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16088-E

REAL ESTATE CONTRACT

JERRY MCINTURFF

THIS CONTRACT, made and entered into this 31st day of October, 1984, between C. LOWELL BASS and MAE E. BASS, husband and wife,

'84 NOV -2 P3:34

hereinafter called the "seller," and DONALD J. BALLMES and VERNA L. BALLMES, husband and wife,

REQUEST OF

hereinafter called the "purchaser,"

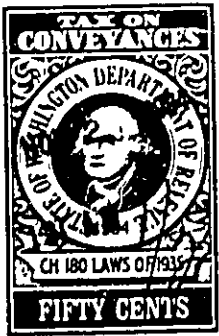
WITNESSETH That the seller agrees to sell to the purchaser and the purchaser agrees to purchase from the seller the following described real estate, with the appurtenances, in Skagit County, State of Washington

Lot 23, Block "K", "CAPE HORN ON THE SKAGIT, DIVISION NO. 2", as per plat recorded in Volume 9 of Plats, pages 14 to 19, inclusive, records of Skagit County, Washington.

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The terms and conditions of this contract are as follows: The purchase price is Ten Thousand and no/100ths (\$ 10,000.00) Dollars, of which Three Thousand and no/100ths (\$ 3,000.00) Dollars have been paid, the receipt whereof is hereby acknowledged, and the balance of said purchase price shall be paid as follows: One Hundred Forty-eight and 73/100ths (\$ 148.73) Dollars, or more at purchaser's option, on or before the 1st day of December, 1984, and One Hundred Forty-eight and 73/100ths (\$ 148.73) Dollars, or more at purchaser's option on or before the same day of each succeeding calendar month until the balance of said purchase price shall have been fully paid. The purchaser further agrees to pay interest on the diminishing balance of said purchase price at the rate of 10 per cent per annum from the 1st day of November, 1984, which interest shall be deducted from each installment payment and the balance of each payment applied in reduction of principal. All payments to be made hereunder shall be made at or at such other place as the seller may direct in writing.



FIRST AMERICAN TITLE CO. 16088 Revenue 10.50

As referred to in this contract, "date of closing" shall be October 31, 1984

- (1) The purchaser assumes and agrees to pay before delinquency all taxes and assessments that may as between grantor and grantee hereafter become a lien on said real estate, and if by the terms of this contract the purchaser has assumed payment of any mortgage, contract or other encumbrance, or has assumed payment of or agreed to purchase subject to, any taxes or assessments now a lien on said real estate, the purchaser agrees to pay the same before delinquency.
- (2) The purchaser agrees, until the purchase price is fully paid, to keep the buildings now and hereafter placed on said real estate insured to the actual cash value thereof against loss or damage by both fire and windstorm in a company acceptable to the seller and for the seller's benefit, as his interest may appear, and to pay all premiums therefor and to deliver all policies and renewals thereof to the seller.
- (3) The purchaser agrees that full inspection of said real estate has been made and that neither the seller nor his assigns shall be held to any covenant respecting the condition of any improvements thereon nor shall the purchaser or seller or the assigns of either be held to any covenant or agreement for alterations, improvements or repairs unless the covenant or agreement relied on is contained herein or is in writing and attached to and made a part of this contract.
- (4) The purchaser assumes all hazards of damage to or destruction of any improvements now on said real estate or hereafter placed thereon, and of the taking of said real estate or any part thereof for public use, and agrees that no such damage, destruction or taking shall constitute a failure of consideration. In case any part of said real estate is taken for public use, the portion of the condemnation award remaining after payment of reasonable expenses of procuring the same shall be paid to the seller and applied as payment on the purchase price herein unless the seller elects to allow the purchaser to apply all or a portion of such condemnation award to the rebuilding or restoration of any improvements damaged by such taking. In case of damage or destruction from a peril insured against, the proceeds of such insurance remaining after payment of the reasonable expense of procuring the same shall be devoted to the restoration or rebuilding of such improvements within a reasonable time, unless purchaser elects that said proceeds shall be paid to the seller for application on the purchase price herein.
- (5) The seller has delivered, or agrees to deliver within 15 days of the date of closing, a purchaser's policy of title insurance in standard form, or a commitment therefor, issued by First American Title Insurance Company, insuring the purchaser to the full amount of said purchase price against loss or damage by reason of defect in seller's title to said real estate as of the date of closing and containing no exceptions other than the following:
 - a. Printed general exceptions appearing in said policy form;
 - b. Liens or encumbrances which by the terms of this contract the purchaser is to assume, or as to which the conveyance hereunder is to be made subject, and
 - c. Any existing contract or contracts under which seller is purchasing said real estate, and any mortgage or other obligation, which seller by this contract agrees to pay, none of which for the purpose of this paragraph (5) shall be deemed defects in seller's title.

