

LEASE TYPE FORM

This FIXTURE FILING is presented pursuant to the WASHINGTON UNIFORM COMMERCIAL CODE.



LEASE - This filing is for informational purposes only. The terms debtor and secured party are to be construed as LESSEE and LESSOR.



CONSIGNMENT - This filing is for informational purposes only. The terms debtor and secured party are to be construed as CONSIGNEE and CONSIGNOR.

1. DEBTOR(S) (or assignor(s))
(last name first, and address(es))

JENSON, Lawrence N. and
JENSON, Nina M.
PO Box 326
Carson, WA. 98610

2. FOR OFFICE USE ONLY

FILED FOR RECORD
SKAMANIA CO. WASH
BY Jan K. Kiepinski

MAR 20 3 04 PM '86

E. McFarland

INSTRUMENT NO. 2404

FILED BY Jan K. Kiepinski

AT 3:04 PM 3-20-86

E. McFarland

3. NUMBER OF ADDITIONAL SHEETS ATTACHED:

AUDITOR
GARY M. OLSON

DEPUTY COUNTY AUDITOR
SKAMANIA COUNTY, WASH.

4. SECURED PARTY(IES) (or assignee(s))
(name and address)

SMITH, Hubert D. and
SMITH, Danna L.
Carson, Wa. 98610

5. ASSIGNEE(S) OF SECURED PARTY(IES)
(if applicable)
(last name first, and address(es))

6. This FIXTURE FILING covers the following types or items of property:



The goods are to become fixtures on...



The property is timber standing on...



The property is minerals or the like (including gas and oil) or accounts to be financed at the wellhead or minehead of the well or mine located on...

(Describe real estate. Use legal description.)

Real property located in Skamania County, Wa.

That portion of the Southeast Quarter of the Southeast Quarter of Section 20, Township 3 North, Range 8 East of the Willamette Meridian, described as follows: Beginning at a point 30 feet north and 80 feet east of the southwest corner of the southeast quarter of the said section 20; thence north 90 feet; thence east 57 feet; thence south 90 feet; thence west 57 feet to the point of beginning.

This fixture filing is to be filed for record in the real estate records. If the debtor does not have an interest of record in the realty,

the name of a record owner is _____



Products of collateral are also covered.

7. RETURN ACKNOWLEDGMENT COPY TO

Jan C. Kiepinski, P.C.
Attorneys at Law
PO Box 510
Stevenson, Wa. 98648

FILE FOR RECORD WITH:

COUNTY AUDITOR OF COUNTY
IN WHICH REAL PROPERTY IS
LOCATED

8. This statement is signed by the Secured Party(ies) instead of the Debtor(s) to perfect a security interest in collateral. (Please check appropriate box)



already subject to a security interest in another jurisdiction when it was brought into this state, or when the debtor's location was changed to this state, or



which is proceeds of the original collateral described above in which a security interest was perfected, or



as to which the filing has lapsed, or



acquired after a change of name, identity, or corporate status of the debtor(s)

Complete fully if box (d) is checked; complete as applicable for (a), (b), and (c):

Original recording number _____

Filing office where filed _____

Former name of debtor(s) _____

9. SIGNATURES ON ATTACHED SECURITY AGREEMENT

TYPE NAME(S) OF DEBTOR(S) (or assignor(s))

SIGNATURE(S) OF DEBTOR(S) (or assignor(s))

USE IF APPLICABLE:

TYPE NAME(S) OF SECURED PARTY(IES) (or assignee(s))

SIGNATURE(S) OF SECURED PARTY(IES) (or assignee(s))

10. TERMINATION STATEMENT: The SECURED PARTY(IES) certifies that the SECURED PARTY(IES) no longer claims a security interest under the fixture filing bearing the recording number shown above

NAME _____

SIGNATURE _____

DATE _____

Return to COUNTY AUDITOR of County where original filing/recording was made

Registered
Indexed, Direct
Indirect
Filed
Mailed

SECURITY AGREEMENT

Agreement made this 15th day of September, 1985, between **LAWRENCE N. JENSON** and **NINA M. JENSON**, husband and wife, of Carson, County of Skamania, State of Washington, hereinafter referred to as the "debtors", and **HUBERT D. SMITH** and **DANNA L. SMITH**, husband and wife, of Carson, County of Skamania, State of Washington, hereinafter referred to as the "secured parties".

