



200202140130

Skagit County Auditor

2/14/2002 Page 1 of 9 3:31PM

RETURN TO:

Patrick M. Hayden
Sedro-Woolley City Attorney
720 Murdock Street
Sedro-Woolley, WA 98284

FIRST AMERICAN TITLE CO.

66329-3

DOCUMENT TITLE(S) (or transactions contained herein):

Real Estate Contract

REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED:

GRANTOR(S) (Last name, first name and initials):

1. Skagit County, a Washington municipal corporation

2.

GRANTEE(S) (Last name, first name and initials):

1. Town of Concrete, a Washington municipal corporation

2.

LEGAL DESCRIPTION (Abbreviated: i.e., lot, block, plat or quarter, quarter, section, township and range).

Tracts 41, 42, and 43, "PLAT OF LONESTAR'S ADDITION TO THE CITY OF CONCRETE" as per plat recorded in Volume 15 of Plats, pages 163, 164, 165 and 166, records Skagit County, Washington.

Situate in the County of Skagit, State of Washington.

ASSESSOR'S PARCEL/TAX I.D. NUMBER: R104886, R104887, R104888

ORIGINAL

REAL ESTATE CONTRACT

THIS AGREEMENT, made and entered into on the date set forth below, by and between **Skagit County, a Washington Municipal Corporation**, Administration Building, Room 202, 700 South Second Street, Mount Vernon, WA 98273 Mount Vernon, WA 98273, hereinafter referred to as "SELLER", and **Town of Concrete, a Washington Municipal Corporation**, PO Box 39, Concrete, WA 98237, hereinafter referred to as "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, situate in Skagit County, Washington:

That property legally described as follows:

Tracts 41, 42, and 43 of "LONESTAR'S ADDITION TO THE CITY OF CONCRETE", as per Plat recorded in Volume 15 of Plats, Pages 163, 164 and 165, records of Skagit County, Washington;

Situated in Skagit County, Washington.

This Real Estate Contract secures the sum of Sixty Thousand and no/100 Dollars (\$60,000.00), being loaned to the Town of Concrete from Skagit County pursuant to an Interlocal Agreement, the balance of said purchase price shall be paid as follows:

Ten Thousand and /100 Dollars (\$10,000.00) or more on the 31st day of December 2002, and Ten Thousand and /100 Dollars (\$10,000.00) or more on the 31st day of December of each following year, until the 31st day of December 2007, at which date the entire unpaid balance, if any, shall be due and owing without grace.

The unpaid balance of the purchase price shall bear interest at the rate of zero percent (0%) per annum if timely paid; provided, that the balance shall bear interest at the rate paid by the Washington State Local Government Investment Pool for the applicable period if any installment is more than 60 days past due, during the period of delinquency. Payments shall be applied first to interest, costs and late charges, then to the principal.

Purchaser may prepay this contract in whole or part without consent of Seller, without a prepayment premium.

The Purchaser assumes and agrees to pay before delinquency all taxes and assessments that may as between Purchaser and Seller hereafter become a lien on said premises.



200202140130
Skagit County Auditor

The parties have executed an interlocal agreement concerning this transaction. The terms of the interlocal agreement are incorporated by reference and shall prevail over conflicting terms of this contract, if any.

Notwithstanding anything to the contrary in this contract or the interlocal agreement between the parties, the Purchaser agrees to indemnify and hold harmless the Seller, its officials, officers, agents and employees for all claims and/or negligence arising as a result of any hazardous waste and/or substance discoveries. Further, the indemnification includes, but is not limited to, costs associated with legal fees, surveying, testing, and analyzing related to remediation services.

This contract and the associated deed from the Town of Concrete to Skagit County are for the purpose of creating a security interest in Skagit County to secure payment of a \$60,000.00 loan from Skagit County to the Town of Concrete. Skagit County has not, at any time, had possession and control of the subject property, and is not a bona fide purchaser of the property.