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(6) If seller's title to said real estate is subject to an existing contract or contracts under which seller is purchasing said real estate, or any mortgage or other obligation, which seller is to pay, seller agrees to make such payments in accordance with the terms thereof, and upon default, the purchaser shall have the right to make any payments necessary to remove the default, and any payments so made shall be applied to the payments next falling due the seller under this contract.

(7) The seller agrees, upon receiving full payment of the purchase price and interest in the manner above specified, to execute and deliver to purchaser a statutory warranty deed to said real estate, excepting any part thereof hereafter taken for public use, free of encumbrances except any that may attach after date of closing through any person other than the seller, and subject to the following:

Those certain items as set forth on the attached Schedule "B-1".

(8) Unless a different date is provided for herein, the purchaser shall be entitled to possession of said real estate on date of closing and to retain possession so long as purchaser is not in default hereunder. The purchaser covenants to keep the buildings and other improvements on said real estate in good repair and not to permit waste and not to use, or permit the use of, the real estate for any illegal purpose. The purchaser covenants to pay all service, installation or construction charges for water, sewer, electricity, garbage or other utility services furnished to said real estate after the date purchaser is entitled to possession.

(9) In case the purchaser fails to make any payment herein provided or to maintain insurance, as herein required, the seller may make such payment or effect such insurance, and any amounts so paid by the seller, together with interest at the rate of 10% per annum thereon from date of payment until repaid, shall be repayable by purchaser on seller's demand, all without prejudice to any other right the seller might have by reason of such default.

(10) Time is of the essence of this contract, and it is agreed that in case the purchaser shall fail to comply with or perform any condition or agreement hereof or to make any payment required hereunder promptly at the time and in the manner herein required, the seller may elect to declare all the purchaser's rights hereunder terminated, and upon his doing so, all payments made by the purchaser hereunder and all improvements placed upon the real estate shall be forfeited to the seller as liquidated damages, and the seller shall have right to re-enter and take possession of the real estate; and no waiver by the seller of any default on the part of the purchaser shall be construed as a waiver of any subsequent default.

Service upon purchaser of all demands, notices or other papers with respect to forfeiture and termination of purchaser's rights may be made by United States Mail, postage pre-paid, return receipt requested, directed to the purchaser at his address last known to the seller.

(11) Upon seller's election to bring suit to enforce any covenant of this contract, including suit to collect any payment required hereunder, the purchaser agrees to pay a reasonable sum as attorney's fees and all costs and expenses in connection with such suit, which sums shall be included in any judgment or decree entered in such suit.

If the seller shall bring suit to procure an adjudication of the termination of the purchaser's rights hereunder, and judgment is so entered, the purchaser agrees to pay a reasonable sum as attorney's fees and all costs and expenses in connection with such suit, and also the reasonable cost of searching records to determine the condition of title at the date such suit is commenced, which sums shall be included in any judgment or decree entered in such suit.

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the date first written above

C. Lowell Bass
C. Lowell Bass (SEAL)
Mae E. Bass
Mae E. Bass (SEAL)
Donald J. Ballmes
Donald J. Ballmes (SEAL)
Verna L. Ballmes
Verna L. Ballmes (SEAL)

STATE OF WASHINGTON,)

County of Skagit) ss

On this day personally appeared before me C. Lowell Bass and Mae E. Bass

to me known to be the individual S 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

2nd

day of November

James A. Hayes
Notary Public in and for the State of Washington,

residing at *Burlington*



First American Title
INSURANCE COMPANY

Filed for Record at Request of

Name.....