In consideration of the mutual covenants and promises set forth herein, debtors and secured parties agree as follows:

SECTION ONE Parties

Secured party now owns and operates a floral and garden shop under the firm name of Carson Flowers and Garden Center located in Carson, County of Skamania, State of Washington. The parties hereto have entered into an agreement for the sale of the business. Said agreement is annexed hereto as Exhibit A and is hereby incorporated herein by reference.

SECTION TWO Description of Collateral

Pursuant to RCW 62A.9, debtors hereby give and grant to secured parties a security interest in the following described property:

- (a) Equipment, furniture and fixtures.
- (b) Inventory of every description used in the conduct of the business of debtors and in the possession or control of debtors on or after time of closing of said Agreement for Sale of Business.
- (c) Notes and accounts receivable now outstanding or hereafter arising.

All the aforementioned personal property is herein referred to as collateral.

SECTION THREE After-Acquired Property

This security agreement applies to all collateral of the kind that is the subject of this agreement which debtors may acquire at any time during which this agreement is in effect.

**SECTION FOUR
Payment Obligation**

The security interest herein granted secures payment of Forty Thousand and No/100 (\$40,000.00) Dollars which debtors hereby covenant to pay as follows:

- A. The sum of **Fifteen Thousand Dollars (\$15,000.00)** in cash on execution of this agreement, receipt whereof is hereby acknowledged by seller; and
- B. Assumption by buyer of the following obligations presently owed by seller:

Vancouver Wholesale 1205 W. 8th Street Vancouver, Wa. 98660	\$ 600.00
Russ Berrie & Co., Inc. 20360 70th Avenue South Kent, Wa. 98032	\$ 700.00
Northrup King Co. PO Box 959 Minneapolis, Minnesota 55440	\$ 200.00
Holland Bulb Co. 6441 SE Johnson Creek Blvd. Portland, Oregon 97206	\$ 300.00
Chas H. Lilly Co. 7737 NE Killingsworth Portland, Oregon 97218	\$ 500.00
N.W. Rose Growers PO Box 810 Woodland, Wa 98674	\$ 700.00
Billingsley Evergreens 7525 SE Salmon Portland, Oregon 97215	\$1,000.00
TOTAL	\$4,000.00

and

- C. Six Thousand Dollars (\$6,000.00) to be paid as follows:
1. Two Thousand Dollars (\$2,000.00) on February 15, 1986.

2. Two Thousand Dollars (\$2,000.00) on May 15, 1986.
 3. Two Thousand Dollars (\$2,000.00) on August 15, 1986; and
- D. Fifteen Thousand Dollars (\$15,000.00) to be paid as follows:
1. Monthly payments of Three Hundred Thirty-three and 67/100 Dollars (\$333.67) commencing on the 15th day of October, 1985, and payable on the 15th day of each and every month thereafter until paid in full.
 2. Twelve (12%) percent interest per annum on the unpaid principal balance
 3. Interest shall be deducted from each installment payment and the balance of each payment applied in reduction of principal.

