

When recorded return to:  
Skagit Law Group, PLLC  
P. O. Box 336/227 Freeway Drive, Suite B  
Mount Vernon, WA 98273



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Skagit County Auditor

\$90.00

2/28/2018 Page

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**REAL ESTATE CONTRACT FOR PARCEL B  
(LONG FORM) GUARDIAN NORTHWEST TITLE CO.**

**I. SPECIFIC TERMS**

114925

**A. PARTIES, PROPERTY, AND PURCHASE PRICE**

Date: February 28, 2018

Seller: **BOUSLOG INVESTMENTS, LLC**, a Washington limited liability company, and **JBK INVESTMENTS, LLC**, a Washington limited liability company dba **BOUSLOG INVESTMENTS**

Seller's Address: 11190 Bayview Edison Road  
Mount Vernon, WA 98273

Purchaser: **PORT OF SKAGIT COUNTY**, a Washington public port district and municipal corporation

Purchaser's Address: 15400 Airport Drive  
Burlington, WA 98233

Real Property Legal Description: See **Exhibit A** attached hereto and incorporated herein by this reference.

Abbreviated Legal: Ptn Gov Lot 3 S2 T34N R3E WM

Tax Parcel Number(s): 340302-0-010-0003; P20979 (aka "Parcel B")

Title to be Conveyed: Fee simple, subject to permitted liens and encumbrances listed on **Exhibit B** attached hereto and incorporated herein by this reference.

Form of Deed: Statutory Warranty Fulfillment Deed

SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX

2018788  
FEB 28 2018

Amount Paid \$  
Skagit Co. Treasurer  
By *Amam* Deputy

LPB 45-05(ir) rev. 3/2009  
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Title Exceptions (include leases): See **Exhibit B**.  
Amount Which Has Been Paid to Seller: \$ 310,462 US  
Balance Due to be Paid to Seller: \$2,794,162 US  
Total Purchase Price: \$3,104,624 US

**B. TERMS OF DEFERRED AMOUNT TO BE PAID TO SELLER**

Interest Rate: Three and one-half percent (3.5%) per annum  
Interest Beginning Date: February 28, 2018  
Installment Periods: Monthly  
First Installment Date: February 28, 2018  
Installment Amounts: \$13,947.55 per month  
Final Payment Date: February 28, 2028 ("Balloon Date")  
Default Rate: Five and one-half percent (5.5%) per annum  
Late Charge: Two percent (2%) of each Installment Amount or portion thereof overdue  
Prepayment Provisions: Purchaser may prepay at any time without penalty.  
Address to Which Installment Amounts are to be Sent: Independent Note & Contract Services (INCS)  
1204 Cleveland Avenue  
Mount Vernon, WA 98273

**C. MISCELLANEOUS**

Is the property to be used principally for agricultural or farming purposes?  Yes  No (post closing)

Identify any Exhibits attached: Exhibit A: Legal Description  
Exhibit B: Permitted Liens and Encumbrances  
Addendum

**II. GENERAL TERMS**

1. **AGREEMENT OF SALE.** The Seller agrees to sell and the Purchaser agrees to purchase all that certain Real Property and Personal Property described in this contract and all of the Seller's improvements, fixtures, timber, and crops currently and hereafter located thereon (herein collectively the "Property"), subject to the Title

Exceptions listed in the Specific Terms hereof, to any of the Prior Encumbrances so listed which are not required to be discharged by the Seller prior to or at the time of the delivery of the Seller's deed to the Purchaser, and to any rights, titles, estates, leases, encumbrances, and other interests suffered or created by the Purchaser, all for the considerations and subject to the terms, covenants, and conditions herein contained.

