

Skagit County Auditor
1/31/2017 Page 1 of 8 \$80.00
3:08PM

AFTER RECORDING RETURN TO:
Law Office of Cole & Gilday, P.C.
PO Box 249
Stanwood, WA 98292

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX
2017 413
JAN 31 2017

Amount Paid \$ 1756.⁰¹
Skagit Co. Treasurer

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

SELLERS:	GARRISON, William C. & Kris M., husband and wife
BUYER:	MORENO, Ernesto, a single man
LEGAL DESCRIPTION:	Lots 10 & 11, Blk 9, Amended Plat of Burlington
TAX PARCEL ID #:	4076-009-011-0009/P71329

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 January 27, 2017, between WILLIAM C. GARRISON and KRIS M. GARRISON, husband and wife as "Sellers" and ERNESTO MORENO, a single man as "Buyer"
2. **SALE AND LEGAL DESCRIPTION.** Sellers agree to sell to Buyer and Buyer agrees to purchase from Sellers the following described real estate:

Lots 10 and 11, Block 9, "AMENDED PLAT OF BURLINGTON, SKAGIT COUNTY, WASH.," as per plat recorded in Volume 3 of Plats, page 17, records of Skagit County, Washington.

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

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

4.
 - a. **PRICE.** Buyer agrees to pay:

	\$ 98,371.38	Total Price
Less	(\$ 40,000.00)	Down Payment
Less	(\$ 0.00)	Assumed
Results in	\$ 58,371.38	Financed

b. **ASSUMED OBLIGATIONS.** N/A

c. **PAYMENT OF AMOUNT FINANCED BY SELLER.** Buyer agrees to pay the sum of \$58,371.38, including interest at the rate of 1.43% per annum as follows:

- \$20,000.00 on or before December 15, 2017, which includes \$786.69 in interest from January 30, 2016 ~~or~~ 2017
- \$20,000.00 on December 15, 2018, which includes \$559.96 interest from December 15, 2017
- \$20,000.00 on or before December 15, 2019, which includes \$281.97 interest from December 15, 2018.

b. **PREPAYMENT PENALTY.** Buyer has the option to payoff balance at any time however, any balance of net interest of \$1,628.61 shall be due at such time.

c. **DEFAULT INTEREST.** If Buyer does not pay the full amount of each payment installment when due, Buyer shall be in default. If Buyer is in default, the Sellers may require Buyer to pay immediately the full amount of unpaid principal and all interest due that Buyer owes on that amount. If payment is not paid when due, a 10% penalty of payment shall be accrued.

NOTWITHSTANDING THE ABOVE, THE ENTIRE BALANCE OF PRINCIPAL AND INTEREST IS DUE IN FULL NOT LATER THAN DECEMBER 15, 2019.

Payments are applied first to interest and then to principal. Payments shall be sent to *PO Box 327, Bow, WA 98232* or such other place as the Sellers may hereafter indicate in writing.

5. **FAILURE TO MAKE PAYMENTS ON ASSUMED OBLIGATIONS.** N/A

6. **OTHER ENCUMBRANCES AGAINST THE PROPERTY.** N/A

7. **FULFILLMENT DEED.** Upon payment of all amounts due Sellers, Sellers agree to deliver to Buyer a Statutory Warranty Deed in fulfillment of this Contract. The covenants of warranty in said deed shall not apply to any encumbrances assumed by Buyer or to defects in title arising subsequent to the date of this Contract by, through or under persons other than the Sellers herein. Any personal property included in the sale shall be included in the fulfillment deed.

8. **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 Buyer after such late charges are due shall be applied to the late charges.

9. **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 Buyer in writing.
10. **POSSESSION.** Buyer is entitled to possession of the property from and after the date of this Contract, or closing, whichever is later, subject to any tenancies described in Paragraph 7.
11. **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 Sellers' 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 Sellers under the Contract.
12. **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 Sellers, or full insurable value, whichever is lower. All policies shall be held by the Sellers and be in such companies as the Sellers may approve and have loss payable first to any holders of underlying encumbrances, then to Sellers 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 Sellers shall determine. In the event of forfeiture, all rights of Buyer in insurance policies then in force shall pass to Sellers.
13. **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 Sellers' interest under this Contract, Sellers may pay such items and Buyer shall forthwith pay Sellers 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.

14. **CONDITION OF PROPERTY.** Buyer accepts the property in its present condition and acknowledges that Sellers, their 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. Buyer agrees to re-roof the home on the property. Buyer agrees to finish out the bathroom in the home on the property in a commercially reasonable manner, in order to make the home habitable.

15. **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

16. **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.

~~17. **AGRICULTURAL USE.** If this property is to be used principally for agricultural purposes, Buyers agree to conduct farm and livestock operations in accordance with good husbandry practices. In the event a forfeiture action is instituted, Buyer consents to Sellers' entry on the premises to take any reasonable action to conserve soil, crops, trees and livestock.~~

18. **CONDEMNATION.** Sellers 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 Sellers may direct.