SECTION FIVE
Other Terms and Conditions

1. **Title to Collateral:** Until all installments and all other amounts due hereunder have been paid in full, secured parties shall retain title to and a security interest in collateral.
2. **Priority of Security Interest:** The security interest granted herein is a first and prior security interest on collateral.
3. **Additional Instruments:** Debtors shall join in executing, and shall pay all costs of filing, this security agreement and any financing or termination statement required with respect to collateral, and debtors hereby appoint secured parties as attorneys in fact for debtors to do whatever secured parties may deem necessary to perfect or continue perfected the security interest of secured parties in collateral.
4. **Use of Collateral:** Collateral shall be used by debtors primarily for business purposes.
5. **Loss or Damage:** Loss of or damage to collateral shall not release debtors from the obligations stated herein. Repairs to collateral and to equipment or accessories placed on collateral shall be at the expense of debtors and shall constitute component parts of collateral subject to the terms of this agreement.
6. **Notice:** Notice to debtors, required hereunder by RCW 62A.9 or other applicable statutes of the State of Washington,

shall be deemed given when sent to the above stated address of debtors.

7. **Default:** The occurrence of any of the following shall constitute a default hereunder:

a. Failure of debtors to perform any obligation or agreement specified herein.

b. Death of debtors.

c. Institution of any proceeding in bankruptcy, receivership or insolvency against debtors, institution by any party of any action for attachment or similar process against collateral, issuance of execution process against any property of debtors, entry of any judgment against debtors, any assignment for benefit of creditors, or similar action adversely involving debtors.

d. Good faith belief by secured parties on reasonable grounds that the prospect of performance of any obligation of debtors hereunder, or of performance or payment of any obligation secured hereby, by debtors is materially diminished.

8. **Remedies:** In the event of a default hereunder, secured parties shall have the right to declare all unpaid installments immediately due, enter any premises of debtors and without breach of peace take possession of collateral, and exercise any or all of the rights on default possessed by secured parties under RCW 62A.9, laws of the State of Washington. Secured parties may require debtors to assemble collateral and make collateral available to secured parties at a place to be designated by secured parties that is reasonably convenient to secured parties and debtors. Any notice of sale, disposition, or other intended action by secured parties, sent to debtors at the address specified above or such other address of debtors as may from time to time be shown on the records of secured parties, at least 20 days prior to such action, shall constitute reasonable notice to debtors. Debtors shall pay all costs and expenses incurred in enforcing the remedies of secured parties hereunder, including reasonable attorneys' fees and all advances made by secured parties to protect their security interest hereunder, including advances made for or on account of levies, insurance, repairs, taxes, and for maintenance or recovery of collateral.

9. **Waiver:** All rights of secured parties hereunder are cumulative, and no waiver of any default shall affect any subsequent default. No exercise or partial exercise of remedy shall be construed to preclude the exercise of any other remedy or of the remainder of any partially exercised remedy at a later time, or of the same remedy at a later time.

10. Effect of Agreement: This writing contains the full, final, and exclusive statement of the agreement of debtors and secured parties.

Debtors acknowledge receipt of a copy of this agreement.

SECURED PARTIES:

Hubert D. Smith
HUBERT D. SMITH

Danna L. Smith
DANNA L. SMITH

DEBTORS:

Lawrence M. Jensen
LAWRENCE M. JENSEN

Nina M. Jensen
NINA M. JENSEN

EXHIBIT "A"

AGREEMENT FOR SALE OF BUSINESS

Agreement made September 15, 1985, between **HUBERT D. SMITH** and **DANNA L. SMITH**, husband and wife, of Carson, County of Skamania, State of Washington, herein referred to as "seller" and **LAWRENCE N. JENSON** and **NINA M. JENSON**, husband and wife, of P.O. Box 326, Carson, County of Skamania, State of Washington, herein referred to as "buyer".

The parties recite and declare:

1. Seller now owns and conducts a floral and garden shop under the firm name of **CARSON FLOWERS AND GARDEN CENTER**, located in Carson, County of Skamania, State of Washington.
2. Seller desires to sell and buyer desires to buy such business for the price and on the terms and conditions hereinafter set forth.

For the reasons set forth above, and in consideration of the mutual covenants and promises of the parties hereto, seller and buyer covenant and agree:

SECTION ONE
Sale of Business

Seller shall sell to buyer seller's above described business, including all assets thereof, as hereinafter listed and as more specifically set forth and enumerated in the schedule annexed hereto entitled Exhibit "A" and made a part hereof by this reference as though fully set forth.