2. **PURCHASE PRICE.** The Purchaser agrees to pay the Purchase Price to the order of the Seller in the manner set forth in the Specific Terms from the net operating revenues of the Port of Skagit. The deferred portion of the Purchase Price which the Purchaser is to pay to the Seller shall be paid in the Installment Amounts, commencing on the First Installment Date and continuing on the same day of each Installment Period thereafter until the Final Payment Date, at which time all outstanding principal, together with accrued and unpaid interest thereon, shall be due and payable. Each payment of the Installment Amounts shall be first applied against the costs, expenses, and late charges for which the Purchaser is then liable hereunder, secondly against interest, and thirdly against the principal then due to the Seller. Interest shall commence on the date set forth in Specific Terms under Paragraph I(B), and continue to accrue until the Seller receives all of the principal, and any sums not paid within 15 days after their respective due dates shall bear the Late Charge set forth in the Specific Terms. At any time during the term of this contract, the Seller or the Purchaser shall have the right to require that all subsequent payments of Installment Amounts and sums for any tax or insurance reserve accounts be made through an escrow or collection account, the costs of which shall be borne by the requesting party unless otherwise agreed.
3. **PREPAYMENTS.** Purchaser may prepay at any time without penalty.
4. **RETENTION OF TITLE AND SECURITY.** Except as otherwise provided herein, the Seller's title to the Property and any substitutions hereof shall remain in the Seller until the Purchaser receives delivery of the Seller's deed. In addition thereto, the Purchaser hereby grants to the Seller a security interest in all condemnation awards and insurance proceeds relating to the Property and all of the rights, titles, and interests in the Personal Property conveyed by this contract and subsequently acquired by Purchaser in substitution thereof as security for the performance of the Purchaser's obligations herein, and the Purchaser hereby assigns to the Seller all rents and security deposits derived from or relating to the Property and, except for the initial partial month's and last month's rent, covenants not to collect any rents which are attributable to more than one month of the unexpired lease term. The Purchaser agrees to deliver to the Seller such further assurances and UCC financing statements and statements of continuation which the Seller requests to further evidence, perfect, or confirm its rights under this agreement. The Purchaser agrees with the Seller that it shall comply with the terms of all leases of the Property, and shall, upon written request, promptly notify the Seller of any alleged defaults therein by the Purchaser or any tenant. After all sums evidenced by this contract due to the Seller have been paid, the Seller shall deliver its fulfillment deed and bill of sale to the Purchaser in the form and subject to the exceptions agreed to herein. In the event any escrow account is established for this contract, said deed and bill of sale shall be executed and placed with the escrow agent promptly following the opening of said account with instructions to deliver them to the Purchaser when entitled thereto.
5. **POSSESSION.** From and after the date of this contract, the Purchaser may enter upon and take possession of the Property and, irrespective of the assignments and security interests granted in this contract, enjoy the use, rents (to the extent permitted to be collected herein), issues, and profits thereof so long as such rights have not been affected by the exercise of any remedy of the Seller.
6. **TAXES AND ASSESSMENTS.** In addition to the payments herein above provided for, and except as otherwise discharged through any reserve account, the Purchaser shall pay before delinquency all real and personal property taxes, all general and special assessments, and all other charges of whatsoever kind or nature levied or assessed by any lawful authority upon or against the Property or the use thereof to the extent the same or any installments thereof are attributable to the period following the date of this contract. The prorated portion of said taxes, assessments, and charges which are attributable to any period prior to the date of this contract, excluding taxes for such period assessed because of the reclassification of the use of the Property by the Purchaser or any successors of the Purchaser, shall be paid before delinquency by the Seller. Said periods

shall be determined by reference to the year in which the taxes, assessments, and charges are required to be paid. If the Purchaser fails to so pay Real Property taxes or assessments and such failure is not rectified within 15 days following Seller's written demand to do so, and if such failure occurs two or more times during the term of this contract, the Seller may, for the remaining term of this contract, require the Purchaser to deposit with each Installment Amount an amount reasonably estimated by the Seller to be necessary to discharge the Real Property taxes and assessments next due, said estimates to be adjusted by the Seller to reflect the actual amount of such liabilities each time the Real Property is reassessed and a copy of such reassessment is given to the Seller. The amounts so paid which have not been applied against such liabilities shall be returned to the Purchaser with the delivery of the Seller's deed to the Purchaser. The Seller shall not be liable for interest on said deposits. If not retained in an escrow or collection account, said funds shall be maintained by the Seller in a segregated account and expended for no other purpose, with interest earned thereon, if any, being added to the sums so held; provided, however, this account may be commingled with any insurance reserve account under this contract. The provisions of this paragraph to the contrary notwithstanding, either party shall have the right to contest in good faith any tax or assessment which may have been or is hereafter levied against the Property or any portion thereof so long as no portion of the Property is threatened with any tax forfeiture or sale as the result of such contest. So long as such contest is pursued in good faith, the nonpayment of the amounts in dispute shall not constitute a default under this contract or afford the Seller the right to require tax reserve payments.