The Purchaser agrees until full payment of the said purchase price, to keep all buildings on said described premises insured to the full insurable value thereof against loss or damage by fire or casualty in some company acceptable to the Seller and for the Seller's benefit as loss-payee, as Seller's interests may appear, and to deliver all policies and renewals thereof to the Seller. Purchaser shall notify Seller on date of payment.

The Purchaser agrees that full inspection of said described premises has been made, and that neither the Seller nor assigns shall be held to any covenant respecting the condition of the premises nor to any agreement for alterations, improvements or repairs.

In case the Purchaser shall fail to make any payment herein provided by the Purchaser to be made, the Seller may make such payment and any amount so paid by the Seller, together with interest thereon, from the date of payment until repaid at the highest legal rate shall be repayable by the Purchaser on demand all without prejudice to any other right the Seller might have by reason of such default.

The Purchaser shall have the right to make delinquent payments due by the Seller or others on prior contract, mortgages or encumbrances that are liens on this property, and by such payment have credit allowed Purchaser on this contract as of date of payment.

The Seller agrees, on full payment of said purchase price in manner hereinafter specified, to make, execute and deliver to the Purchaser a good and sufficient special warranty deed of said described premises, (said special warranty deed shall warrant title only as against encumbrances arising by or through Seller, and not otherwise) subject to the provisions herein provided.

The Purchaser shall be in default under this contract if it (a) fails to observe or perform any term, covenant or condition herein set forth or those of any Prior Encumbrances, or (b) fails or neglects to make any payment of principal or interest or any other amount required to be discharged by the Purchaser precisely when obligated to do so, or (c) becomes or is declared insolvent or makes an assignment for the benefit of creditors, or files any debtor's petition or any petition is filed against it under any bankruptcy wage earner's, reorganization or similar act, or (d)



200202140130

Skagit County Auditor

permits the property or any part thereof or its interest therein to be attached or in any manner restrained or impounded by process of any court, or (e) abandons the property for more than thirty (30) consecutive days (unless the property is otherwise occupied), or (f) conveys the property or a portion thereof without any prior written consent required herein of the Seller.

In the event the Purchaser is in default under this contract the Seller may, at its election, take the following courses of action:

a. The Seller may institute suit for any installment amounts or other sums due and payable under this contract as of the date of the judgment and any sums which have been advanced by Seller as of said date pursuant to the provisions of this contract, together with interest on all of said amounts at the default rate from the date each such amount was advanced or due, as the case may be, to and including the date of collection;

b. Upon giving the Purchaser not less than fifteen (15) days written notice of its intent to do so (within which time any monetary default may be cured without regard to the acceleration), and if the default is in the nature of a failure to timely pay any principal, interest, insurance premium, tax, or other sum of money required to be paid herein or any failure to obtain any consent of the Seller herein required for a conveyance of the Purchaser's title to the property, or if the Purchaser commits waste on the property, the Seller may declare the entire unpaid balance of the purchase price and all interest then due thereon and the prepayment premium to be immediately due and payable and institute suit to collect such amounts, together with any sums advanced by the Seller pursuant to the provisions of this contract, and together with interest on all of said sums at the default rate from the due date or date of each such advance to and including the date of collection;

c. The Seller may cancel and render void all rights, titles and interests of the Purchaser and its successors in this contract and in the property (including all of Purchaser's then existing rights, interests and estates therein and timber, crops and improvements thereon) by giving a Notice of Intent to Forfeit pursuant to RCW 61.30.040-070, and said cancellation and forfeiture shall become effective if the default therein specified has not been fully cured within ninety (90) days thereafter and the Seller records a Declaration of Forfeiture pursuant to RCW 61.30.040-070. Upon the forfeiture of this contract the Seller may retain all payments made hereunder by the Purchaser and may take possession of the property ten (10) days following the date this contract is forfeited and summarily eject the Purchaser and any person or persons having possession of the said property by, through or under the Purchaser who were properly given the Notice of Intent to Forfeit and the Declaration of Forfeiture and remain in possession of the property more than ten (10) days after such forfeiture, the Purchaser, or such person or persons, shall be deemed tenants at will of the Seller and the Seller shall be entitled to institute an action for summary possession of the property, and may recover from the Purchaser or such person or persons in any such proceedings the fair rental value of the property for the use thereof from and after the date of forfeiture, plus costs, including the Seller's reasonable attorney's fees;

d. The Seller may institute suit to specifically enforce any of the Purchaser's covenants hereunder, and the same may include redress by mandatory or prohibitive injunction;



