

WHEN RECORDED RETURN TO:

Alan R. Souders
Attorney at Law
913 Seventh Street
Post Office Box 1950
Anacortes, WA 98221



200211260170
Skagit County Auditor

11/26/2002 Page 1 of 5 4:12PM

REAL ESTATE CONTRACT

IT IS HEREBY MUTUALLY AGREED, by and between

Robert D. Clumpner and Lori E. Clumpner, husband and wife, of 618 Haddon Road, Anacortes, Skagit County, Washington, parties of the first part and hereinafter called Sellers,

and

Thomas L. Baker and Teresa Baker, of 3204 D Avenue, Anacortes, Skagit County, Washington, party of the second part and hereinafter called Purchasers, WITNESSETH:

The Sellers hereby agree to sell to the Purchasers, and the Purchasers agree to purchase from the Sellers, their heirs, executors, administrators or assigns, 2212 31st Street, Anacortes, being real property situated in Skagit County, Washington described as:

A portion of Skagit County, described as follows:

Lots 16 and 17, and the East half of Lot 18, Block 6, "KELLOGG & FORD'S ADDITION TO ANACORTES, WASHINGTON", as per plat recorded in Volume 1 of Plats, page 41, records of Skagit County, Washington. P57710

together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in any wise appertaining.

The following are the terms and conditions of this contract:

1. Terms of Sale: The price which the Sellers agree to accept and which the Purchasers agree to pay for said real property and improvements located thereon is the sum of ONE HUNDRED FIFTY NINE THOUSAND NINE HUNDRED DOLLARS (\$159,900.00), of which TWO THOUSAND DOLLARS in earnest money has been paid. The purchase price is to be paid as follows:

Purchasers shall pay FIFTEEN THOUSAND DOLLARS (\$15,000) down, including earnest money. The balance of sales price will be paid directly to the Sellers over a three year period with a private loan provided by Sellers at an interest rate of 6.25 percent, amortized over a 30-year period. Monthly payments of \$892.80 will commence on December 20, 2002. A late fee of \$15.00 per day will be charged for any payment received after the 24th day of each

month. On January 1, 2006, but not before this date (unless the property is sold), the remaining balance of the principal and any accrued interest on the loan shall be paid to the Sellers in full. It is agreed that, if the Purchasers sell the property before January 1, 2006, the Sellers must agree, in writing, to extend the loan to the new Purchasers.

All unpaid portions of purchase price shall bear interest from closing, until paid at the rate of SIX POINT TWO FIVE PERCENT (6.25%) per annum, said interest to be computed and paid monthly, and all monthly payments hereafter made as herein provided shall be applied first to the payment of interest owing to the date of such payment and the balance applied to principal. The Purchasers are hereby given the privilege of paying in excess of the installments herein provided for, and may pay the whole balance owing at any time; provided, that such additional sums paid (short of payment in full) shall not relieve the Purchasers from making regular monthly payments as in this contract provided.

2. Title: Sellers warrant to Purchasers that they hold clear and unencumbered title to the property. Further, Purchasers expressly acknowledge that they are electing to not have title insurance coverage. Purchasers acknowledge their duty to inspect public records to search for any liens, encumbrances, easements, codes, covenants, conditions and restrictions.

3. Responsibility for Taxes and Assessments: The Purchasers hereby agree to pay before delinquency all taxes, assessments and other claims which may hereafter become a lien upon said property, dating from the 26th day of November, 2002.

4. Risk of Loss: It is understood and agreed that any loss, damage or destruction to the premises or the taking of the same for public use shall not in any way or manner relieve the Purchasers from the full payment of the purchase price herein to be paid, and in the event any such loss, damage or injury shall occur, the same shall be that of the Purchasers, who shall not, by reason thereof, have the right to rescind this contract.

5. Conditions of Premises and Upkeep: The Purchasers agree to take good care of said property and premises while in their possession and to keep and maintain any improvements now or later placed on said property in good condition and repair at their own expense, pursuant to the terms of this contract, and shall not permit or commit any waste thereof, nor allow any liens or encumbrances to be placed against said property during the running of this Contract.

6. Liens, Charges and Encumbrances: Sellers shall pay before delinquency all liens, charges, encumbrances or debts due and owing on said property before the date of this contract.

7. Reimbursement for Advances by Sellers: It is agreed that in the event the Purchasers fail or neglect to pay any taxes or assessments, provide insurance, or pay any claim which might be a lien on said property or premises and which the Purchasers are obligated to pay, that then and in such case, the Sellers, at their election, may pay or procure the same, and all sums so paid out by the Sellers shall be due and payable on demand, together with interest from the date of such advancement at the rate of 12% per annum, or the maximum rate allowable by law, whichever is greater, all without prejudice to any other right the Sellers might have by reason of such default.



8. Fulfillment Deed: The Sellers covenant and agree to convey said property and premises to the Purchasers by good and sufficient deed when the total balance owing hereunder, together with interest, has been paid in full and this contract fully performed by the Purchasers, free and clear of all liens and encumbrances, except for any taxes, assessments or other liens which, by the terms of this contract, the Purchasers are obligated to pay.

