



200301020151  
Skagit County Auditor

1/2/2003 Page 1 of 9 4:03PM

WHEN RECORDED RETURN TO:

JAMES E. ANDERSON P.S.  
P.O. BOX 727  
ANACORTES, WA 98221

ISLAND TITLE CO. REAL ESTATE CONTRACT

GRANTORS (SELLER): JAMES A. MOCK and PAULA H. MOCK,  
husband and wife

GRANTEES (PURCHASER): WESLEY A. ANDERSON and RITA F.  
ANDERSON, husband and wife

LEGAL DESCRIPTION: Lots 16 and 17, Block 4, PLAT OF HENSLER'S FIRST ADDITION TO THE CITY OF ANACORTES, according to the plat thereof recorded in Volume 3 of Plats, page 46, records of Skagit County, Washington. Subject to easements, restrictions and reservations, if any, of record.

TAX PARCEL NO.: 3794-004-017-0007; P57332

THIS CONTRACT made and entered into between JAMES A. MOCK and PAULA H. MOCK, hereinafter called "Seller," and WESLEY A. ANDERSON and RITA F. ANDERSON, hereinafter called "Purchaser".

WITNESSETH: That Seller agrees to sell to the Purchaser and the Purchaser agrees to purchase from the Seller the above described real estate (together with the hoist, air compressor, and overhead lube equipment which are not being assigned any dollar value) with appurtenances in the County of Skagit, State of Washington upon the following terms and conditions:

**A. Price, Payment, and Closing Date.**

1. **Purchase Price.** The purchase price is \$250,000, payable as follows: The down payment is \$40,000. The balance of \$210,000 shall be paid in equal monthly installments of \$1,691.75. The diminishing principal balance shall bear interest at the rate of 7.5 percent per

REAL ESTATE CONTRACT - 1

ACCOMMODATION RECORDING

annum. Said payments shall commence on the 1st day of February and continue on the same day of each succeeding month until the principal balance and any accrued interest have been paid in full. In the event that any payment is more than five (5) days past due, there shall be a late payment penalty assessed of \$100.

Purchaser shall be specifically precluded from prepaying more than the monthly payments called for herein and any payments in excess of the monthly payment shall be subject to a prepayment penalty of 25% of the amount paid in excess of the monthly payment amount. The prepayment fee shall be payable even though there is a default and Seller has accelerated the balance due pursuant to the default provisions of the contract. The prepayment penalty provisions provided for herein shall be considered to be liquidated damages as the actual amount of the Seller's damages would be difficult to prove and establish.

Interest shall commence as of January 1, 2003. From each installment payment there shall first be deducted interest and the balance applied to the reduction of principal.

All payments hereunder shall be made to a contract collection account which Seller shall establish (at Seller's expense) at the Anacortes Branch of Whidbey Island Bank, or at such other place as Seller may direct in writing.

2. **Date of Closing.** As referred to in this contract, the date of closing shall be the date of recording of this contract.

**B. Taxes and Assessments.** The Purchaser assumes and agrees to pay before delinquency all taxes and assessments that apply to said real estate prior to its due date.

**C. Insurance.** 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 wind storm in a company acceptable to the Seller and for the Seller's benefit, and to pay all premiums therefor and to deliver a copy of all policies and renewals thereof to the Seller.

**D. Inspection.** The Purchaser agrees that full inspection of said real estate has been made and that Seller shall not be held to any covenant respecting the condition of said

REAL ESTATE CONTRACT - 2



200301020151  
Skagit County Auditor

real estate.

**E. Assumption of Hazards.** 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 expenses 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.

**F. Title Insurance.** Purchaser has been advised about obtaining title insurance and has waived the requirement of receiving title insurance.

**G. Fulfillment Deed.** Seller agrees, upon receipt of full payment of the purchase price and interest in the manner above specified, and when all other terms, conditions, and covenants of this contract have been met, to convey the above described real property to Buyer by Statutory Warranty Deed, excepting any part thereof which may hereafter be taken for public use, free and clear of encumbrances except those which may attach after the date hereof through any person other than the Seller or Seller's successors and assigns, and except such encumbrances as Buyer has assumed or to which Buyer has purchased subject property as stated above, and except building restrictions and easements of record, current taxes, municipal liens, water rights or rents, and public charges assumed or created by or arising out of the occupancy of the premises by Buyer subsequent to the date hereof.

