



201807180056

07/18/2018 02:34 PM Pages: 1 of 8 Fees: \$106.00
Skagit County Auditor

AFTER RECORDING MAIL TO:

Paul W. & Deborah J. Reim
P.O. Box 427

Sedro-Woolley, WA 98284
REAL ESTATE EXCISE TAX

20183147
JUL 18 2018

Amount Paid \$ 4188.00
Skagit Co. Treasurer
By HB Deputy

REAL ESTATE CONTRACT

1. PARTIES/DATE. The Contract is entered into this 9 day of July 2018 between **Paul Wayne Reim and Deborah J. Reim, husband and wife** ("Seller"), and **Alfredo and Leticia Jimenez Diaz, husband and wife** ("Buyer"). Seller and Buyer shall be collectively referred to as "Parties." The addresses and phone numbers set forth below may be used for purposes of any notification made pursuant to this Contract. *Lincon

2. PROPERTY DESCRIPTION. Seller agrees to sell and Buyer agrees to buy the following-described real estate located in the County of Skagit, State of Washington, commonly known as 915 Jameson Avenue, Sedro-Woolley, WA 98284, Skagit Co. Tax Nos. 4150-073-010-0013 / P76098, and legally described as follows:

Lots 9 and 10, EXCEPT the East 20 feet of Lot 10, Block 73, "First Addition to the Town of Sedro in Skagit County, Washington", as per plat recorded in Volume 3 of Plats, page 29, records of Skagit County, Washington.

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.

4. PURCHASE PRICE AND PAYMENT. The total purchase price is Two Hundred Thirty-Five Thousand Dollars (\$235,000.00) to be paid by the following terms:

\$235,000.00, financed by Seller pursuant to a certain Promissory Note.

PAYMENT OF AMOUNT FINANCED BY SELLER. Payments shall be made at **Skagit Bank in Sedro-Woolley** or such other place as the Seller may hereafter indicate in writing.

Buyer agrees to pay the sum of \$235,000.00 as follows:

\$235,000.00 by Seller financing with interest at **2.5%** per annum, compounded monthly, with payments of exactly **\$1,500.00** per month pursuant to the terms of that certain Promissory Note of even date herewith. Payments will be applied first to interest and then to principal.

There is no penalty for prepayment.

5. CLOSING COSTS. Seller agrees to and shall pay all costs and expenses associated with completing the subject sale transaction, including all escrow fees, any applicable title and transfer fees, title insurance and any applicable excise tax.

5. EARNEST MONEY/COLLATERAL. Buyer agrees to pay Seller earnest money in the total amount of Forty-Five Thousand Dollars (\$45,000.00) to be paid by the following terms:

\$25,000.00 to be paid at time of closing
\$10,000.00 to be paid on August 1, 2019
\$10,000.00 to be paid on August 1, 2020

6. OTHER ENCUMBRANCES AGAINST THE PROPERTY. In addition to any encumbrances of record, the property is subject to the following listed tenancies, easements, restrictions, and reservations in addition to any obligations assumed by Buyer and any obligations being paid by Seller: None.

7. FULFILLMENT DEED. Upon payment of all amounts due Seller, Seller agrees 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 Seller herein. Any personal property included in the sale shall be included in the fulfillment deed. All representations, warranties and agreements made by Buyer and Seller in this Real Estate Contract shall survive the execution and recording of the aforementioned Statutory Warranty Deed, shall be continuing in nature, and shall remain in full force and effect until such times as Buyer and Seller have each performed their respective obligations provided in this Contract.

8. LATE CHARGES. If any payment on the purchase price is not made within ten (10) days after the date it is due, Buyer 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 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) a breach, (b) accelerated payments, or (c) an increased interest rate; unless (a), (b), or (c) has been consented to by Buyer in writing.

10. POSSESSION. Buyer is entitled to continue in possession of the property from and after the date of this Contract.

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 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 Senior Citizen's Declaration to Defer Property Taxes filed prior to the date of this Contract, Buyer may demand in writing payments 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 Seller under the Contract.

12. INSURANCE. Buyer agrees to keep all buildings, including mobile homes, 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 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 Buyer. Buyer may within 30 days after loss negotiate a contract to substantially restore the premises to their conditions before the loss. If 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 Seller shall determine. In the event of forfeiture, all rights of Buyer in insurance policies then in force shall pass to Seller.

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 Seller's interest under this Contract, Seller may pay such items and Buyer 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.

14. CONDITION OF PROPERTY. Buyer 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. Buyer agrees to maintain the property in such condition as complies with all applicable laws.