200202140130
Skagit County Auditor

e. The Seller shall have and the Purchaser hereby grants to the Seller all of the rights and remedies contained in the Uniform Commercial Code in effect in the State of Washington as of the date of the Purchaser's default and to the extent such remedies may be applicable to the type of collateral affected thereby;

f. The parties hereto recognize and agree that in the event of default by the Purchaser in making any payments or in the performance of any of the other terms and conditions of this contract, the period of time involved in repossessing the property, forfeiting this contract, or in obtaining possession of the property by judicial process could cause irreparable damage to the Seller and to the property or the possible acceleration of the debts secured by the prior encumbrances. Therefore, the Purchaser hereby expressly agrees that in the event of any default under this contract which is not cured, the Seller shall have the right to apply to the Superior Court of the county in which the real property is situated for the appointment of a receiver under Chapter 7.60 of the Revised Code of Washington (or any chapter supplemental thereto) to take charge of and maintain control of, manage, farm, or operate the property, to evict tenants there from who are not then in compliance with their leases, to lease any portion of all of the property in the name of the Purchaser on such terms as the receiver may deem advisable, to make such alterations, repairs and improvements to the property as the receiver may deem advisable, and to receive all rents and income there from and issue receipts therefore, and out of the amounts that are so received to pay all of the debts and obligations for which the Purchaser is liable hereunder prior to or during the period of the receivership, including, without limitation, payments on or for this contract, prior encumbrances, taxes, assessments, insurance premiums, utility bills and costs of operating, maintaining, repairing and managing the property. Any sums received by the receiver in excess of said amounts shall be retained by the receiver to discharge all remaining liabilities of the Purchaser under this contract until the entirety of such obligations have been satisfied, at which point any remaining excess shall be paid to the Purchaser without interest; and

g. In the event this contract is forfeited as herein provided, or in any other manner permitted by law, or by mutual agreement of the Purchaser and the Seller, and the Purchaser shall be otherwise permitted by law, the Purchaser agrees that it will occupy the property as a tenant at will, and the Purchaser shall be obligated to pay, and hereby promises to pay, during the period of such tenancy at will, a fair market rental in the amount then agreed to by the parties or, in the absence of such agreement or until such agreement is reached, an amount equal of two (2) times the installment amount as and when provided for in the specific terms hereof, and the Seller shall have in addition to all other remedies for the collection of rentals and the recovery of possession that are available to landlords under the laws of the State of Washington, the right to institute and maintain an action for summary possession of the property as provided by law.

In the event the Seller shall default in any of its obligations under this contract and such default continues for fifteen (15) days after the Purchaser gives the Seller written notice specifying the nature thereof and the acts required to cure the same, the Purchaser shall have the right to specifically enforce this contract, institute suit for its damages caused by such default, or pursue any other remedy which may be available to the Purchaser at law or in equity.

If either party to this contract shall fail to timely pay and discharge any payments or sums for which it 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 ter



200202140130
Skagit County Auditor

or of any prior encumbrances, the other party hereto may pay, effect or discharge such sums as are necessary to cure such default. Upon affording the party required to make such payment not less than fifteen (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 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 or any foreclosure of or a similar action against or affecting any portion of the property, in which cases such notice may be given concurrently with or immediately following such payment), the party making such payment may recover from the defaulting party, upon demand, or through offsetting the same against existing or future debts, the full cost and expense of so doing, including its reasonable attorney's fees and together with interest on said expenditures and fees at the default rate from the date of expenditure to and including the date of collection or the due date of any sum against which such offset is effected.