**H. Possession, Repair, and Changes.** 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

REAL ESTATE CONTRACT - 3



200301020151

Skagit County Auditor

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. The Purchaser agrees that their use of the property will be in full compliance with all applicable local, state, and federal laws and regulations that are applicable with regard to the use and/or storing of chemicals and/or other substances deemed to be hazardous materials and/or wastes and agree to hold Seller harmless from any claimed violation of said laws and regulations.

**I. Failure to Pay Insurance or Other Charges.** 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 12 percent per annum thereon from the 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.

**J. Purchaser's Default.** The Purchaser shall be in default under this contract if it:

1. Fails to observe or perform any term, covenant, or condition herein set forth or those of any prior encumbrances, or

2. 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

3. 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 plan, reorganization or similar act, or

4. 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



5. Abandons the property for more than 30 consecutive days (unless the property is otherwise occupied), or

6. Conveys the property or a portion thereof without any prior written consent required herein of the Seller.

**K. Seller's Remedies.** In the event the Purchaser is in default under this contract, the Seller may, at its/his election, take the following courses of action:

1. **Suit for Delinquencies.** 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;

2. **Acceleration.** Upon giving the Purchaser not less than 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 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;

3. **Forfeiture and Repossession.** 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 the 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 90 days thereafter and the Seller records a Declaration of Forfeiture pursuant to RCW 61.30.040-070. Upon the forfeiture of this contract,

REAL ESTATE CONTRACT - 5



200301020151  
Skagit County Auditor

the Seller may retain all payments made hereunder by the Purchaser and may take possession of the property 10 days following the date this contract is forfeited and summarily eject the Purchaser and any person or persons having possession of said property by, through, or under the Purchaser who was properly given the Notice of Intent to Forfeit and the Declaration of Forfeiture. In the event the Purchaser or any person or persons claiming by, through, or under the Purchaser who was properly given the Notice of Intent to Forfeit and the Declaration of Forfeiture remain in possession of the property more than 10 days after such forfeiture, the Purchaser, or such person or persons, 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.

4. **Specific Performance.** The Seller may institute suit to specifically enforce any of the Purchaser's covenants here-under, and the same may include redress by mandatory or prohibitive injunction;

5. **Property Rental.** 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 thereafter remain in possession of the property beyond any period 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 to two 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.

L. **Purchaser's Remedies.** In the event the Seller should default in any of its obligations under this contract and such default continues for 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.

**M. Remedial Advances.** 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 terms and any conditions of this contract or of any prior encumbrance, 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 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 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.

**N. Cumulative Remedies, Waivers.** 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.

**O. Costs and Attorney's Fees.** 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, expenses, and attorney's fees so incurred by the non-defaulting party, and the failure of the defaulting party to promptly pay the same shall in itself constitute a further and additional default.



P. **Time of Performance.** 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.

DATED: 12/30/02 James A. Mock  
JAMES A. MOCK, Seller

DATED: 12/30/02 Paula H. Mock  
PAULA H. MOCK, Seller

DATED: 12-30-02 Wesley A. Anderson  
WESLEY A. ANDERSON, Purchaser

DATED: 12-30-02 Rita F. Anderson  
RITA F. ANDERSON, Purchaser  
SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX

STATE OF WASHINGTON )  
                                  ) SS  
COUNTY OF SKAGIT )

# 18  
JAN 02 2003  
Amount Paid \$ 4,450.00  
Skagit Co. Treasurer  
By [Signature] Deputy

I certify that I know or have satisfactory evidence that JAMES A. MOCK and PAULA H. MOCK signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: 12/30/02 James E. Anderson

JAMES E. ANDERSON  
NOTARY PUBLIC  
STATE OF WASHINGTON  
COMMISSION EXPIRES  
JANUARY 20, 2007

Notary Public in and for the State of Washington, residing at ANACORTES  
My appointment expires: 1/20/07





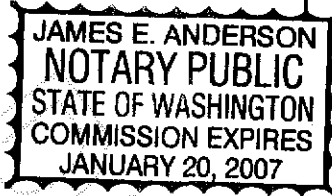
STATE OF WASHINGTON )  
 ) SS  
COUNTY OF SKAGIT )

I certify that I know or have satisfactory evidence that WESLEY A. ANDERSON and RITA F. ANDERSON signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: 12/30/02

James E. Anderson  
Notary Public in and for the State of Washington, residing at

ANACORTES  
My appointment expires: 12/30/02



Island Title Company has placed this document for recording as a customer courtesy and accepts no liability for its accuracy or validity

REAL ESTATE CONTRACT - 9



200301020151  
Skagit County Auditor

1/2/2003 Page 9 of 9 4:03PM