7. **INDEMNIFICATION AND INSURANCE.** The Purchaser shall and hereby covenants and agrees to indemnify and hold the Seller harmless for any losses, damages, costs, claims, and liabilities, including attorney's fees, caused by any negligent, reckless or intentional act of, or negligent or reckless failure to act by the Purchaser, or any of its agents, servants, employees, independent contractors, invitees, or licensees on, about, or with respect to the Property, and for any breach of this contract by the Purchaser or any of such persons, and this covenant of indemnification shall survive the delivery of the Seller's deed to the Purchaser.
8. **UTILITIES.** The Purchaser shall pay for the cost of all electric, power, gas, sewer, water, telephone, cable television, refuse disposal service, and any and all other utilities furnished to or used or consumed in, on, or about the Property by the Purchaser or by any person following the date of this contract, and Purchaser shall contract for the same solely in its own name. Any such services used prior to the date hereof by any person other than the Purchaser shall be the responsibility of the Seller.
9. **CONDITION OF PROPERTY.** Except as may be otherwise provided in any written agreement between the parties hereto which is intended to survive the execution of this contract, the Purchaser hereby accepts the Property in the condition existing on the date of this contract and confirms that neither the Seller nor any agent or representative of the Seller has given or made any warranty or representation whatsoever concerning the physical condition thereof or the uses or purposes to which the same may now or hereafter be placed.
10. **RISK OF LOSS.** The Purchaser shall bear the risk of loss for the complete or partial destruction or condemnation of the Property after the date of this contract. No loss, damage, or destruction of all or part of the Property shall constitute a failure of consideration or a basis for the rescission of this contract or relieve the Purchaser from its obligation to observe and perform all of the terms, covenants, and conditions hereof. Each of the parties hereto releases the other from all liability for damage caused by any act or neglect of the other party, its agents, servants, and employees, to any property which is the result of fire or other casualty covered by insurance carried at the time of such casualty; provided, however, the releases herein contained shall not apply to loss or damage resulting from the willful or premeditated acts of either of the parties hereto, their agents, servants, or employees; and provided further, nothing in this paragraph shall be interpreted or have the effect of relieving or modifying any obligation of any insurance company, and to the extent any such obligation is so relieved or impaired this provision shall be ineffective.
11. **MAINTENANCE AND INSPECTION.** The Purchaser shall keep and maintain the Property in good repair, and shall not commit or suffer to be committed any waste or other willful damage to or destruction of the Property or any portion thereof. No logging or commercial timber removal may be undertaken by the

Purchaser without the Seller's prior written consent. The Purchaser shall not permit any hazardous or toxic substance, material, or waste to be located upon or generated, stored, transported to or from, disposed of, or used on the Property, or permit the Property to become contaminated with any substance in violation of any applicable federal, state, or local law. The Purchaser shall not, without the prior written consent of the Seller, remove any Personal Property from the Real Property, and will keep and maintain the same in good order, repair, and condition; provided, however, the Purchaser shall have the right to promptly replace Personal Property or any substitutions thereof which may become lost, broken, or beyond repair, and such after-acquired item shall be subject to all of the provisions hereof. No replacements or substitutions permitted or required in this paragraph may be subject to a security interest or conditional sales contract which would have priority over the Seller's security interest. The Seller shall have the right, at all reasonable times and hours, to inspect the Property to ascertain whether the Purchaser is complying with all of the terms, covenants, and conditions of this contract.