SECTION TWO
Consideration

In consideration for the transfer of the above described business from seller to buyer, buyer shall pay to seller the sum of **FORTY THOUSAND DOLLARS, (\$40,000.00)**, as follows:

- A. The sum of **Fifteen Thousand Dollars (\$15,000.00)** in cash on execution of this agreement, receipt whereof is hereby acknowledged by seller; and
- B. Assumption by buyer of the following obligations presently owed by seller:

Vancouver Wholesale
1205 W. 8th Street
Vancouver, Wa. 98660

\$ 600.00

Russ Berrie & Co., Inc.
20360 70th Avenue South
Kent, Wa. 98032

\$ 700.00

Northrup King Co.
PO Box 959
Minneapolis, Minnesota 55440

\$ 200.00

Holland Bulb Co.
6441 SE Johnson Creek Blvd.
Portland, Oregon 97206

\$ 300.00

Chas H. Lilly Co.
7737 NE Killingsworth
Portland, Oregon 97218

\$ 500.00

N.W. Rose Growers
PO Box 810
Woodland, Wa 98674

\$ 700.00

Billingsley Evergreens
7525 SE Salmon
Portland, Oregon 97215

\$1,000.00

TOTAL

\$4,000.00

and

C. Six Thousand Dollars (\$6,000.00) to be paid as follows:

1. Two Thousand Dollars (\$2,000.00) on February 15, 1986.
2. Two Thousand Dollars (\$2,000.00) on May 15, 1986.
3. Two Thousand Dollars (\$2,000.00) on August 15, 1986; and

D. Fifteen Thousand Dollars (\$15,000.00) to be paid as follows:

1. Monthly payments of Three Hundred Thirty-three and 67/100 Dollars (\$333.67) commencing on the 15th day of October, 1985, and payable on the 15th day of each and every month thereafter until paid in full.
2. Twelve (12%) percent interest per annum on the unpaid principal balance
3. Interest shall be deducted from each installment

payment and the balance of each payment applied in reduction of principal.

SECTION THREE Allocation of Purchase Price

The purchase price of Forty Thousand Dollars, (\$40,000.00), shall be allocated to the various assets of the business as follows:

- (a) Equipment, furniture, and fixtures: \$15,000.00
- (b) Good will: \$2,000.00
- (c) Stock in trade on premises or to be delivered prior to closing day (including rights under contracts, licenses and agreements): \$20,000.00
- (d) Covenant not to Compete \$3,000.00

SECTION FOUR Security Interest

Buyer agrees to execute a security agreement granting Seller a continuing security interest in all inventory, equipment, furniture, fixtures and notes and accounts receivable now owned or hereafter acquired by Buyer as security for Buyer's payment obligations contained in this agreement.

SECTION FIVE Time of Closing

This agreement shall close on September 15, 1985, at 3:00 p.m., at the office of Jan C. Kielpinski, attorney for seller, at 27 Russell Street, Stevenson, Washington. At such time, upon payment by buyer of the portion of the purchase price then due, seller shall deliver to buyer a Lease With Option to Purchase, and all other instruments of sale, conveyance, or assignment that may be required for the proper transfer by seller to buyer of all of the assets of the above described business enumerated in the schedule in Exhibit "A".

SECTION SIX Covenant Not to Compete

Seller shall not engage in a business similar to that involved in this transaction in any capacity directly or indirectly, except as the employee of buyer, within a radius of twenty-five (25) miles of Carson, Washington, for a period of three (3) years from the date of closing.

SECTION SEVEN Conduct of Business

Between the date of execution hereof and the date of closing, the seller will carry on seller's business in the usual and

ordinary manner and will not enter into any unusual contract or make any unusual commitment affecting the operation of the business beyond such closing date without consent of buyer.