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. Buyer shall not remove commercial timber without the written consent of Seller.

17. 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, Buyer consents to Seller's entry on the premises to take any reasonable action to conserve soil, crops, trees, and livestock.

18. CONDEMNATION. Seller 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 Seller may direct.

19. DEFAULT. If the Buyer 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 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:
 - (i) all right, title, and interest in the property of the Buyer and all persons claiming through the Buyer shall be terminated; (ii) the Buyer'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) Buyer 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 Buyer written notice demanding payment of said 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 Buyer or personally delivered to the Buyer, 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 cost.
- (e) Judicial Foreclosure. Sue to foreclose this Contract as a mortgage, in which event Buyer may be liable for a deficiency.

20. RECEIVER. If Seller has instituted any proceedings specified in Paragraph 20 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 Seller's interest.

21. BUYER'S REMEDY FOR SELLER'S DEFAULT. If Seller fails to observe or perform any term, covenant, or condition of this Contract, Buyer may, after 30 days' written notice to Seller, 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. 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 of 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 **915 Jameson Avenue, Sedro-Woolley, WA 98284**, and to the Seller at **P.O. Box 427 / 911 Jameson Avenue, Sedro-Woolley, WA 98284**, 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.

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 Seller and the Buyer.

27. 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 P. W. R. DFR

BUYER A. R. L. S. D.

28. OPTIONAL PROVISION – DUE ON SALE. If Buyer, 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 Buyer'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 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 condemnation agrees in writing that the provisions of this paragraph apply to any subsequent transaction involving the property entered into by the transferee.

Buyer's initials his/her agreement with Due on Sale provision: A.R L.S.D.

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

30. **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 Buyer.

IN WITNESS WHEREOF the parties have signed and sealed this Contract this 9th day of July, 2018.

SELLERS:

BUYER:

Paul Wayne Reim
Paul Wayne Reim, a married man
P.O. Box 427
Sedro-Woolley, WA 98284

Alfredo Rincon
Alfredo Rincon, a married man
915 Jameson Ave.
Sedro-Woolley, WA 98284

Deborah J. Reim
Deborah J. Reim, a married women
P.O. Box 427
Sedro-Woolley, WA 98284

Leticia Jimenez Diaz
Leticia Jimenez Diaz, a married Women
915 Jameson Ave.
Sedro-Woolley, WA 98284

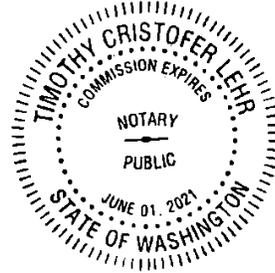
Certificate of Acknowledgment of Notary Public

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

On 7-9-18, before me, Timothy C. Lehr a notary public in and for said state, personally appeared **Alfredo Rincon**, known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his authorized capacity and that by his signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Timothy C. Lehr
Notary Public for the State of Washington
Residing at Secdo - Woodley, WA
My commission expires 6/01/2021



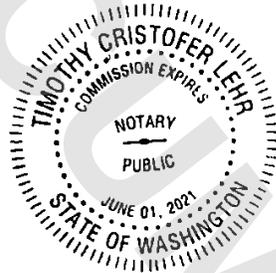
Certificate of Acknowledgment of Notary Public

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

On 7-9-18, before me, Timothy C. Lehr, a notary public in and for said state, personally appeared **Leticia Jimenez Diaz**, known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged to me that she executed the same in her authorized capacity and that by her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Timothy C. Lehr
Notary Public for the State of Washington
Residing at Secdo - Woodley, WA
My commission expires 6/01/2021



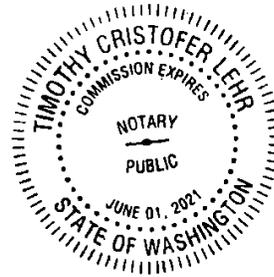
Certificate of Acknowledgment of Notary Public

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

On 7-9-18, before me, Timothy C. Lehr, a notary public in and for said state, personally appeared **Paul Wayne Reim**, known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his authorized capacity and that by his signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Tim
Notary Public for the State of Washington
Residing at Sedro-Woolley, WA
My commission expires 6/01/2021



Certificate of Acknowledgment of Notary Public

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

On 7-9-18, before me, ~~Timothy C. Lehr~~ Timothy C. Lehr, a notary public in and for said state, personally appeared **Deborah J. Reim**, known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged to me that she executed the same in her authorized capacity and that by her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Tim
Notary Public for the State of Washington
Residing at Sedro-Woolley, WA
My commission expires 6/01/2021