12. **LIENS.** The Purchaser shall not cause, authorize, or permit any mechanics' or materialmen's liens to be placed upon the Property. The Purchaser shall indemnify and defend the Seller against all liens levied against the Property or any part thereof caused by or through the Purchaser. The Purchaser shall have the right to contest said liens so long as a foreclosure thereof is prevented, and if such contest is pursued in good faith the filing of the lien and withholding payment of the lien amount so disputed shall not constitute a default under this contract. No lien of any agent, contractor, subcontractor, or independent contractor of the Purchaser shall encumber any interest of the Seller in the Property. In the event the Purchaser shall alter, repair, or improve the Real Property or erect or construct any new or additional buildings or improvements on the Real Property, or any part thereof (whether acting with or without Seller's consent), all such alterations, repairs, improvements, replacements, and additions, including any new buildings and improvements, shall immediately be and become the property of the Seller and subject to all of the terms, covenants, and conditions of this contract.
13. **COMPLIANCE WITH LAWS AND RESTRICTIONS.** The Purchaser shall faithfully observe, perform, and comply with all laws, ordinances, rules, and regulations of every governmental authority affecting the Property and the use thereof and activities thereon; all easements, reservations, restrictions, covenants, and conditions of record affecting or pertaining to the Property and the use thereof and activities thereon; and any condominium, planned unit development, or cooperative declarations, articles, bylaws, rules, regulations, and other documents which have been or are hereafter adopted with respect to the Property. The Purchaser shall not use or permit any person to use the Property for or in connection with any unlawful purpose or in any manner which causes a nuisance, or in violation of any federal, state, or local statute or ordinance governing the use or improvement of the Property or any hazardous or toxic materials, products, or wastes.
14. **CONDEMNATION.** If the Property or any part thereof is condemned or taken by power of eminent domain by any public or quasi-public authority other than the Port of Skagit County, Purchaser herein, the Seller or the Purchaser or both may appear and defend or prosecute in any such proceeding. All compensation or awards received from the condemning authority by either the Seller or the Purchaser shall, subject to the requirements of any Prior Encumbrances, be applied first to the payment of the expenses of litigation, next to the acquisition and installation costs of any replacements or restorations of condemned property requested by the Purchaser in writing not later than 15 days following the date possession is required to be surrendered by the condemning authority, next to the reduction of the unpaid balance of this contract in the inverse order of its maturity, next to any other sums then due to the Seller (including accrued and unpaid interest and reimbursable advances and expenses), and the surplus, if any, shall be paid to the Purchaser.

Any Prepayment Premium shall not be added to any payments required by this paragraph. All of the replacements and restorations shall have the same purpose and function as the condemned property, and except as otherwise consented to by the Seller in writing and except to the extent necessitated by the condemnation or then applicable law, none of the replacements or restorations may be materially different from the condemned property. Any condemnation awards used to restore or replace any of the Property shall be deposited in a disbursement account and disbursed in the manner specified herein for insurance proceeds.

following an insured casualty. No total or partial taking of the Property by condemnation shall constitute a failure of consideration or provide a basis for the rescission of this contract.

15. **TRANSFER OF PURCHASER'S INTEREST.** If the Purchaser's title to the Property or a substantial portion thereof is conveyed to any person or entity, the Seller may, at its option, following any required notice, declare the entire remaining balance of the Purchase Price and all accrued and unpaid interest thereon immediately due and payable. For purposes of this section, a substantial portion of the Property shall constitute fifty percent (50%) or more of the land area. A lease in accord with the Purchaser's leasing policy shall not constitute a transfer of the Property so long as the lessee does not have an option to purchase. No transfer of the Property or any substantial portion thereof shall release the Purchaser from liability on its contract unless such release is expressly acknowledged by the Seller in writing.
16. **PURCHASER'S DEFAULT.** 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; (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; (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; (d) 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; (e) abandons the Property for more than 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.
17. **SELLER'S REMEDIES.** In the event the Purchaser defaults under this contract the Seller may, at its election, take the following courses of action:
  - (a) **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 the Seller as of said date pursuant to the provisions of this contract, and any other damages incurred by the Seller which are caused by the Purchaser's failure to comply with any provision or agreement herein; 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) **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 or encumbrance 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) **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 Purchaser's then existing rights, interests, and estates therein, and timber, crops, fixtures, 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. The entire balance of such sums due and to become due under this contract shall be paid from the proceeds of any sale ordered by a court pursuant to RCW 61.30.120, including interest at the Default Rate to and including the sale date and all expenses incurred by the Seller as a result of such sale. 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 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. If the Purchaser or any person or persons claiming by, through, or under the Purchaser who were properly given the Notice of Intent to Forfeit and the Declaration of Forfeiture remain in possession of the Property more than ten 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 attorneys' fees. To the extent permitted by applicable statute, the Seller shall have the right to obtain a deficiency against the Purchaser following the forfeiture of this contract for damages caused by waste to the Property;