SECTION EIGHT
Assumption of Liabilities

Buyer agrees to assume those liabilities that arise in the ordinary course of seller's business after the signing of this contract but before closing. Buyer shall not be liable for any of the obligations or liabilities of seller of any kind and nature other than those specifically assumed under this section. Buyer will indemnify seller against any and all liability under the contracts and obligations assumed hereunder, provided that seller is not in default under any of such contracts or obligations at the date of closing.

SECTION NINE
Rental of Building

The building located at the above address, owned by the seller, will be rented to the buyers subject to that certain Deed of Trust dated October 19, 1982, recorded under Auditor's File No. 94901, in Book 58 of Mortgages, page 901, in the official records of the County of Skamania, State of Washington, for a period of three (3) years from date of closing at a rental of Three Hundred Fifty Dollars (\$350.00) per month payable in advance on the 1st day of each and every month. Utilities are to be paid by the buyer during such period.

SECTION TEN
Bulk Sales Law

The seller will duly comply with the provisions of Article 6 of the Uniform Commercial Code of the State of Washington by furnishing lists of creditors of the business, as required by the laws of the State of Washington.

SECTION ELEVEN
Seller's Warranty as to Absence of Litigation

Seller hereby represents and warrants that there is no pending administrative, civil, or criminal litigation involving the business sold, nor any demands or claims that would materially and adversely affect the same or Seller's financial condition.

SECTION TWELVE
Sale "As Is"

Buyer acknowledges that he has examined the properties covered by this agreement and is purchasing the same in an "as is" condition.

SECTION THIRTEEN

Seller and buyer shall each pay all costs and expenses incurred or to be incurred by each of them respectively in negotiating and preparing this agreement and in closing and carrying out the transactions contemplated thereby.

SECTION FOURTEEN
Time of Passing of Title

Title to the properties sold under this agreement shall pass to the buyer at the time of final payment of the purchase price.

SECTION FIFTEEN

Modification

No alteration or other modification of this agreement shall be effective unless such modification shall be in writing and signed by the parties.

SECTION SIXTEEN

Time of the Essence

Time is of the essence of this agreement. Seller's acceptance of past due payments does not constitute a waiver of this provision.

SELLER :

Hubert D. Smith
HUBERT D. SMITH

BUYER :

Lawrence N. Jensen
LAWRENCE N. JENSEN

Danna L. Smith
DANNA L. SMITH

NINA M. JENSON

STATE OF WASHINGTON)
) ss
County of Skamania)

On this day personally appeared before me HUBERT D. SMITH and DANNIA L. SMITH, husband and wife, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

EXHIBIT "A"

1 fan #2072	4 outside tables
1 heater #0787001	32 flower buckets
1 wooden display	oplate glassgon
6 4' light fixtures	9 plant stands
13 8' light fixtures	spot light
metal stands	plate glass shelves
fire extinguisher	3 wire shelves
plastic cabinets	shelve brackets
polr iron plant	298 peg board shelving
air conditioner #625340	480 wood shelves
3 ribbon rakes	235 brackets
4 green gondolas	3 ceiling displays
2 platforms	curtains
2 clocks	register #1311653
1 teacart	
2 stools	
2 short stools	
1 ladder	
1 wood shop garden table	
scales #41180-4	
1 register #990010702	
1 inside sign	
1 outside sign	
1 road sign	
1 window hanger	
double sink	
front counter with file:	
3 garden gondolas	
2 file cabinets	
desk	
chair	
calculator #OS-1111	
pick machine #34790	
tools	
2 staplers	
3 glue guns	
chairs	
chest	
cooler unit #C-140477	
2 tables	
5 wall units	
pegboard unit	
1 silk display	
4 plant stands misc.	
driftwood display	
gondola units	
back check stand	
workshop table	
garden check stand	

Rental Equipment:

3 spreaders
3 rollers
2 brass candlelabras
2 brass plant stands
2 brass baskets
2 brass baskets
3 white basket stands
wedding arch

EXHIBIT "A"