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Skagit County Auditor

\$79.00

7/13/2016 Page

1 of

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AFTER RECORDING RETURN TO:

Law Office of Cole & Gilday, P.C.

PO Box 249

Stanwood, WA

(vls)

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

SELLER: CLISE, Richard H., an unmarried person
BUYERS: STONE, Rodney A. & STONE, Carol Marie Chillas., husband and wife
LEGAL DESCRIPTION: Lots 7 & 8, Block 5, CHILDS & HAGADORN'S FIRST ADDITION TO THE CITY OF ANACORTES
TAX PARCEL ID #: 3783-005-008-0008/P57108

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. *Land Title and Escrow #155628-0A*

- PARTIES AND DATE.** This Contract is entered into on July 11, 2016, between RICHARD H. CLISE, an unmarried person as "Seller" and RODNEY A. STONE and CAROL MARIE CHILLAS STONE, husband and wife as "Buyer".
- SALE AND LEGAL DESCRIPTION.** Seller agrees to sell to Buyer agrees to purchase from Seller the following described real estate:

Lots 7 and 8, Block 5, "CHILDS & HAGADORN'S FIRST ADDITION TO THE CITY OF ANACORTES," as per plat recorded in Volume 2 of Plats, page 29, records of Skagit County, Washington.

Situate in the City of Anacortes, County of Skagit, State of Washington.

- PERSONAL PROPERTY.** Personal property, if any, included in the sale is as follows.
NONE.

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

2016 2948
JUL 13 2016

Amount Paid \$ 4455.00
Skagit Co. Treasurer
By HB Deputy

4.

- a. **PRICE.** Buyers agree to pay:

	\$ 250,000.00	Total Price
Less	(\$ 0.00)	Down Payment
Less	(\$ 0.00)	Assumed
Results in	\$ 250,000.00	Financed

- b. **ASSUMED OBLIGATIONS.** None.

- c. **PAYMENT OF AMOUNT FINANCED BY SELLER.** Buyers agree to pay the sum of \$250,000.00 as follows: Balloon payment, on or before twenty-four months from date of closing, to include non-compound interest at 2.5% for twenty-four months, together with amount financed of \$250,000 totaling \$262,500.

- d. NOTWITHSTANDING THE ABOVE, THE ENTIRE BALANCE OF PRINCIPAL AND INTEREST IS DUE IN FULL NOT LATER THAN TWENTY-FOUR MONTHS FROM DATE OF CLOSING.

In the event the Buyers pre-pay the above amount financed before due date, the accumulative interest for twenty-four months shall be due in the total amount of \$12,500.

Payments are applied first to interest and then to principal. Payments shall be made at 1410 Country Club Dr., Camano Island, WA 98282 or such other place as the Seller may hereafter indicate in writing.

5. **FAILURE TO MAKE PAYMENTS ON ASSUMED OBLIGATIONS.** If Buyers fail to make any payments on assumed obligation(s), Seller may give written notice to 3719 M Ave., Anacortes, WA 98221 that unless Buyers make the delinquent payment(s) within fifteen (15) days, Seller will make the payment(s), together with any late charge, additional interest, penalties, and costs assessed by the holder of the assumed obligation(s). The 15-day period may be shortened to avoid the exercise of any remedy by the holder of the assumed obligation. Buyers shall immediately after such payment by Seller reimburse Seller for the amount of such payment, plus a late charge equal to five percent (5%) of the amount so paid, plus all costs and attorneys' fees incurred by Seller in connection with making such payment. Default interest shall be at 5% per annum.
6. **OBLIGATIONS TO BE PAID BY SELLER.** NONE
7. **OTHER ENCUMBRANCES AGAINST THE PROPERTY.** The property is subject to encumbrances including the following listed tenancies, easements, restrictions and reservations in addition to the obligations assumed by Buyers and the obligations being paid by Seller: NONE.

- FULFILLMENT DEED.** Upon payment of all amounts due Seller, Seller agrees to deliver to Buyers a Statutory Warranty Deed in fulfillment of this Contract. The covenants of warranty in said deed shall not apply to any encumbrances assumed by Buyers 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.
9. **LATE CHARGES.** If any payment on the purchase price is not made within ten (10) days after the date it is due, Buyers agree to pay a late charge equal to 5% of the amount of such payment. Such late payments charge shall be in addition to all other remedies available to Seller and the first amounts received from Buyers after such late charges are due shall be applied to the late charges.
10. **NO ADVERSE EFFECT ON PRIOR ENCUMBRANCES.** Seller warrants that entry into this Contract will not cause in any prior encumbrances a breach, accelerated payments, or an increased interest rate; unless (a), (b), or (c) has been consented to by Buyers in writing.
11. **POSSESSION.** Buyers are 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.** Buyer agrees to pay by the date due all taxes and assessments becoming a lien against the property after the date of this Contract. Buyers 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, Buyers may demand in writing payment of such taxes and penalties within 30 days. If payment is not made, Buyers may pay and deduct the amount thereof plus 5% penalty from the payments next becoming due Seller under the Contract.
13. **INSURANCE.** Buyers agree 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 Buyers 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 Buyers. Buyers 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 Buyers deposit 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 Buyers in insurance policies then in force shall pass to Seller.