The remedies stated herein are cumulative and not mutually exclusive, and the Seller or the Purchaser may pursue any other or further remedies to enforce their respective rights under this contract; provided, however, except as provided in this contract with respect to the Purchaser's transfer of the property, the Seller shall not have the right to accelerate the remaining balance of the purchase price in the event the Seller elects to forfeit the Purchaser's interest in the property and such forfeiture is being enforced or is completed. In any action or proceeding to recover any sum or to enforce any remedy provided for herein, no defense of adequacy of security or that resort must first be taken against any particular security or any other person shall be asserted, and the Purchaser hereby expressly waives any legal or equitable rights that the Purchaser may have with respect to marshaling of assets. The Seller shall not be required to tender its deed or bill of sale as a condition precedent to the enforcement of any remedy hereunder. In the event any check is tendered which is not honored upon first presentation because of any stop payment directive or insufficient funds, the payee's rights shall be reinstated as if such check had not been delivered. No waiver of any rights of either party under this contract shall be executed by the waiving party. Any forbearance, including, without limitation, a party's acceptance of any payment after the due date or any extension thereof, shall not be considered a waiver of such defaults of the same or a different nature or for breach of any other term, covenant or condition hereof.

If either party shall be in default under this contract, the non-defaulting party shall have the right, at the defaulting party's expense, to retain an attorney or collection agency to make any demand, enforce any remedy, or otherwise protect or enforce its rights under this contract. The defaulting party hereby promises to pay all costs and expenses so incurred by the non-defaulting party, including, without limitation, arbitration and court costs, collection agency charges, notice expenses, title search expenses, and reasonable attorneys' fees (with or without arbitration or litigation), and the failure of the defaulting party to promptly pay the same shall in itself constitute a further and additional default. In the event either party hereto institutes any action (including arbitration) to enforce the provisions of this contract, the prevailing party in such action shall be entitled to reimbursement by the losing party for its court costs and reasonable attorney's fees, including such costs and fees that are incurred on appeal. All reimbursements required by this paragraph shall be due and payable on demand, may be offset against any sum owed to the party so liable in order of maturity, and shall bear interest at the default rate from the date of demand to and including the date of collection or the due date of any sum.



200202140130

Skagit County Auditor

the same is offset. In the event that the Seller shall send to the Purchaser as above provided a Notice of Intention to Declare a Forfeiture of this contract because of a default by the Purchaser of the terms, conditions and covenants of this contract, and such default is then remedied by the Purchaser, the Purchaser shall pay to the Seller the sum of \$100.00 to reimburse the Seller for costs and attorney's fees which they may have incurred in bringing Notice of Intention to Declare a Forfeiture and cancellation of the contract.

Any notices required or permitted by law or under this contract shall be in writing and shall be sent by first class certified or registered mail, return receipt requested, with postage prepaid, to the parties' addresses set forth in the specific terms of this contract. Either party may change such address for notice and, if payments are not made to an escrow or collection account, the Seller may change the address for payments, by designating the same to the other party hereto in the manner herein-above set forth and by causing a copy of such change to be properly recorded. All notices which are so addressed and paid for shall be deemed effective two (2) business days following the deposit thereof in the U.S. mail, irrespective of actual receipt of such notice by the addressee.

Time is specifically declared to be of the essence of this contract and of all acts required to be done and performed by the parties hereto, including, but not limited to, the proper tender of each of the sums required by the terms hereof to be paid.

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.

Unless a different date is provided for herein, the Purchaser shall be entitled to possession and control 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.