- (d) **Judicial Foreclosure.** To the extent permitted by any applicable statute, the Seller may judicially foreclose this contract as a mortgage, and in connection therewith, may accelerate all of the debt due under this contract if the defaults upon which such action is based are not cured within 15 days following the Seller's written notice to the Purchaser which specifies such defaults and the acts required to cure the same (within which time any monetary default may be cured without regard to the acceleration); provided, however, such cure period shall be extended for up to 30 additional days to the extent reasonably necessary to complete the cure of a nonmonetary default if the Purchaser commences such cure within 15 days following the Seller's notice and pursues it with due diligence. The Seller may, but shall not be required to, waive any right to a deficiency judgment in its foreclosure complaint. The Purchaser at any foreclosure sale may (but shall not be obligated to), during any redemption period, make such repairs and alterations to the Property as may be reasonably necessary for the proper operation, use, preservation, and protection thereof; pay any taxes and assessments due during such period; insure the Property against loss by casualty; and pay utility bills, liens not extinguished by the foreclosure, and other amounts relating to the Property to the extent due during such redemption period, and all of such expenses and payments, together with interest thereon from the date paid to reimbursement at the rate provided by statute for any other redemption amounts, shall be included in the amount required to be paid by any person to redeem the Property. The Prepayment Premium shall be assessed upon any amounts accelerated pursuant to the terms of this paragraph, and all such amounts shall bear interest at the Default Rate from and after the date they are so accelerated to and including the date of collection;
- (e) **Specific Performance.** 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;
- (f) **Remedies Under the Uniform Commercial Code.** 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;
- (g) **Receivership.** 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 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 therefrom who are not then in compliance with their leases, to lease any portion or 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 therefrom and issue receipts therefor, 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 cost 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. Regardless of the application thereof, no sums requested by or paid to the receiver shall be deemed a partial cure for the purpose of requiring a notice of insufficient cure to be given to any person under RCW 61.30.090(3); and

- (h) **Property Rental.** If this contract is forfeited or foreclosed 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 Amounts 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 Property as provided by law.
18. **PURCHASER'S REMEDIES.** In the event the Seller defaults 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.
19. **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 giving the party required to make such payments 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 case 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 attorneys' 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.
20. **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; 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 effective unless specifically evidenced in a written agreement 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 party's right to pursue any remedy hereunder for any other existing or subsequent defaults of the same or a different nature or for breach of any other term, covenant, or condition hereof.

21. **COSTS AND ATTORNEYS' FEES.** If either party shall be in default under this contract, the nondefaulting 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 nondefaulting party, including, without limitation, collection agency charges; expenses of preparing, serving, mailing, posting, publishing, and recording any notices; title search expenses; and reasonable attorneys' costs and fees, and the failure of the defaulting party to promptly pay the same shall itself constitute a further and additional default. In the event either party hereto institutes, defends, or is involved with any action 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 attorneys' costs and fees, including such costs and fees that are incurred in connection with any forfeiture, foreclosure, public sale, action for specific performance, injunction, damages, waste, deficiency judgment, unlawful detainer, or to contest the reasonableness of any person's costs or attorneys' fees, and any mediation, arbitration, bankruptcy, probate, appeal, or other proceeding. 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 against which the same is offset.
22. **NOTICES.** Subject to the requirements of any applicable statute, any notices required or permitted by law or under this contract shall be in writing and shall be personally delivered or 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 when personally delivered or, if mailed, on the date of the deposit thereof in the US mail and irrespective of actual receipt of such notice by the addressee.
23. **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, including, but not limited to, the proper tender of each of the sums required by the terms hereof to be paid.
24. **PARAGRAPH HEADINGS.** The word or words appearing at the commencement of paragraphs and subparagraphs of this contract are included only as a guide to the contents thereof and are not to be considered as controlling, enlarging, or restricting the language or meaning of those paragraphs or subparagraphs.
25. **GENDER AND NUMBER.** The use of any gender or neutral term shall include all genders, and the use of any number shall be construed as singular or plural, as the case may require. The terms "Purchaser" and "Seller" refer to either the singular or the plural, as the case may be.
26. **DEFINITIONS.** As used herein the term "Property" means all of the estate, right, title, and interest currently held and hereafter acquired by the Seller in and to the Real Property and Personal Property described herein and the rights, easements, privileges, and appurtenances thereunto belonging or appertaining or held and enjoyed therewith, together with all timber and crops thereon and any repairs, improvements, replacements, and additions thereto whether made, erected, or constructed by the Seller or the Purchaser prior to or

subsequent to the date hereof. All capitalized terms in this contract shall have the meanings ascribed herein or set forth opposite the same in the Specific Terms of this contract. References to the Seller's deed or fulfillment deed herein shall include assignments of a vendee's interest under a prior real estate contract, provided, however, any form of conveyance shall contain the warranties to which the Purchaser is entitled under this contract or other agreement with the Seller.