Address..... **8411020038**

City and State

THIS SPACE RESERVED FOR RECORDER'S USE:

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Schedule "B-1"

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EXCEPTIONS:

A. EASEMENT, INCLUDING TERMS & CONDITIONS THEREOF:

Grantee: Puget Sound Power & Light Company, a corporation
Purpose: Transmission line with appurtenances
Area Affected: As constructed and extended in the future at the consent of Grantee and Grantor
Dated: July 7, 1965
Recorded: August 17, 1965
Auditor's No.: 670429

B. Restrictions and conditions contained in the Plat, reading substantially as follows:

"The Platters do hereby declare this plat and dedicate to the public forever all roads and ways and that 40 foot easement along the river shown hereon with the right to make all necessary slopes for cuts and fills, and the right to continue to drain said roads and ways over and across any lot or lots, where water might take a natural course, in the original reasonable grading of the roads and ways shown hereon, following original reasonable grading of the roads and ways hereon, no drainage waters on any lot or lots shall be diverted or blocked from their natural course so as to discharge upon any public road right of way or to hamper proper road drainage. Any enclosing of drainage waters in culverts or drains or rerouting thereof across any lot as may be undertaken by or for the owner of any lot, shall be done by and at the expense of such owner."

C. A condition on the face of the Plat, as follows:

"Skagit County shall not be responsible for any flood control improvements."

D. Conditions and restrictions contained in instrument filed July 13, 1965, as Auditor's File No. 668869, reading as follows:

"1. Lot owners to be advised that those areas indicated on the plat as being below elevation 140.0 feet, are subject to infrequent periodic inundation and buildings constructed therein should maintain a floor elevation above 140.0 feet.

2. The exterior of all buildings to have a completed appearance within one year from date of starting.

3. Lot owners shall be responsible for placing wells and septic-tank drainfields in accordance with the master plan as on file with the Cape Horn Maintenance Company. A minimum of 100 feet shall be maintained between all drainfields and wells. All work to be in accordance with Skagit County Regulations.

4. All lots shall be subject to the Articles and By-Laws of the Cape Horn Maintenance Company."

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Schedule "B-1"

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EXCEPTIONS CONTINUED:

E. Restrictions on other lots in said plat imposed by various instruments of record which may be notice of a general plan, as follows:

"Grantees covenant and agree that the above described real estate shall be subject to the charges and assessments as provided for in and for the purposes set forth in the Articles of Incorporation and the By-Laws of the Cape Horn Maintenance Co., a non-profit, non-stock Washington corporation and that said corporation shall have a valid first lien against the above described real estate for said charges and assessments; and, in addition to the remedies set forth in said Articles of Incorporation and By-Laws, that if said charges and assessments levied by said corporation shall not be paid within four (4) months after they shall become due and payable, then said corporation may proceed by appropriate action to foreclose its lien together with such sum as the court may adjudge reasonable attorneys fees in such action. The Grantee hereby acknowledges receipt of copies of said Articles of Incorporation and By-Laws of the Cape Horn Maintenance Co.. This provision is a covenant running with the land and is binding on the Grantees, their heirs, successors and assigns.

- SUBJECT TO:
- (a) Restrictions, reservations, agreements and easements of record and as shown on the face of said recorded plat.
 - (b) Use of said property for residential purposes only.
 - (c) Questions that may arise due to shifting of Skagit River."

F. COVENANTS, CONDITIONS AND RESTRICTIONS CONTAINED IN DECLARATION OF PROTECTIVE RESTRICTIONS,

Declaration Dated: September 20, 1976
Recorded: December 14, 1976
Auditor's No.: 847451
Executed By: Cape Horn Maintenance Company

G. Any question that may arise due to shifting or changing in course of the Skagit River.

H. Right in the general public to the unrestricted use of all the waters of a navigable body of water not only for the primary purpose of navigation, but also for corollary purposes including (but not limited to) fishing, boating, bathing, swimming, water skiing, and other related recreational purposes, as those waters may affect the tidelands, shorelands, or adjoining uplands, and whether the level of water has been raised naturally or artificially to a maintained or fluctuating level all as further defined by the decisional law of this state. (Affects all of the premises subject to such submergence.)

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