14. **NONPAYMENT OF TAXES, INSURANCE AND UTILITIES CONSTITUTING LIENS.** If Buyers fail 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 Buyers 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.** Buyers accept 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.
16. **RISK OF LOSS.** Buyers shall bear the risk of loss for destruction or condemnation of the property. Any such loss shall not relieve Buyers from any of Buyers' obligations pursuant to this Contract.
17. **WASTE.** Buyers shall keep the property in good repair and shall not commit or suffer waste or willful damage to or destruction of the property. Buyers shall not remove commercial timber without the written consent of Seller.
18. ~~**AGRICULTURAL USE.** If this property is to be used principally for agricultural purposes, Buyer agrees to conduct farm and livestock operations in accordance with good husbandry practices. In the event a forfeiture action is instituted, Buyers' consent to Seller's entry on the premises to take any reasonable action to conserve soil, crops, trees and livestock.~~
19. **CONDEMNATION.** Seller and Buyers may each appear as owners of an interest in the property in any action concerning condemnation of any part of the property. Buyers 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 Buyers deposit 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 Buyers fail to observe or perform any term, covenant, or condition of this Contract, Seller may:
 - a. **SUE FOR INSTALLMENTS.** Sue for any delinquent periodic payment, or

- b. **SPECIFIC PERFORMANCE.** Sue for specific performance of any of Buyers' obligations pursuant to this Contract; or
- c. **FORFEIT BUYERS' 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: all right, title and interest in the property of the Buyers and all persons claiming through the Buyers shall be terminated; the Buyers' rights under the Contract shall be cancelled; 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; all improvements made to and unharvested crops on the property shall belong to the Seller; and Buyers 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 Buyers 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 thirty (30) days after the date said Notice is either deposited in the mail addressed to the Buyers or personally delivered to the Buyers, 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 attorneys' fees and costs.
21. **RECEIVER.** If Seller has instituted any proceedings specified in Paragraph 20 and Buyers are receiving rental or other income from the property, Buyers agree that the appointment of a receiver for the property is necessary to protect Seller's interest.
22. **BUYERS' REMEDY FOR SELLER'S DEFAULT.** If Seller fails to observe or perform any term, covenant or condition of this Contract, Buyers may, after 30 days' written notice to Seller, institute suit for damages or specific performance unless the breaches designated in said notice are cured.
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. **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.

25. **NOTICES.** Notices shall be either personally served or shall be sent certified mail, return receipt requested, and by regular first class mail to Buyers at 3719 M Avenue, Anacortes, WA 98221, and to Seller at 1410 Country Club Dr., Camano Island, WA 98282, 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.
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 BuyerS.
28. **OPTIONAL PROVISION -- SUBSTITUTION AND SECURITY ON PERSONAL PROPERTY.** N/A
29. **OPTION PROVISION -- ALTERATIONS.** Buyers 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.

SELLER

INITIALS

BUYER

30. **DUE ON SALE.** If Buyer, without written consent of Seller, conveys, sells, leases, assigns, contracts to convey, sell, lease or assign, grants an option to buy the property, 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 anytime 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 Buyers are 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.
31. **PRE-PAYMENT PENALTIES ON PRIOR ENCUMBRANCES.** N/A.
32. **PERIODIC PAYMENTS ON TAXES AND INSURANCE.** N/A
33. **ADDENDA.** Any addenda attached hereto are a part of this Contract.


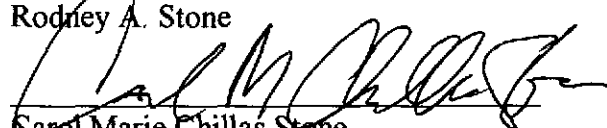
34. **ENTIRE AGREEMENT.** This Contract constitutes the entire agreement of the parties and supersedes all prior agreements and understandings, written or oral. This Contract may be amended only in writing executed by Seller and Buyers.

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

SELLER


Richard H. Clise

BUYER

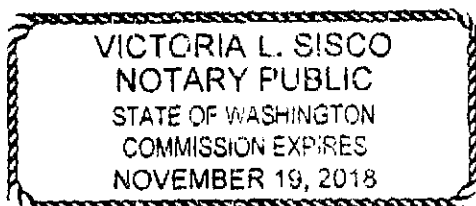

Rodney A. Stone

Carol Marie Chillas Stone

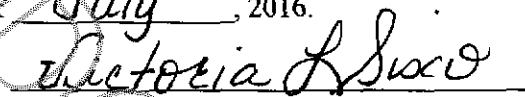
STATE OF WASHINGTON)

COUNTY OF SNOHOMISH) ss:

On this day personally appeared before me RICHARD H. CLISE, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 11th day of July, 2016.



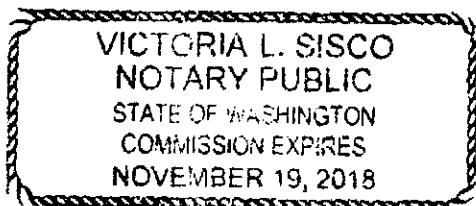

NOTARY PUBLIC in and for the State of
Washington, Residing at: Stanwood
My appointment expires: 11/19/18

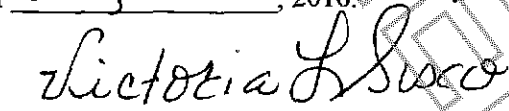
STATE OF WASHINGTON)

COUNTY OF SNOHOMISH) ss:

On this day personally appeared before me RODNEY A. STONE and CAROL MARIE CHILLAS STONE, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 11th day of July, 2016.




NOTARY PUBLIC in and for the State of
Washington, Residing at: Stanwood
My appointment expires: 11/19/18