27. **INVALIDITY.** In the event any portion of this contract should be held to be invalid by any court of competent jurisdiction, such holding shall not affect the remaining provisions hereof unless the court's ruling includes a determination that the principal purpose and intent of this contract are thereby defeated. The intention of the Seller is to charge the Purchaser a lawful rate of interest, and in the event it is determined by any court of competent jurisdiction that any rate herein provided for exceeds the maximum permitted by law for a transaction of the character evidenced by these presents, the amounts so determined to be above the legal rate shall be applied against the last installments of principal due hereunder or, if such principal has been paid, or otherwise at the discretion of the then holder of this contract, said excess shall be refunded to the Purchaser on demand without interest, and the interest rates specified hereunder shall be reduced to the maximum rate then permitted by law for the type of transaction to which this contract pertains. The intention of the parties hereto is to assess a legal rate of interest on default, and if the Default Rate is determined by any court of competent jurisdiction to exceed the maximum rate of interest permitted by law for such purposes, the Default Rate shall be reduced to the highest rate so permitted, with any excess theretofore paid being applied against any debt of the defaulting party in inverse order of maturity, or if in excess of such debt, being refunded upon demand without interest.
28. **LEGAL RELATIONSHIPS.** The parties to this contract execute the same solely as a seller and a buyer. No partnership, joint venture, or joint undertaking shall be construed from these presents, and, except as herein specifically provided, neither party shall have the right to make any representation for, act on behalf of, or be liable for the debts of the other. All terms, covenants, and conditions to be observed and performed by either of the parties hereto shall be joint and several if entered into by more than one person on behalf of such party, and a default by any one or more of such persons shall be deemed a default on the part of the party with whom said person or persons are identified. No third party is intended to be benefitted by this contract. All persons executing this contract in their individual capacities (or as a general partner or other capacity causing them to be personally liable) acknowledge that this agreement benefits their marital communities and personal recourse may be obtained against the separate property and marital community of any such person and the marital community of such person's spouse.
29. **SUCCESSORS.** Subject to the restrictions contained herein, the rights and obligations of the Seller and the Purchaser shall inure to the benefit of and be binding upon their respective estates, heirs, executors, administrators, successors, successors in trust, and assigns, provided, however, no person to whom this contract is pledged or assigned for security purposes by either party hereto shall, in the absence of an express, written assumption by such party, be liable for the performance of any covenant herein. Any assignee of any interest in this contract, or any holder of any interest in the Property, shall have the right to cure any default in the manner permitted and between the time periods required of the defaulting party, but except as otherwise required by law, no notices in addition to those provided for in this contract need be given.
30. **APPLICABLE LAW.** This contract shall be governed and interpreted in accordance with the laws of the State of Washington and the venue of any action brought to interpret or enforce any provision of this contract shall be laid in the county in which the Real Property is situated. All sums herein referred to shall be calculated by and payable in the lawful currency of the United States.
31. **ENTIRE AGREEMENT.** This contract contains the entire agreement of the parties hereto and, except for any agreements or warranties otherwise stated in writing to survive the execution and delivery of this contract, supersedes all of their previous understandings and agreements, written and oral, with respect to this transaction. Neither the Seller nor the Purchaser shall be liable to the other for any representations made by any person concerning the Property or regarding the terms of this contract, except to the extent that the same

are expressed in this instrument. This contract may be amended only by written instrument executed by the Seller and the Purchaser subsequent to the date hereof.

THE SELLER AND THE PURCHASER HEREBY AGREE TO THE TERMS HEREIN ABOVE SET FORTH AND THE COVENANTS AND CONDITIONS CONTAINED IN THE GENERAL TERMS, ALL OF WHICH ARE INCORPORATED BY THIS REFERENCE. IN THE EVENT OF ANY CONFLICT OR INCONSISTENCY BETWEEN THE SPECIFIC TERMS (INCLUDING ANY EXHIBITS ATTACHED) AND THE GENERAL TERMS, THE FORMER SHALL CONTROL.