If the Purchaser's title to the property or any portion thereof is conveyed to any person, the Seller may, at its option: (a) following any required notice, declare the entire remaining balance of the purchase price and all accrued and unpaid interest thereon immediately due and payable, or (b) adjust the interest rate on this contract, effective as of the date of the transfer, to the Bank of America (or its successor) prime interest rate plus two (2) percentage points, or to the highest



200202140130
Skagit County Auditor

interest rate permitted by the usury statute, whichever is less. The Seller may elect either one of said options by written notice to the Purchaser within fifteen (15) days after being advised in writing of the sale and the transferee, and if such election is not made within that period the above rights for the transaction so within that period the above rights for the transaction so described shall be deemed waived. If the Seller elects to adjust the interest rate, and subject to any restrictions of prepayment requirements contained in any prior encumbrance, the entire outstanding balance of this contract may be prepaid at the closing of such conveyance with the prepayment premium if any. For the purposes of this contract, a "conveyance" of the "Purchaser's title" shall include a transfer by real estate contract, vendee's assignment, deed, forfeiture, foreclosure, sheriff's sale, trustee's sale, deed in lieu of any such involuntary sale, lease with purchase option or for a term in excess of three (3) years (including extension options), and, if the Purchaser is a corporation or partnership, a voluntary or involuntary transfer of any share or partnership interest which results in a change of fifty percent (50%) or more of the voting control of such entity (from the composition thereof as of the date of this contract). A "conveyance" of the "Purchaser's title" shall not include (i) a lease or other transfer of possession of the property for three (3) years or less without options to purchase the property or any interest therein;. No transfer of the property or any portion thereof shall release the transferring person from liability on this contract unless the Seller in writing expressly acknowledges such release.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this 14 day of February, 2002.

SELLERS:

**BOARD OF COUNTY COMMISSIONERS
SKAGIT COUNTY, WASHINGTON
a Washington Municipal Corporation**

Don Murb
Chairman

Kenneth A. Dahlstedt
Commissioner

Lee W. Anderson
Commissioner

Attest:

Aune Siebrach
Clerk of Board

PURCHASERS:

**TOWN OF CONCRETE
a Washington Municipal Corporation**

[Signature]
Mayor

Attest:

Mickey Zittovich
Town Clerk

620
SKAGIT COUNTY - WASHINGTON
Real Estate Excise Tax
2/10

FEB 14 2002

Amount Paid \$
Skagit County Treasurer
By nam Deputy



200202140130
Skagit County Auditor

Approved as to Form:

Helene A Thomas
(Deputy) Skagit County Prosecuting Attorney

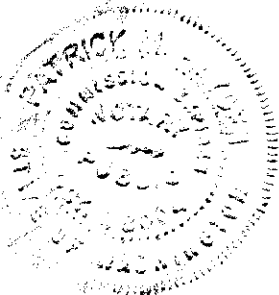
Title: Civil Deputy

Patrick M Hayden
(Acting) Town Attorney

State of Washington)
) ss.
County of Skagit)

On this day personally appeared before me Robin Feetham and Mickey Zitkovich, to me known to be the Mayor and Clerk, respectively of Town of Concrete, the Washington municipal corporation that executed the foregoing instrument to be the free and voluntary act and deed of said municipal corporation for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 11 day of February, 2002.

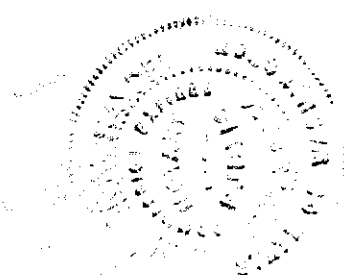


Patrick M Hayden
Notary Public in and for the State of
Washington, residing at Sedro-Woolley
My Commission Expires: 10-1-04
Print Name Patrick M. Hayden

State of Washington)
) ss.
County of Skagit)

On this day personally appeared before me Don Munks,
Kenneth A. Dahlstedt, and Ted W. Anderson to me known
to be the members of the Board of County Commissioners, respectively of Skagit County,
Washington, the Washington municipal corporation that executed the foregoing instrument to be
the free and voluntary act and deed of said municipal corporation for the uses and purposes
therein mentioned, and on oath stated that they were authorized to execute the said instrument for
the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 11 day of February, 2002.



Patrick M Hayden
Notary Public in and for the State of
Washington, residing at Sedro-Woolley
My Commission Expires: 10-1-04
Print Name Patrick M. Hayden



200202140130
Skagit County Auditor

UNOFFICIAL DOCUMENT

