed for final inspection prior to the permit expiration date.

If regulatory issues pertaining to water rights are resolved prior to the expiration of the permit on April 29, 2019, and existing water rights remain intact for the duration of the contract, then Seller's permit may be renewed for the duration of the contract, at Seller's expense, and neither Seller nor Buyer shall be required to construct a structure that will vest the water rights prior to the expiration of the contract.

UNOFFICIAL DOCUMENT

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

Purchasers:

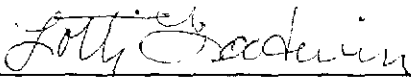


ROBERT W. VINNEDGE

Sellers:



TIMOTHY J. WILLIAMSON



LOTTI L. GOODWIN



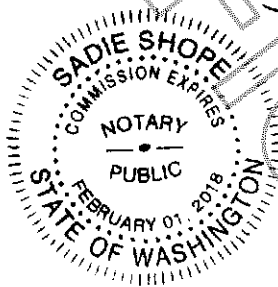
HILARY W. WILLIAMSON

(acknowledgments follow)

State of Washington)
) ss.
County of Skagit)

I certify that I know or have satisfactory evidence that ROBERT W. VINNEDGE is the person who appeared before me and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: May 11, 2016.

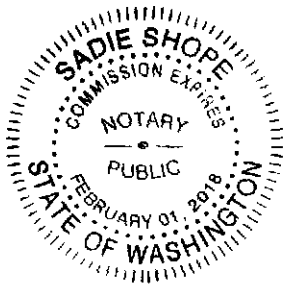


Sadie Shope
(Signature)
NOTARY PUBLIC
Sadie Shope
Print Name of Notary
My appointment expires: 02-01-2018

State of Washington)
) ss.
County of Skagit)

I certify that I know or have satisfactory evidence that LOTTI L. GOODWIN is the person who appeared before me and said person acknowledged that she signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: May 11, 2016.

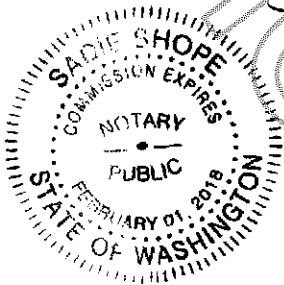


Sadie Shope
(Signature)
NOTARY PUBLIC
Sadie Shope
Print Name of Notary
My appointment expires: 02-01-2018

State of Washington)
County of Skagit) ss.

I certify that I know or have satisfactory evidence that TIMOTHY J. WILLIAMSON is the person who appeared before me and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: May 11, 2016.



Sadie Shope
(Signature)
NOTARY PUBLIC
Sadie Shope
Print Name of Notary
My appointment expires: 02-01-2018

State of Washington)
County of Whatcom) ss.

I certify that I know or have satisfactory evidence that HILARY W. WILLIAMSON is the person who appeared before me and said person acknowledged that she signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: 5/9, 2016.



Pam J Stacey
(Signature)
NOTARY PUBLIC
Pam J Stacey
Print Name of Notary
My appointment expires: 5/10/2019

EXHIBIT A-Boundary Line Approval

The above described property will be combined or aggregated with contiguous property to the North owned by the Grantees;

The boundary line adjustment is not for the purposes of creating an additional building lot.

The boundary line adjustment is approved by Alex Rooden of the Skagit County Planning Department
6/14/2016

EXHIBIT B – Boundary Line Adjustment Map