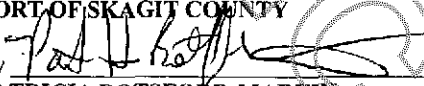
IN WITNESS WHEREOF the Seller and the Purchaser have executed this agreement as of the date first above stated.

**PURCHASER**

**SELLER**

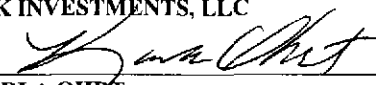
**PORT OF SKAGIT COUNTY**

**BOUSLOG INVESTMENTS, LLC**

By   
PATRICIA BOTSFORD-MARTIN,  
Executive Director

By   
JOHN E. BOUSLOG,  
General Manager

**JBK INVESTMENTS, LLC**

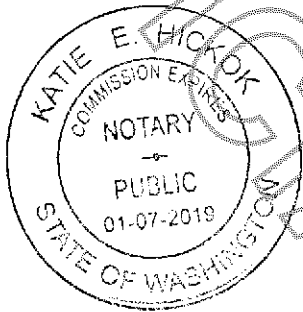
By   
KARLA OHRT,  
General Manager

STATE OF WASHINGTON  
COUNTY OF SKAGIT

} ss.

I certify that I know or have satisfactory evidence that **PATRICIA BOTSFORD-MARTIN** is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the **Executive Director** of the **Port of Skagit County**, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 27<sup>th</sup> day of February, 2018.



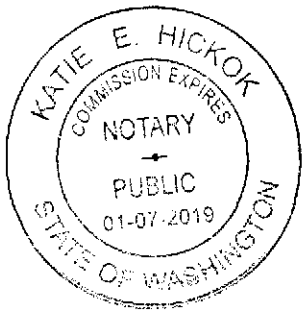
[Signature]  
Printed Name Katie E Hickok  
NOTARY PUBLIC in and for the State of Washington  
My Commission Expires 1-7-19

STATE OF WASHINGTON  
COUNTY OF SKAGIT

} ss.

I certify that I know or have satisfactory evidence that **JOHN L. BOUSLOG** that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the **General Manager** of **Bouslog Investments, LLC**, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 28<sup>th</sup> day of February, 2018.



[Signature]  
Printed Name Katie E Hickok  
NOTARY PUBLIC in and for the State of Washington  
My Commission Expires 1-7-19

STATE OF WASHINGTON  
COUNTY OF SKAGIT

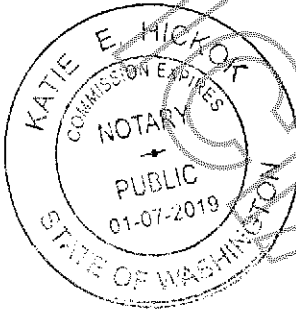
} ss.

I certify that I know or have satisfactory evidence that **KARLA OHRT** is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the **General Manager** of **JBK Investments, LLC**, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 28<sup>th</sup> day of February 2018.



Printed Name Katie E. Hickok  
NOTARY PUBLIC in and for the State of Washington  
My Commission Expires 1-7-19



**EXHIBIT A**  
**(Legal Description)**

Portion of Government Lot 3 in Section 2, Township 34 North, Range 3 East of W.M., lying Southerly of the State Road right-of-way commonly known as Peterson Road as conveyed to the State of Washington by deed dated July 5, 1938, under Auditor's File No. 305470, records of Skagit County, EXCEPT that portion thereof lying within the East 1,000 feet of the North 378 of said Government Lot 3, AND EXCEPT the East 16 feet of the remainder; TOGETHER WITH AND SUBJECT TO easements and restrictions of record.

Situate in the County of Skagit, State of Washington.

**EXHIBIT B**  
**(Permitted Encumbrances: Parcel B)**

A. EASEMENT, INCLUDING TERMS AND PROVISIONS THEREOF:

Grantee: Trans Mountain Oil Pipe Line Corporation  
Recorded: September 16, 1954  
Auditor's No. 506566  
Purpose: Pipe line and related purposes  
Area Affected: A Northerly portion of the subject property

B. EASEMENT, INCLUDING TERMS AND PROVISIONS THEREOF:

Grantee: Trans Mountain Oil Pipe Line Corporation  
Recorded: February 14, 1955  
Auditor's No. 513131  
Purpose: Pipe line and related facilities  
Area Affected: East half acre of Government Lot 3

C. EASEMENT, INCLUDING TERMS AND PROVISIONS THEREOF:

Grantee: Port of Skagit County  
Recorded: April 26, 2004  
Auditor's No. 200404260058  
Purpose: Avigation Easement  
Area Affected: Subject property and other property

D. LOT CERTIFICATION, INCLUDING THE TERMS AND CONDITIONS THEREOF, REFERENCE TO THE RECORD BEING MADE FOR FULL PARTICULARS. THE COMPANY MAKES NO DETERMINATION AS TO ITS AFFECTS.