9. Possession: Purchasers shall be entitled to possession of the property commencing upon the date of this Real Estate Contract, and shall be entitled to continue in possession of the described premises so long as they shall make the payments as the same are required hereunder and otherwise fully comply with the terms and conditions of this contract.

10. Forfeiture: Time is of the essence of this contract, and if the Purchasers shall fail, refuse or neglect to pay either or any of the installments or interest or any other payment due, or shall fail to keep up and/or perform any of the covenants and agreements herein contained on the part of the Purchasers to be performed, then the Sellers shall have the right and election to declare this contract canceled and terminated; and if the Purchasers shall fail to make good such default within ninety (90) days after the Sellers shall have served a written notice of declaration of forfeiture by delivering said notice to the Purchasers or mailing the same by registered mail to said Purchasers at Purchasers' last known address, then and in that event all of the rights of the Purchasers in and to the property described herein and all rights under this contract shall immediately and utterly cease and terminate, and the property described herein shall revert to and re-vest in the Sellers without further action on the part of the Sellers and without any right of the Purchasers to reclamation or compensation for money paid or for improvements made on said premises, as fully, perfectly, and absolutely as if this Agreement had never been made, and all money theretofore paid to the Sellers under this contract shall thereupon be forfeited without process of law, and shall be retained by and belong to the Sellers as the accrued and reasonable rent of said premises from this date to the time of such forfeiture and as the liquidated damages to the Sellers for the Purchasers' failure to complete this contract. Upon Sellers' election to bring suit to enforce any covenant of this contract, including suit to collect any payment required hereunder, the Purchasers agree 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 Sellers shall bring suit to procure an adjudication of the termination of the Purchasers' rights hereunder, and judgment is so entered, the Purchasers agree 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.

11. Contract Binding on Heirs: The provisions of this Contract shall inure to and be binding upon the parties hereto, their heirs, executors, administrators and assigns.

12. Non-Assignment: It is understood and agreed that the Sellers have entered into this contract with the understanding and agreement that the same will be fulfilled by the Purchasers, without assignment hereof and without any sale or transfer of interest in the property from the Purchasers to third parties; and Purchasers therefore covenant and agree that before they shall



attempt to transfer this property in any way, they shall pay the unpaid balance owing to the Sellers, together with applicable interest, in full.

13. Waiver: Acceptance by the Sellers of any installment after it has become due and payable, or waiver of any other condition herein at anytime, shall not be deemed to affect or alter the obligations of the Purchasers or the rights of the Sellers with respect to any subsequent payment or default hereunder.

14. Venue: If either party commences any action to enforce rights under this contract, venue of such action; at the option of the Sellers, shall lie in Skagit County, Washington.

15. Insurance: It is agreed that the Purchasers will secure an insurance policy for fire and comprehensive personal liability coverage on or before closing and the policy will remain in effect for the duration of the loan, with Sellers listed on the policy as lenders.

Purchasers shall insure with companies satisfactory to Sellers the buildings now or hereafter placed on the property and any personal property included in this contract in the sum of not less than its full insurable value, with loss thereunder payable first to any mortgagee who is such at the time of the execution hereof, then to Sellers, then to Purchasers, as their respective interests may appear. The policy shall be held by Sellers or mortgagee.

In the event of destruction of or damage to any of said buildings or personal property and the collection of insurance during the life of this contract, the money received on said insurance may, at the option of Purchasers, be used in the restoration of said improvements, provided, that Purchasers are not at the time in default in default under the provisions of this contract, and subject to the terms of any mortgage on the property. If Purchasers fail to procure insurance, Sellers are authorized to do so, and the cost may be added to the balance due hereunder and shall bear interest at 12 percent per annum, and shall become due immediately, or Sellers may, at Sellers' option, forfeit this contract for the failure of Purchasers to procure insurance.

WITNESS our hands and seals this 26th day of November, 2002.

SELLERS:

Robert D. Clumpner
Robert D. Clumpner

Lori Clumpner
Lori Clumpner

5365
SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax
PAID

NOV 26 2002

Amount Paid \$ 2846.22
Skagit County Treasurer
By: Liliem Deputy



PURCHASERS:

Thomas L. Baker

Thomas L. Baker

Teresa Baker

Teresa Baker

State of Washington)

:ss

County of Skagit)

On this 26th day of November, 2002, before me, the undersigned Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Robert D. Clumpner, Lori E. Clumpner, Thomas L. Baker, and Teresa Baker, to me known to be the individuals described in and who executed the within and foregoing instrument and acknowledged said instrument as their free and voluntary act and deed, and for the uses and purposes therein mentioned.

In Witness Whereof I have hereunto set my hand and official seal the day and year first above written.

Alan R. Souders

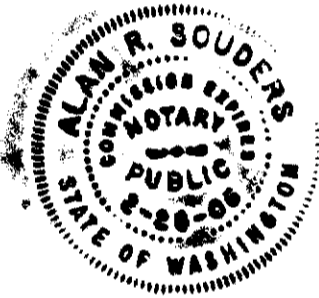
(Signature)

Alan R. Souders

(Print Name)

Notary Public in and for the State of Washington, residing at: Fin Island

My Commission expires: 28 Feb 2006



UNOFFICIAL DOCUMENT