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

a. **SUE FOR INSTALLMENTS.** Sue for any delinquent periodic payment; or

b. **SPECIFIC PERFORMANCE.** Sue for specific performance of any of Buyer's obligations pursuant to this Contract; or



c. **FORFEIT BUYER'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: all right, title and interest in the property of the Buyer and all persons claiming through the Buyer shall be terminated; the Buyer's rights under the Contract shall be cancelled; all sums previously paid under the Contract shall belong to and be retained by the Sellers or other person to whom paid and entitled

thereto; all improvements made to and unharvested crops on the property shall belong to the Sellers; and Buyer shall be required to surrender possession of the property, improvements, and unharvested crops to the Sellers 10 days after the forfeiture.



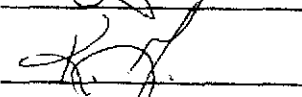
- d. **ACCELERATION OF BALANCE DUE.** Give Buyer written notice demanding payment of said delinquencies, and payment of a late charge of 5% of the amount of such delinquent payments, and payment of Sellers' reasonable attorney's fees and costs incurred for services in preparing and sending such Notice, 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 Buyer or personally delivered to the Buyer, the entire balance owing, including interest, will become immediately due and payable. Sellers may thereupon institute suit for payment of such balance, interest, late charge and reasonable attorneys' fees and costs.
20. **RECEIVER.** If Sellers have instituted any proceedings specified in Paragraph 19 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 Sellers' interest.
21. **BUYER'S REMEDY FOR SELLERS' DEFAULT.** If Sellers fail to observe or perform any term, covenant or condition of this Contract, Buyer may, after 30 days' written notice to Sellers, institute suit for damages or specific performance unless the breaches designated in said notice are cured.
22. **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.
23. **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.
24. **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 *455 N. Oak St., Burlington, WA 98233*, and to Sellers at *PO Box 327, Bow, WA 98232*, 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 Sellers shall also be sent to any institution receiving payments on the Contract.
25. **TIME FOR PERFORMANCE.** Time is of the essence in performance of any obligations pursuant to this Contract.

26. **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 Sellers and the Buyer.

27. **OPTIONAL PROVISION – SUBSTITUTION AND SECURITY ON PERSONAL PROPERTY.** Buyer may substitute for any personal property specified in Paragraph 3 herein other personal property of like nature which Buyer owns free and clear of any encumbrances. Buyer hereby grants Sellers a security interest in all personal property specified in Paragraph 3 and future substitutions for such property and agrees to execute a financing statement under the Uniform Commercial Code reflecting such security interest.

SELLER	INITIALS	BUYER
		
		

28. **OPTION PROVISION -- ALTERATIONS.** Buyer 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
		
		

29. **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 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.

~~30. **OPTIONAL PROVISION -- PRE-PAYMENT PENALTIES ON PRIOR ENCUMBRANCES.** If Buyer elects to make payments in excess of the minimum required payments on the purchase price herein, and Seller, because of such prepayments,~~

~~incurs prepayment penalties on prior encumbrances, Buyer agrees to forthwith pay Seller the amount of such penalties in addition to payments on the purchase price.~~

~~SELLER _____ INITIALS _____ BUYER _____~~

~~31. **OPTIONAL PROVISION - PERIODIC PAYMENTS ON TAXES AND INSURANCE.** In Addition to the periodic payments on the purchase price, Buyer agrees to pay Seller such portion of the real estate taxes and assessments and fire insurance premium as will approximately total the amount due during the current year based on Seller's reasonable estimate.~~

~~The payments during the current year shall be \$ _____ per month. Such "reserve" payments from Buyer shall not accrue interest. Seller shall pay when due all real estate taxes and insurance premiums, if any, and debit the amounts so paid to the reserve account. Buyer and Seller shall adjust the reserve account in April of each year to reflect excess or deficit balances and changed costs. Buyer agrees to bring the reserve account balance to a minimum of \$10 at the time of adjustment.~~

~~SELLER _____ INITIALS _____ BUYER _____~~

32. **ADDENDA.** Any addenda attached hereto are a part of this Contract.

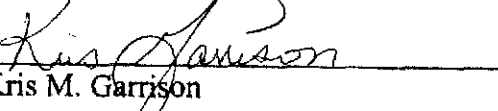
33. **ENTIRE AGREEMENT.** This Contract constitutes the entire agreement of the parties and supersedes all prior agreements and understandings, written or oral. This Contract may be amended only in writing executed by Sellers and Buyer.

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

SELLERS

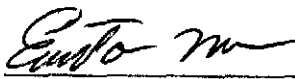


William C. Garrison



Kris M. Garrison

BUYER

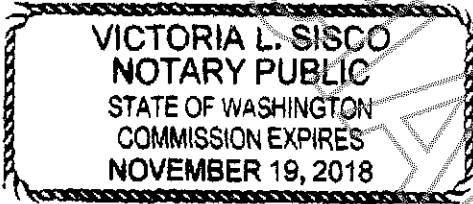


Ernesto Moreno

STATE OF WASHINGTON)
) ss:
COUNTY OF SNOHOMISH)

On this day personally appeared before me WILLIAM C. GARRISON and KRIS M. GARRISON, 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 30 day of January —, 2017.



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

STATE OF WASHINGTON)
) ss:
COUNTY OF SNOHOMISH)

On this day personally appeared before me ERNESTO MORENO, 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 free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 27 day of January 2017, 2017.



[Signature]
NOTARY PUBLIC in and for the State of
Washington, Residing at: Marysville
My appointment expires: 4/5/17