Recorded: July 20, 2005  
Auditor's No.: 200507200025

E. PROTECTIVE COVENANTS, EASEMENTS AND/OR ASSESSMENTS, BUT OMITTING RESTRICTIONS, IF ANY, BASED ON RACE, COLOR, RELIGION OR NATIONAL ORIGIN:

Recorded: November 28, 2005  
Auditor's No.: 200511280001  
Executed By: Bouslog Investments, LLC, et al  
Regarding: Development fees to Skagit County Fire Protection District No. 6

EXHIBIT B -- Continued  
(Permitted Encumbrances: Parcel B)

F. ANY AND ALL OFFERS OF DEDICATIONS, CONDITIONS, RESTRICTIONS, EASEMENTS, FENCE LINE/BOUNDARY DISCREPANCIES, NOTES, PROVISIONS AND/OR ANY OTHER MATTERS AS DISCLOSED AND/OR DELINEATED ON THE FACE OF THE FOLLOWING PLAT/SHORT PLAT/SURVEY:

Name: Survey  
Recorded: January 22, 2003  
Auditor's No.: 200301220175

G. ANY AND ALL OFFERS OF DEDICATIONS, CONDITIONS, RESTRICTIONS, EASEMENTS, FENCE LINE/BOUNDARY DISCREPANCIES, NOTES, PROVISIONS AND/OR ANY OTHER MATTERS AS DISCLOSED AND/OR DELINEATED ON THE FACE OF THE FOLLOWING PLAT/SHORT PLAT/SURVEY:

Name: Short Plat No. 91-016  
Recorded: August 20, 1991  
Auditor's No.: 9108200019

Said short plat indirectly indicates that a portion of the Olympic Pipe Line crossed the subject property.



**ADDENDUM**

This real estate contract is entered into in furtherance that certain Real Estate Purchase and Sale Agreement (the "PSA") dated February 28, 2018, entered into by and among the Purchaser herein and Seller herein as well as JOHN L. BOUSLOG, a single man, individually, as an additional Seller, for the purchase and sale of real property legally described in the PSA and identified in the PSA as follows:

	<u>Skagit Co. Tax Parcel</u>	<u>Owner</u>	<u>Acres</u>
<b>Parcel A</b>	P20983	Bouslog Properties	
	P21031	Bouslog Properties	
	P122078 (portion)	Bouslog Properties	
		Total:	84.967
<b>Parcel B</b>	P20979	Bouslog Properties	32.996
<b>Parcel C</b>	P21003	John L. Bouslog	7.452

The real property which is the subject of this real estate contract is Parcel B in the PSA. The following provisions shall survive closing of the PSA:

- I. Sewer Improvements; Drainage. If Seller (Bouslog Investments, LLC, and JBK Investments, LLC or their respective successors and assigns) were to reacquire possession and title to Parcel B through forfeiture, foreclosure or sale in lieu thereof by the Port, then in that event Bouslog Investments, LLC, and JBK Investments, LLC, or their respective successors and assigns shall have the right to connect Parcel B to any sanitary sewer in place or future sewer constructed to serve Parcel A and also to discharge surface waters from Parcel B to the then existing drainage system serving Parcel A.
- II. Development Fees. Parcel B is subject to deed covenant requiring the payment of a development fee to defray the costs of a fire station constructed by Skagit County Fire Protection District No. 6 ("SCFPD No. 6") based on a formula where the Purchaser pays \$244 per 1,000 square feet of building space footprint at the time of application. The intended use and zoning of the property subject to this real estate contract was residential as opposed to commercial at the time the deed covenant was entered into and recorded. Parcel B has since been rezoned, and the intended use is now light industrial. Purchaser agrees to pay the development fee based on the formula in the deed covenant for commercial/industrial improvements.

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